


Stafford County Public Schools
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# Annual Comprehensive Financial Report

**Fiscal Year 2024 | (July 1, 2023 – June 30, 2024)**

## Stafford County Public Schools

**(A COMPONENT UNIT OF STAFFORD COUNTY, VIRGINIA)**

# 2024
# Annual Comprehensive Financial Report

## For the Fiscal Year Ended June 30, 2024
## (July 1, 2023 – June 30, 2024)


**Prepared by:**
Department of Financial Services

**Chris R. Fulmer, CPA, CFE**
Deputy Superintendent & Chief Operating Officer

**Lisa Gumaer, CPA**
Director, Finance

**Joy S. Eure, CPA**
Assistant Director, Accounting

**Terrilyn S. Pete, CPA**
Assistant Director, Financial Reporting

**Kimberly J. Washington**
Executive Assistant


Stafford County Public Schools

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Stafford County Public Schools
A Component Unit of Stafford County, Virginia
June 30, 2024




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Mr. Darrell English, Hartwood District
Ms. Crystal Vanuch, Rock Hill District

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Mr. Chris R. Fulmer, Deputy Superintendent & Chief Operating Officer
Mr. Michael Bolling, Chief Academic Officer
Ms. Sandra K. Osborn, Chief Communications Officer
Dr. James Stemple, Chief of Schools
Dr. Ann M. Bueche, Chief Support Services Officer
Mr. Patrick J. Byrnett, Chief Talent Officer
Mr. Jay E. Cooke, Chief Technology Officer
Ms. Lisa F. Boatwright, Division Counsel

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# Introductory Section

**STAFFORD COUNTY PUBLIC SCHOOLS**
31 Stafford Avenue
Stafford, Virginia 22554-7246
Phone: (540) 658-6000
www.staffordschools.net

**SCHOOL BOARD**
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**SUPERINTENDENT**
Daniel W. Smith, Ed. D.

January 22, 2025

Stafford County School Board
31 Stafford Avenue
Stafford, Virginia 22554

Madam Chair and Members of the Board:

We hereby submit the Annual Comprehensive Financial Report (ACFR) of Stafford County Public Schools (Stafford Schools, or the division) for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of Stafford Schools. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various activities and funds of Stafford Schools.

## Overview of the Annual Comprehensive Financial Report

This ACFR is divided into four sections: (1) Introductory, (2) Financial, (3) Statistical, and (4) Compliance. The Introductory section includes this Letter of Transmittal, plus a list of the School Board members and principal officials and the organizational chart for Stafford Schools. The Financial section, prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and accompanying notes to the financial statements, and Required Supplementary Information (RSI).

In addition, the Financial section contains other supplementary information, including the combining financial statements. The MD&A is management's narrative overview and analysis of the basic financial statements, which should be read in conjunction with this Letter of Transmittal. The Statistical section contains selected financial and demographic information generally presented on a multi-year basis. The final section is the Compliance section, which includes information with respect to the Single Audit Act (see below).

### Independent Audit

Stafford Schools' financial statements have been audited by the accounting firm of PBMares, LLP and earned an unmodified opinion. PBMares, LLP examined, on a test basis, documents supporting the amounts and disclosures in the financial statements, assessed the accounting principles used and significant estimates made by management, and evaluated the overall financial statement presentation. The Report of Independent Auditor is included as the first document in the Financial section of this report.

### Single Audit Act

Stafford Schools is required to undergo an annual single audit in conformity with the provision of the U.S. Office of Management and Budget's (OMB) *Compliance Supplement* and Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Guidance*. Information related to this single audit, including a Schedule of Expenditures of Federal Awards, the Report of Independent Auditor on Compliance for each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance, the Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*, and a Schedule of Findings and Questioned Costs, are included in the compliance section of the ACFR.

## Profile of the County of Stafford and Stafford County Public Schools

### The County of Stafford

Historical sites as well as cultural and recreational opportunities abound for residents of the County of Stafford, Virginia (Stafford County, or the county).

Located across the Rappahannock River from the City of Fredericksburg, Stafford County's rich history is evident in places like Ferry Farm, George Washington's boyhood home; Chatham, an 18th century manor house; and Belmont, artist Gari Melchers' estate and gallery. Because of its close proximity to the richness of historical Virginia, the cultural attributes of Washington, D.C., and the recreational opportunities of the Atlantic Ocean, Chesapeake Bay, and the Blue Ridge Mountains, Stafford is one of the most attractive counties in the state. It is a family-oriented suburban community with plenty of rural countryside. Stafford is located between the major commuting centers of Washington, D.C. and Richmond, Virginia.

An elected seven-member Board of Supervisors, representing the following districts, governs Stafford County: Aquia, Falmouth, Garrisonville, George Washington, Griffis-Widewater, Hartwood, and Rockhill. The Board of Supervisors recently reevaluated and updated its Strategic Plan for 2024 – 2029 to reflect the growing County's needs and the results of its first community survey. Stafford conceived its first-ever strategic plan in 2018, with that plan's initiatives ending in 2022. Therefore, the Board took the necessary time to review the plan and develop new initiatives to meet the changes and demands of a growing county, expecting that new initiatives would be developed in 2030. The revised strategy focuses on transportation, a vibrant community, educational and wellness partnerships, public safety, economic diversification, excellence in governance and growth management.

Stafford County, Virginia's estimated 2024 population is 167,421 (*2024 County Profile, Population & Demographic Data)* with a growth rate of approximately 1.3% in the past year according to the most recent United States census data. Stafford County is the 12th largest county in Virginia. The county has seen a growth of nearly 30% since 2010, when its population was 128,961.

### Stafford County Public Schools

The citizens of Stafford County expect and support a quality educational system. Prior to the pandemic, our students regularly scored at or above the state and national averages on standardized tests and earned awards at the regional, state, and national levels. Like many school divisions across the Commonwealth and the nation, Stafford County's students experienced learning loss due to the challenges wrought by remote learning and other stressors of the pandemic. Administrators, classroom teachers and the larger community continue to collaborate on strategies to address the social, emotional and academic needs of students moving forward.

Programs and policies of Stafford Schools are established by an elected seven-member School Board, representing the same districts as the County's Board of Supervisors. The School Board itself has no power to levy and collect taxes, or to increase the budget. The County's Board of Supervisors appropriates all funds to Stafford Schools for educational expenditures, levies taxes, and issues debt on behalf of Stafford Schools.

The School Board employs a superintendent of schools to administer the public school division. A full range of public educational services, including special education, vocational education, and gifted education, are provided to students from Pre-Kindergarten through 12th grade at thirty-three school sites. Several academic programs, including Advanced Placement, Dual Enrollment, International Baccalaureate World Schools, and a variety of Career and Technical Education programs are available to high school students. The school division also embraces the fine and performing arts as well as service learning opportunities across all grade levels. Stafford Schools is preparing to open a new high school and two new elementary schools in 2026 to meet the needs of our growing county.

### Impact of the COVID-19 Global Pandemic

The COVID-19 epidemic, later characterized as a global pandemic, triggered an abrupt halt to education as we have known it in Stafford County and across the United States. On March 13, 2020, Governor Ralph Northam announced that Virginia schools would be closed for two weeks in response to the spread of the virus. Effective March 23, 2020, Northam ordered all public schools to remain closed through the end of the academic year and by March 30, 2020, the Washington, D.C., Maryland, and Virginia (DMV) region issued formal “stay-at-home” orders.

Stafford Schools’ staff were immediately mobilized to mitigate the negative effects of an extended school closure by developing home learning activities and providing meals to students who rely on school breakfast and lunch programs. Moreover, enhanced cleaning and sanitizing protocols were enacted, consistent with Centers for Disease Control and Prevention (CDC) guidelines. Steps were taken to narrow the digital divide between students who had both technology hardware and internet access and those who did not. This included the purchase of Chromebooks and portable Wi-Fi hotspots. Equally important, Stafford Schools worked to keep the school community and all stakeholders informed and engaged at every point in the process, seeking not only to advise them of new and relevant information in a timely manner but also to secure information from them to aid our decision-making.

The 2021-22 school year saw a return to in-person learning in Stafford Schools for all students. Mask mandates and other mitigation strategies were maintained throughout the school division in accordance with CDC guidance. Stafford Schools -- like many other school divisions in our region, state and country -- had to cope with a shortage of bus drivers, nutrition services workers, and substitute teachers. We also saw the effects of learning loss on our student population. The school division worked to create a personalized and flexible remediation and acceleration model, which provided students with additional time and opportunities to recover from learning loss due to the pandemic and academic difficulties.

During the 2022-23 school year, staff redeveloped the school improvement planning process to strategically target improvement in student achievement and provide support at every school. Division-wide expectations were established to ensure consistency in the implementation of the division curricula and pacing, discipline procedures, and attendance expectations.

The 2023-24 school year saw students beginning to make up ground on lost learning. Standardized test scores saw students perform at or above prior year levels. Though still not at pre-pandemic levels, the increases are promising and indicate that we are moving in the right direction. As Federal funding for pandemic-era programs expire, Stafford Schools continue to focus on the academic and social/emotional needs of students.

## Economic Outlook

### Median Household Income

Median household income in Stafford County in 2024 was estimated at $128,036 *(2024 County Profile)*. This compares to the median household income in Virginia of $80,963 *(U.S. Census Bureau, Current Population Survey Yearly Supplement)*. Nearly 80% of Stafford residents live in owner-occupied housing, with the median value of owner-occupied dwellings estimated at $431,900. (*U.S. Census Quick Facts*)

### Composite Index

The Commonwealth of Virginia computes an index figure for each locality, known as the Composite Index of Local Ability-to-Pay (Composite Index or Index). The calculation for the Composite Index is very complex, as summarized in *Management's Discussion & Analysis*. The Composite Index determines how much the required local match contribution to state funding for the standards of quality (SOQ) programs, incentive programs, and the lottery-funded programs. The Composite Index decreased from 0.3411 in the state biennium covering fiscal years 2023 and 2024 to 0.3312 in the state biennium covering fiscal years 2025 and 2026.

### Impact of State Funding

The Composite Index, as discussed above, attempts to bring equity across the State. State funds are disbursed based on this Index. As a locality acquires greater wealth, the State adjusts the Index upward, which reduces State funding and increases the locality's funding responsibility. Despite the effects of the recession that followed the Covid-19 pandemic, Virginia is still widely regarded as an excellent state for business, an important component of a state's health and economic growth.

## Major Initiatives and Accomplishments

### Department of Academic Programs Accomplishments

Accomplishments of the Department of Academic Programs, in collaboration with the Offices of School Leadership and Professional Learning, for 2023-2024 are highlighted below:

- Planned for the opening of three Specialty Centers in 2024-2025 and expanded four year program pathway offerings for secondary students.
- Revised K-12 curriculum to reflect state and local expectations.
- Redesigned the school improvement planning process to strategically target improvement in student achievement and supports at every school - shared publicly, quarterly reviews.
- Established division expectations to ensure consistency in implementation of the division curricula and pacing, discipline procedures, and attendance expectations.
- Developed infrastructural documents to support student learning.
- Expanded access to attendance, discipline, and instructional achievement data through the QLIK dashboard to inform and monitor school improvement plans.
- Planned for the implementation of a division multi-tiered system of supports (MTSS) for K-12 students to improve access to student support services.
- Planned for the implementation of training for K-8 teachers on the science of reading and evidence-based literacy instruction in conjunction with the implementation of the Virginia Literacy Act.
- Implemented a plan to enroll all students in Algebra I during the middle school years.
- Planned to implement additional elementary assessments and processes to monitor student progress in literacy instruction.
- Provided professional learning and technical support to school administration and school staff, including identified areas of need.
- Implemented a three-year Division Literacy Plan.

## Department of Student Services Accomplishments

### VDOE Annual Performance Report

The Virginia Department of Education (VDOE) designated Stafford Schools as Meets Requirements (highest rating) for the 2022-2023 reporting year. The VDOE determines this rating based on whether the school division complies with State Performance Indicators. Areas monitored by VDOE include: compliance indicators for suspension and expulsion of students with disabilities, disproportionate representation of racial and ethnic groups in special education, timelines for eligibility, post-secondary goals for transition, correct and timely submission of data, and percentage of students with disabilities participating in statewide assessments and graduation. The VDOE reports data on these indicators in August for the previous school year; data for 2023-2024 will be available in August 2025.

### Inclusive Practices

The Inclusive Practices Taskforce broke into three subcommittees to develop documents for schools in support of social, academic and physical inclusion. These three areas must be carefully considered when providing an environment that is truly inclusive of all students.

### Multi-Sensory Reading Training for Staff

The Office of Student Support Services and Special Education continues to provide and expand on multi-sensory reading training for staff in all schools. The training takes place throughout the course of the year, and it provides teachers with tools and strategies to work more exclusively with students who have reading difficulties, to include dyslexia. This program continues to expand and we are reaching out to more teachers at each school to ensure that all are trained to meet the unique needs of students.

### Project SEARCH/Post Grad Programming

We continue to host post-grad students at Mary Washington hospital and the program continues to be a success. This year we hosted eight post-graduate students through Project SEARCH. The program continues to provide an opportunity for three (3) ten week internships in a job setting for students with various disabilities. During the 2023-2024 school year, Stafford Schools continued its partnerships with Mary Washington Healthcare, the Department of Aging and Rehabilitative Services (DARS), and Rehabilitative Services and Vocational Placement (RSVP) to teach students a variety of job skills in the Mary Washington Healthcare hospital setting. This program provided positive outcomes for all involved.

### Start on Success (SOS)/Post Grad Programming

The 2023-2034 school year marked the start of our partnership with the Department of Aging and Rehabilitative Services (DARS) to implement the SOS program, which fosters and facilitates postsecondary competitive integrated employment, education, and independent living for students with disabilities.

SOS is a model transition program that provides selected students with work-based learning experiences and workplace readiness skills training. This school-to-work program offers support from the DARS Vocational Rehabilitation Counselor, school division, worksite mentors, parents and a local business. The SOS program provides half-day, paid internships for students with disabilities. The SOS interns are on track to receive standard or advanced studies diplomas. The SOS program includes pre-employment transition services activities outlined in the Workforce Innovation and Opportunity Act, including job exploration counseling, work-based learning experiences, workplace readiness training and instruction in self-advocacy. DARS provided funding for the hourly wage paid to the interns during the final semester of school for their work at the business site.

### Nursing

We continue to provide direct oversight to mitigating various medical outbreaks as they occur in buildings and providing staff at each site with support when navigating those situations. We established health protocols that will help support the outbreak of health conditions, such as the flu, and we also provided numerous training opportunities and support for nurses and staff to continue to keep our students and staff safe.

### Mental Health Support and Training

We continue to provide mental health support and training for all staff to support the overall well-being of our students. We are in the exploration phase of adopting a new social emotional curriculum for teachers to implement with students and we provide building level support for the implementation of those strategies.

The Caring Collective conference was launched in the 2023-2024 school year to bring mental health providers together and cultivate collaboration among school teams and consistency in procedures across the division. Topics included attendance, suicide risk assessment and response, cultural awareness, and cohesion and collaboration amongst Specialized Instructional Support Personnel in support of student wellness.

For the 2023-2024 school year, we partnered with the Rappahannock Area Community Service Board (RACSB) to provide school-based outpatient counseling at two of our high schools.

This was the first of a two-year implementation of the NS3C grant which supports two elementary schools. The grant focuses on supporting student mental health through staff training on trauma-informed care and culturally relevant and responsive school systems.

Additionally, school year 2023-2024 was the first year of our partnership with The Jed Foundation (JED), a nonprofit that protects emotional health and prevents suicide for our nation's teens and young adults, giving them the skills and support they need to thrive. We partnered as a division for the District Comprehensive Approach (DCA) pilot and our five high schools and the Phoenix Center signed onto JED HS, collected data, and developed a strategic plan to better support the mental health needs of our students.

## Nutrition Services Accomplishments

The Stafford Schools Nutrition Services department is committed to enhancing student learning by providing high quality, nutritious, and diverse meals with outstanding customer service. The nutrition department is excited to share the following operational successes for school year 2023-2024:

- Satisfactorily added two additional schools to the Community Eligibility Provision (CEP). CEP schools provide student meals free of charge while removing the burden on families to submit free and reduced meal applications. CEP is currently offered at five elementary schools, two middle schools and at two Head Start programs.
- The Nutrition Services team at Brooke Point High School received the 2024 Virginia School Breakfast Award, which recognizes schools for excellence in prioritizing the School Breakfast Program and making the connection to the #AttendanceMattersVA campaign. The division's nutrition program continues to improve the nutritional value and popularity of school breakfast by adding protein rich and nutrient dense entrees to the student menu.
- Nutrition Services was awarded a $30,000 grant from No Kid Hungry Virginia to successfully launch student self-serve fresh salad bars in eleven schools.
- The nutrition program successfully served a total of 4,509,032 student meals which included 1,559,995 breakfasts and 2,949,037 lunches for the year.
- The department witnessed an impressive increase in student participation for breakfast and lunch of 12.7% and 12.2%, respectively, compared to the 2022-2023 school year.

- The Nutrition department continued to enhance school menus with the addition of the Virginia Harvest of the Month initiative. School menus featured fresh locally grown produce such as fresh sweet potatoes, kale, Gala apples, and more.
- Nutrition Services was awarded an honorable mention for the 2024 Virginia School Boards Association (VBSA) Food for Thought Competition for outstanding efforts in the Healthy School Meals initiative.

## Office of Human Resources and Talent Development Accomplishments

In fiscal year 2024, the Office of Human Resources and Talent Development (HRTD) began a two year Office Improvement Plan, with two goals: providing consistent, reliable service delivery of expected procedures and services across all work streams, and becoming a trusted partner for all staff. These goals were informed by analysis of prior performance data for human resources and professional learning functions, feedback from school and department administrators via confidential survey, feedback from HRTD employees via confidential survey, and feedback from participants in events led by the office. The office completed the first two cycles under the "Plan, Do, Study, Act" model for improvement used for school improvement plans.

### Talent Development

Stafford Schools continued efforts to provide high quality support to all staff, instructional and service, through collaborative work. The Department of Talent Development (previously Department of Recruitment and Professional Learning) served as a key nexus between schools and central departments on all aspects of the talent development cycle, including new teacher mentoring, professional skill development, instructional coaching, leadership development, and performance management.

The targets established for the first two office improvement plan cycles included completion of mandatory evaluation elements for instructional staff, positive feedback on directly-delivered professional learning, establishment of a fiscal year 2025 professional learning plan for the division, and streamlining mandatory training requirements for employees.

**Accomplishments:**

- Established a comprehensive professional learning plan for the division for 2024-25 oriented around "Ignite the Stafford Flame: TEAM Stafford", including featured offerings for instructional staff, paraprofessionals, clerical staff, and administrators, as well as general interest learning opportunities related to professional skills such as Google Suite, communication, and teamwork.
- Planned the first professional development conference for non-licensed employees that featured current employees, partners and presenters and offered employees choice on topics of participation versus division-determined topics.
- Expanded partnership with the University of Mary Washington to offer additional learning opportunities for mid-tier professionals focused on leadership development and soft-skills.
- Completed the two year design of a competency based model for site-based instructional coaching, focused on transforming instructional technology resource teachers to become innovative learning coaches and evolve reading and math specialists to focus primarily on instructional support to teachers versus direct intervention with students. This model was rolled out in March 2024 for implementation in 2024-25, with an initial training for all School Learning Support Teams (administrators and these specialist roles) at our Summer Leadership Academy in June.
- Launched a new performance management platform (Powerschool's TalentEd Perform) to improve completion and monitoring of evaluation work, shared data reports to inform decisions by senior leaders, and also conducted regular professional learning sessions and "open office hours" for administrators to support effective performance management.

- Continued refinement of existing professional learning matters, including Prep for Success Week (for new licensed hires), Mentor360 (differentiated mentorship for new licensed hires based on experience, subject area, and site placement), Stafford Substitute Institute (multi-day learning for substitute teachers), restorative justice practices at pilot sites, and site-based Wellness Coordinators.
- Expanded use of the Powerschool Professional Learning platform to ensure mandatory training completion by all employees by job class/assignment.

## Human Resources

The Department of Human Resources (DHR) continued to focus on strong staffing in licensed, classified, and administrative positions for schools and departments. Licensed positions (including teachers as well as counselors, librarians, psychologists, social workers, and other related health service providers) remain a top priority based on the School Board's adopted budget priorities, which emphasized maintenance of elementary class sizes below state requirements, robust and diverse courses of study at the middle and high school levels, and added positions to address student social and emotional health. To support this, the department was reorganized to bring recruitment and staffing under the same umbrella (as they had been prior to fiscal year 2023), add personnel to support school staffing, and cross train additional staff to support core operations such as FMLA/ADA, employee relations, and records management.

The targets established for the first two office improvement plan cycles included database and workflow improvements to improve accuracy, transparency, and efficiency, root cause analysis to inform organizational decisions to support recruitment and staffing, and positive feedback from HR staff and hiring managers on preparation to use a new applicant tracking and hiring system.

**Accomplishments**:

- Adopted a new applicant tracking and hiring system (Powerschool's TalentEd Hire) effective January 2024 to streamline all parts of the application and hiring process, with strong user feedback from all parties on the ease of use and improvement over the prior system, and 1,400 unique applicants for licensed positions between launch and the start of the school year (more than four applicants per vacancy on average).
- Reduced time from recommendation by hiring manager to offer letter significantly through augmented systems and processes, improving to more than 90% of offers going out within two business days by the end of the fiscal year.
- Refined implementation of enrollment-based staffing standards for grades K-12 to improve projected membership for special populations (special education, ESOL, and specialty program participants in HS), improve transparency of staffing allocations by site, adopted standards for early childhood programs, and enhanced position management collaboration across departments.
- Opened the 2024-25 school year with nearly 98% of budgeted licensed positions filled (62 vacancies out of 2,600 budgeted licensed positions).
- Maintained a division-wide work atmosphere of adherence to labor standards and safe and supportive environments, including consistent honoring of workplace safety rules, equal employment opportunity, FLSA compliance, as well as successful resolution of over 170 employee relations concerns (combining grievances and misconduct investigations), with 90% of those requiring direct HR resolution concluding within two weeks of origin.

## Office of Technology Accomplishments

### Instructional Support Systems

One of Stafford's core objectives is to provide adequate resources to facilitate high quality instruction. In support of that goal, the Information Technology Team rolled out a virtual application (app) system. Virtual apps allow students to access Windows apps on any device. The virtual app system provides software for our Visual Arts and Career and Technical Education classes, ensuring high-tech education is accessible to all of our students.

To address the learning loss after the pandemic, the Virginia Department of Education launched the All In Campaign, which focused on high academic tutoring. Accessing these services required new software for student literacy. The technology team collaborated with a multitude of stakeholders to ensure this project's success. This included shepherding the contract, rostering the students, and providing effectiveness reports for reimbursement.

The implementation of a multi-tiered system of support (MTSS) to support early intervention for student success in grades K-5 was successfully launched in collaboration with the Department of Academics and Programs. This system provides a multi-tiered framework for supporting student learning and growth, with a focus on early identification and intervention for struggling learners. All schools are currently utilizing the system to create student reading plan goals and track student progress towards those goals. The MTSS module built into our student information system is proving to be a valuable tool in enhancing reading outcomes for students.

### Security

In collaboration with the Department of Academic Programming, the Office of Technology leveraged a software data management platform to improve student data privacy compliance. With the platform, we built a list of approved resources that have been vetted for curriculum relevance and protection of students' privacy and personal data. With this new system, we have standardized how software is requested, reviewed and deployed for safe, effective use.

The Office of Technology audited third party applications connected to Google Workspace for Education. The applications were reviewed and confirmed to be appropriate for students under the age of eighteen. As the educational use of digital resources has expanded, applications collecting student data have risen as well. With these new safeguards in place in Google Workspace, our students' privacy is improved in the learning environment.

### Workforce Development

The Office of Technology offers a strong educational foundation to develop the next generation of technology leaders. Along with our award winning intern program, we support and invest in our staff through continuing professional development on our online learning platform.

## Financial Information

Stafford Schools continues its sound financial condition as demonstrated by the financial statements and schedules included in this report, operating within the resources available while achieving many of its program goals. Approximately 85% of the current operating costs are related to employee compensation and providing competitive salaries and benefits to attract and retain qualified staff. This remains a top priority for Stafford Schools in the fiscal year 2025 budget development process.

### Other Post-Employment Benefits (OPEB) Trust Fund

Stafford Schools established an irrevocable trust to invest funds to cover the OPEB liability for current and future retiree health benefit costs. The fair value of the trust fund investments at June 30, 2024 and 2023 was $43,289,637 and $39,575,721, respectively. The cost value of the trust fund investments at June 30, 2024 and 2023 was $23,801,630 and $23,822,932, respectively.

## Internal Controls

The internal control system is designed to provide reasonable, but not absolute, assurance that Stafford Schools' management objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control system should reduce to a relatively low level the risk that material errors or fraud may occur. Materiality is determined in relation to the financial statements taken as a whole. The internal control system should ensure that any material errors or fraud that occurs are detected in a timely manner by employees in the normal course of performing their job duties and responsibilities.

## Budgetary Controls

Stafford Schools' management maintains budgetary controls to ensure compliance with the annual appropriated budget adopted by the School Board. In accordance with state law, the advertised budget is submitted to the Board of Supervisors (BOS) for appropriation. The BOS determines the level of local funding appropriated to Stafford Schools. Based on their appropriation, the School Board makes changes to its advertised budget and usually adopts the approved budget, as amended, by late April or early May, depending upon the timing of the Virginia General Assembly's adoption of the state budget.

Legal spending control is placed on the individual fund level with regard to the County appropriations. However, Stafford Schools has established account level control over the budget with functional reporting. The Financial Services Department ensures that purchase orders and other procurement methods comply with legal purchasing requirements and sufficient budgeted funds are available for the purchases.

Stafford Schools also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Expenditure commitments, including purchase orders and contracts, are encumbered to ensure funds have been reserved and will be available when the purchased goods or services are received and payment is due. Outstanding encumbrances are reported as a reservation of fund balance.

## Risk Management

The risk management program endeavors to minimize or eliminate, when possible, risks that endanger the safety and environmental health of the students, staff, property and financial resources of Stafford Schools. These objectives are met by identifying risk exposures, measuring and analyzing them, and implementing appropriate procedures to mitigate them. The results are monitored and evaluated for effectiveness and revised, as necessary.

Liability risk is managed through insurance. Stafford Schools' insurance policies include: property insurance, surety bonds, and fiduciary insurance. Stafford Schools makes available optional student health insurance for its families, including catastrophic medical insurance for participants in the Virginia High School League. The self-insurance program provides health benefits for active employees and retirees and workers' compensation benefits for active employees. Stafford Schools also retains an insurance broker to render professional services, lead and participate in identifying and analyzing areas of concern and to provide assistance, ideas and solutions to reduce and control risk.

## Cash Management

The County is the custodian of all the cash and investments of Stafford Schools, except certain cash on hand, investments held for certain capital projects, and funds held in local student activity accounts. Stafford Schools does not report a year-end cash balance as it is county policy to reclassify Stafford Schools' year-end cash and equivalent balances as "Due from Primary Government". The Treasurer's Office has custodial and internal control responsibilities over Stafford Schools' cash and cash equivalents, with the exception of Stafford Schools' fiduciary funds, which is explained in Note 1, section F, of the financial statements.

## Acknowledgements

We would like to express sincere gratitude to all the members of the Financial Services Department who were involved in or assisted with the preparation of this report. Our dedicated finance and accounting staff has accomplished the major task of preparing this ACFR and remains committed to the ongoing goal of continuously improving our financial accountability to the citizens of the County of Stafford.

We would also like to thank the School Board for its leadership, oversight and support in conducting the financial affairs of Stafford Schools in a responsible and progressive manner. Your steady support is vital to the financial health of the school division and the accomplishment of its mission.

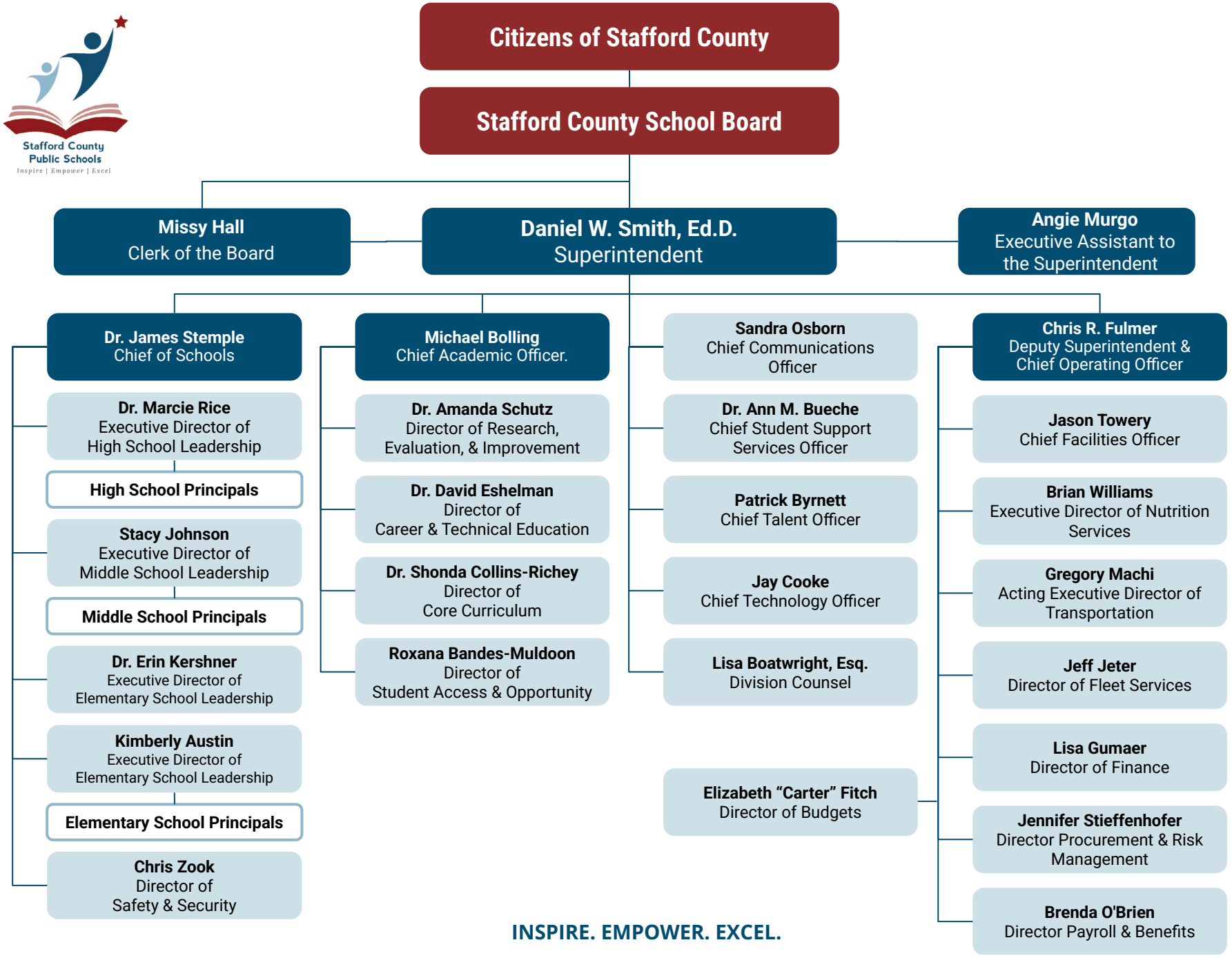
Respectfully,



Daniel W. Smith, Ed.D.
Superintendent



Chris R. Fulmer, CPA, CFE
Deputy Superintendent & Chief Operating Officer




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# Financial Section



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# Independent Auditor's Report



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# INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Stafford County School Board
Stafford County Public Schools
Stafford, Virginia

## Report on the Audit of the Financial Statements

### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stafford County Public Schools (Stafford Schools), a component unit of Stafford County, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Stafford Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Stafford Schools, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stafford Schools' 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.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stafford Schools' 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 Stafford Schools' ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stafford Schools' basic financial statements. The accompanying schedules listed in the table of contents as supplementary information, supplemental schedules, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, supplemental schedules, 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 introductory and statistical sections as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2025 on our consideration of Stafford Schools' 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 Stafford Schools' 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 Stafford Schools' internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
January 21, 2025



Stafford County
Public Schools

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# Management's Discussion and Analysis



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## Introduction

As management of Stafford County Public Schools (Stafford Schools), we offer readers an overview and analysis of financial activities as of and for the fiscal year ended June 30, 2024. This section of the Annual Comprehensive Financial Report (ACFR) presents Management's Discussion and Analysis (MD&A) of the overall financial performance of Stafford Schools during the fiscal year ended June 30, 2024. Readers are encouraged to consider this information in conjunction with Stafford Schools' transmittal letter, basic financial statements, and notes to the basic financial statements to enhance their understanding and use of the basic financial statements.

## Financial Highlights

### Government-Wide Financial Statements

Stafford Schools' total net position on a government-wide basis was $208.8 million at June 30, 2024, as a result of assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources. Total revenues generated in fiscal year 2024 were $481.8 million, which exceeded governmental activities expenses of $466.1 million. This resulted in an increase in total net position of $15.7 million for the current year.

General revenues, which includes funds transferred from the County, totaled $311.8 million and were available to use as needed. Such revenues were sufficient to offset the $296.2 million of program expenses that were in excess of program revenues.

### Fund Financial Statements

Stafford Schools' governmental funds reported a combined fund balance of $108.3 million as of June 30, 2024. This represents a decrease of $33.6 million from the prior fiscal year. The decrease is primarily due to spending on capital projects and improvements, including construction on the sixth high school, and planning and design on the eighteenth and nineteenth elementary schools.

Stafford Schools' General Fund (otherwise referred to as the Operating Fund) reported a fund balance of $6.8 million as of June 30, 2024, which is encumbered for future expenditures. This represents an increase of $1.0 million, or 17.3%, as compared to the June 30, 2023, fund balance of $5.8 million.

The Capital Projects Fund ended fiscal year 2024 with a fund balance of $85.3 million, a decrease of $35.4 million over the prior fiscal year. This fund balance is restricted for construction and improvement projects across the school division.

#### Overview of this Annual Comprehensive Financial Report

According to accounting principles generally accepted in the United States of America (GAAP), state and local governments are encouraged to prepare an ACFR "covering all funds and activities of the primary government and providing an overview of all discretely presented component units of a reporting entity – including an Introductory section, MD&A, basic financial statements, required supplementary information (other than the MD&A), combining and individual fund statements, schedules, narrative explanations, and a statistical section." GAAP further identifies a set of basic financial statements and Required Supplementary Information (RSI) disclosures, and the minimum required contents of a governmental entity's financial report, which are as follows:

- MD&A as RSI
- Basic Financial Statements
    - Government-wide Financial Statements
    - Fund Financial Statements
    - Notes to the Financial Statements

- RSI other than MD&A

The ACFR includes four major sections: (1) Introductory, (2) Financial, (3) Statistical, and (4) Compliance.

**Introductory section:** The introductory section includes a table of contents, a letter of transmittal, a list of principal officials and an organization chart. This introductory section is unaudited.

**Financial section:** The financial section includes the auditor's report, MD&A, the basic financial statements (i.e., government-wide, fund and accompanying notes), RSI, and other supplementary information (i.e., combining financial statements and supporting schedules).

**Statistical section:** The purpose of this section is to provide historical and trend data to help the reader of the financial statements better understand, review, and analyze the overall viability and economic status of the governmental entity. This section presents tables with 10-year historical information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating data. This section is unaudited.

GAAP requires the content of the statistical section to include five categories: (1) financial trend information, (2) revenue capacity information, (3) debt capacity information, (4) demographic and economic information, and (5) operating information. Sources and assumptions must be described for all statistical information presented. Other information is permissible as long as it supports the goal of improving a user's basic understanding and analysis of the governmental entity's economic condition.

**Compliance section:** The final section is the compliance section, which includes information with respect to the Single Audit Act (discussed in the Transmittal Letter) as well as the following two auditor's reports: (1) 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* and (2) Report of Independent Auditor on Compliance for the Major Federal Programs and Report on Internal Control Over Compliance required by the Uniform Guidance. The Schedule of Expenditures of Federal Awards, along with the related note disclosures, is also included in this section.

## The Basic Financial Statements

There are two types of financial statement presentations, the government-wide financial statements (for Stafford Schools as a whole), and the fund financial statements (for each Stafford Schools fund). The government-wide financial statements provide both long-term and short-term information about Stafford Schools' overall financial status on an economic resources focus. The remaining statements are fund financial statements that focus on current financial resources and individual parts of Stafford Schools' operations in greater depth and detail than the government-wide financial statements.

Also included in the financial statements are notes that explain some of the information in the financial statements and provide more detailed financial data and explanations. Following the financial statements is a section of RSI that further explains and supports the information in the financial statements.

The following chart summarizes the major features of Stafford Schools' financial statements and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

The major features of Stafford Schools' government-wide financial statements and fund financial statements are as follows:

| | | Fund Financial Statements | | |
|---|---|---|---|---|
| | **Government-wide Financial Statements** | **Governmental Funds** | **Proprietary Funds** | **Fiduciary Funds** |
| Scope | Entire school division | Activities of school system not fiduciary or proprietary, such as Operating Fund, Capital Projects Fund, Food and Nutrition Services Fund, Grants Fund, and Activity Funds | Activities of school system operating similar to private businesses, such as Fleet Services Fund, Health Benefits Fund and Workers' Compensation Fund | Activities of school system with an agent or trustee overseeing resources or where the school system serves as custodian of funds for another organization, such as OPEB Trust Fund , the Academy of Technology and Innovation at UMW Custodial Fund, and the Employee Flexible Spending Custodial Fund |
| Required financial statements | • Statement of Net Position<br>• Statement of Activities | • Balance Sheet<br>• Statement of Revenues, Expenditures, and Changes in Fund Balances | • Statement of Net Position<br>• Statement of Revenues, Expenses, and Changes in Net Position<br>• Statement of Cash Flows | • Statement of Fiduciary Net Position<br>• Statements of Changes in Fiduciary Net Position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital and short-term and long-term | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital and short-term and long-term |
| Type of inflow/ outflow information | All revenues earned and expenses incurred during year, regardless of when cash is received or paid | Revenues when cash is received during or soon after year-end; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues earned and expenses incurred during year, regardless of when cash is received or paid | All revenues earned and expenses incurred during year, regardless of when cash is received or paid |

## Financial Analysis of Stafford Schools as a Whole

Following is a discussion of the major financial highlights in Stafford Schools' government-wide financial statements.

### Net Position

The following table provides a summary of Stafford Schools' net position as of June 30, 2024 and 2023.

**Summary of Net Position**
**June 30, 2024 and 2023**
**(In thousands of dollars)**

| | Governmental Activities | | | |
|---|---|---|---|---|
| | 2024 | 2023 | Change | % Change |
| **Assets:** | | | | |
| Current assets | $ 109,919 | $ 77,008 | $ 32,911 | 42.7% |
| Noncurrent assets: | | | | |
| Restricted assets | 87,711 | 112,633 | (24,922) | (22.1)% |
| Capital assets, net | 488,884 | 461,456 | 27,428 | 5.9% |
| Total assets | 686,514 | 651,097 | 35,417 | 5.4% |
| **Deferred outflows of resources:** | | | | |
| Pension deferrals | 81,333 | 64,672 | 16,661 | 25.8% |
| OPEB deferrals | 62,828 | 71,847 | (9,019) | (12.6)% |
| Total deferred outflows of resources | 144,161 | 136,519 | 7,642 | 5.6% |
| **Liabilities:** | | | | |
| Current liabilities | 83,546 | 41,108 | 42,438 | 103.2% |
| Noncurrent liabilities | 16,459 | 17,836 | (1,377) | (7.7)% |
| Net pension liability | 217,739 | 195,539 | 22,200 | 11.4% |
| Net OPEB liability | 129,379 | 125,186 | 4,193 | 3.3% |
| Total liabilities | 447,123 | 379,669 | 67,454 | 17.8% |
| **Deferred inflows of resources:** | | | | |
| Pension deferrals | 22,863 | 40,000 | (17,137) | (42.8)% |
| OPEB deferrals | 151,898 | 174,842 | (22,944) | (13.1)% |
| Total deferred inflows of resources | 174,761 | 214,842 | (40,081) | (18.7)% |
| **Net position:** | | | | |
| Net investment in capital assets | 465,535 | 445,740 | 19,795 | 4.4% |
| Restricted | 97,526 | 132,109 | (34,583) | (26.2)% |
| Unrestricted (deficit) | (354,270) | (384,744) | 30,474 | 7.9% |
| **Total net position** | $ 208,791 | $ 193,105 | $ 15,686 | **8.1%** |

Stafford Schools' assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $208.8 million as of June 30, 2024. The largest component of net position is net investment in capital assets of $465.5 million. This represents the portion related to capital and right-to-use assets, net of accumulated depreciation and amortization, less any outstanding liabilities of Stafford Schools that were used to acquire the assets. It should be noted that the *Code of Virginia* does not allow school districts to issue general obligation debt. Therefore, the County issues general obligation debt for Stafford Schools, which is reported in the County's financial statements.

## Changes in Net Position

The following table summarizes Stafford Schools' changes in net position for the fiscal years ended June 30, 2024 and 2023.

**Summary of Changes in Net Position**
**For the Fiscal Years Ended June 30, 2024 and 2023**
**(In thousands of dollars)**

| | Governmental Activities | | | |
|---|---|---|---|---|
| | 2024 | 2023 | Change | % Change |
| **Revenues:** | | | | |
| **Program revenues** | | | | |
| Charges for services | $ 24,854 | $ 23,004 | $ 1,850 | 8.0% |
| Operating grants and contributions | 135,461 | 134,981 | 480 | 0.4% |
| Capital grants and contributions | 9,648 | 117,099 | (107,451) | (91.8)% |
| **General revenues** | | | | |
| Sales tax | 41,059 | 41,096 | (37) | (0.1)% |
| Basic aid | 115,700 | 108,325 | 7,375 | 6.8% |
| Payments from Stafford County | 151,835 | 139,232 | 12,603 | 9.1% |
| Investment earnings | 2,832 | 2,247 | 585 | 26.0% |
| Gain on capital asset disposal and other sales | 38 | 43 | (5) | (11.6)% |
| Miscellaneous | 372 | 546 | (174) | (31.9)% |
| **Total revenues** | 481,799 | 566,573 | (84,774) | (15.0)% |
| **Expenses:** | | | | |
| Education: | | | | |
| Instruction | 286,768 | 256,631 | 30,137 | 11.7% |
| Administration, attendance and health | 60,971 | 55,304 | 5,667 | 10.2% |
| Pupil transportation | 25,800 | 25,728 | 72 | 0.3% |
| Operation and maintenance | 30,598 | 28,739 | 1,859 | 6.5% |
| Food and nutrition services | 17,238 | 17,252 | (14) | (0.1)% |
| Facilities | 22,450 | 22,268 | 182 | 0.8% |
| Technology | 22,070 | 24,791 | (2,721) | (11.0)% |
| Interest and fiscal charges | 218 | 221 | (3) | (1.4)% |
| **Total expenses** | 466,113 | 430,934 | 35,179 | 8.2% |
| **Change in net position** | 15,686 | 135,639 | (119,953) | (88.4)% |
| **Net position, beginning** | 193,105 | 57,466 | 135,639 | 236.0% |
| **Net position, ending** | $ 208,791 | $ 193,105 | $ 15,686 | 8.1% |

Revenue, which include program revenues and general revenues, decreased by $84.8 million, or 15.0% over fiscal year 2023.

Program revenues include charges for services, operating grants and contributions and capital grants and contributions and had the following changes from the prior fiscal year:

- Charges for services increased by $1.9 million mainly due to increases in charges to students for meals, contributions for health and dental premiums, and fees for dual enrollment, summer school, and student activities.

- Operating grants and contributions, mainly from the Virginia Department of Education (VDOE) and the federal government, increased by $0.5 million and included increases to supplement compensation ($10.3 million), All-In funding to support tutoring, literacy, and address chronic absenteeism ($2.7 million), payments in lieu of sales tax ($3.7 million), federal funding from the School Breakfast and Lunch programs ($1.1 million), Impact Aid from the federal government ($0.5 million), and funding for instructional programs ($1.0 million). These increases were offset by decreases in contributions to Stafford Schools' VRS pension and OPEB plans ($6.2 million), federal funding from various pandemic relief programs ($9.5 million), funding from the Emergency Connectivity Fund ($1.8 million), funding from the Virginia Department of Health for air purification supplies ($1.0 million), and federal funding for the Head Start program ($0.3 million).
- Capital grants and contributions decreased mainly due to decreases in funding from Stafford County towards school construction projects ($108.4 million), and from VDOE for school construction grants ($8.0 million) from the the prior fiscal year, offset by funding in the current fiscal year from Stafford County for modular classrooms and various HVAC, mechanical, and improvement projects across the school division ($8.9 million).

General revenues increased by $20.4 million, mostly attributed to increased funding from Stafford County ($12.6 million) and basic aid from the Commonwealth of Virginia ($7.4 million).

Program expenses increased by $35.2 million, or 8.2% over fiscal year 2023 in the following areas:

- Instruction increased by $30.1 million due to increases in salary and benefits for teachers and staff ($17.4 million), pension and OPEB expense ($12.3 million), and student activity fund expenses ($0.4 million).
- Administration, attendance and health increased by $5.7 million due to increases in salary and benefits for administrative and health staff ($1.1 million), health and dental claims and incurred claims ($3.6 million), pension and OPEB expense ($0.7 million), support and purchased services expenses ($0.7 million) offset by decrease in workers compensation ($0.6 million).
- Operations and maintenance increased by $1.9 million due to increases in salary and benefits for staff ($0.2 million), facilities maintenance, cleaning, and grounds costs ($0.9 million), and utilities costs ($0.8 million).
- Technology decreased by $2.7 million due to decrease in computer equipment and online purchases expended of $4.1 million due in part to change in policy to capitalize technology purchases of greater than $150,000 where the individual items are under the $5,000 capitalization threshold offset by increases in depreciation and amortization expense ($0.8 million), pension expense ($0.4 million), and salary and benefits for staff ($0.2 million).

**General Fund Budgetary Highlights**

It is the duty of each division's Superintendent to prepare and submit to the School Board a recommended budget with the estimated funding needed during the next fiscal year to support the division. The School Board, after a public hearing to receive the views of the public, shall submit to the Board of Supervisors an approved budget, with the estimated funding needed during the next fiscal year to support the public schools of the division, by April 1.

The estimate shall set up the amount needed by each major classification prescribed by the Board of Education and such other headings or items as may be necessary. The Board of Supervisors must approve the School Board's budget and the School Board must adopt the approved budget by May 1 of each year or within 30 days after the close of the General Assembly, whichever is later.

Below is a summary of the Stafford Schools operating fund budget for the fiscal year ended June 30, 2024:

**Operating Fund Budget Summary**
**For the fiscal year ended June 30, 2024**
**(In thousands of dollars)**

| | Operating Budget | | | Variance from Final Budget |
|---|---|---|---|---|
| | Original | Final | Actual | Over (Under) |
| **Operating Activity Category** | | | | |
| Total revenues | $ 407,554 | $ 411,824 | $ 409,387 | $ (2,437) |
| Total expenditures | (408,554) | (418,659) | (408,379) | (10,280) |
| Net change in fund balance | $ (1,000) | $ (6,835) | $ 1,008 | $ (7,843) |

## Capital Assets

Below is a summary of Stafford Schools' net capital assets as of June 30, 2024 and 2023, respectively. Additional information on capital assets can be found in Note 5 to the financial statements.

**Net Capital Assets Summary**
**June 30, 2024 and 2023**
**(In thousands of dollars)**

| | 2024 | 2023 | Change | % Change |
|---|---|---|---|---|
| **Category** | | | | |
| Land and land improvements | $ 117,042 | $ 116,217 | $ 825 | 0.7% |
| Construction in progress | 56,913 | 18,188 | 38,725 | 212.9% |
| Building and building improvements | 618,756 | 608,997 | 9,759 | 1.6% |
| Water treatment system | 1,320 | 1,320 | - | -% |
| Furniture, fixtures and equipment | 21,046 | 19,738 | 1,308 | 6.6% |
| Technology infrastructure | 4,799 | 4,375 | 424 | 9.7% |
| Software and subscription based information technology arrangements | 4,606 | 3,964 | 642 | 16.2% |
| Vehicles | 35,685 | 35,660 | 25 | 0.1% |
| Less: accumulated depreciation and amortization | (371,283) | (347,003) | (24,280) | 7.0% |
| Total capital assets, net | $ 488,884 | $ 461,456 | $ 27,428 | 5.9% |

Major capital asset transactions occurring during fiscal year 2024 included the following:

- Commencement of construction on the sixth high school ($22.1 million).
- HVAC and mechanical upgrades at various schools ($10.0 million).
- Installation and furnishing of modular classrooms at various schools ($6.6 million).
- Planning and design for the eighteenth and nineteenth elementary schools ($5.4 million).
- Building and site upgrades (including roofing, fire system upgrades, and renovation projects) at various schools ($3.5 million).
- Computer equipment and technology upgrades ($2.5 million).
- Major light and video upgrades to the auditorium at a high school ($1.5 million).
- Buses and vehicle purchases ($1.3 million).
- Subscription based IT arrangements ($1.1 million).

- Nutrition kitchen equipment and upgrades ($0.7 million).
- Playground, athletic, maintenance, and other equipment ($0.7 million).

Capital assets disposals were $3.7 million (including accumulated depreciation and amortization of $3.3 million) and depreciation and amortization expense for fiscal year 2024 was $27.6 million.

## Composite Index

The Commonwealth of Virginia (the "state") computes an index figure for each locality, known as the Composite Index of Local Ability-to-Pay (Composite Index). It is comprised of three components:

- The first component is an index of wealth per student (based on average daily membership)
- The second component is an index of the wealth per capita (based on population)
- The third component is the local nominal share of the costs of the Standards of Quality

The sum of the first component and the second component is multiplied by the third component, which is set at .45 each year. The Composite Index, as developed by the state, is designed to create equity across the state. State funds are disbursed based on the Composite Index. As a locality acquires greater wealth, the Composite Index increases, which reduces state funding and increases a locality's funding responsibility.

The Composite Index was 0.3411 in the state biennium covering fiscal years 2023 and 2024. The Composite Index in the state biennium covering fiscal years 2025 and 2026 decreased to 0.3312.

## Economic Factors and Next Year's Budget

Since adopting the fiscal year 2025 budget, some factors have surfaced that may affect Stafford Schools' financial operations:

- On April 2, 2024, the Board of Supervisors adopted and approved fiscal year 2025 County budgets, in resolution R24-74. The County's fiscal year 2025 budget adopted by the Board of Supervisors included a local operating transfer to the school division of $169.9 million.
- Stafford Schools experienced continued growth in the student population for fiscal years 2010 through 2020, which increased the state revenues received by Stafford Schools. The average daily student membership drives the majority of state revenues. The extent of this growth in revenue is mitigated by required increases in expenditures to accommodate the additional students. Enrollment projections continue to trend upward, with student enrollment estimated to continue to increase. Stafford Schools will have increased expenditures relating to the estimated enrollment increases. These increases will include operational expenditures, staffing requirements, and capital facility requirements.
- Providing competitive salaries continues to put pressure on Stafford Schools' resources as contiguous northern neighboring counties have historically exceeded Stafford Schools' teacher and service employee salaries. To remain competitive with the surrounding localities, Stafford Schools will need to continue to maintain competitive salary levels for all staff, which will require a significant allocation of financial resources for salaries and benefits.To address the competitive pressures, the fiscal year 2025 budget includes Phase III for licensed staff and Phase I for service staff of a multi-phased compensation adjustment plan.
- Stafford Schools continues to experience growing student populations in English for Speakers of Other Languages (ESOL), special education, and children who qualify for free or reduced lunch. These special populations add additional expenses beyond the general educational requirements and this population was projected to continue to grow in the fiscal year 2025 budget and beyond.

- Since 2020, Stafford Schools has received additional federal revenues related to the COVID-19 global pandemic. As these funds are fully expended, the fiscal year 2025 budget process reviewed technology needs and staffing levels were increased or reduced in the operating budget as a result of the end of grant funding.
- Included in the finalized Commonwealth of Virginia budget for fiscal year 2024 were one-time funds (nonrecurring) for addressing learning loss, chronic absenteeism, implementation of the Virginia Literacy Act (VLA), and per pupil operations costs to be spent through fiscal year 2026. These funds will be utilized in part during fiscal year 2025 to include additional staff to provide remediation and tutoring at the elementary and middle school levels, as well as supports for VLA implementation.

## Contacting Stafford Schools Management

This financial report is designed to provide citizens, taxpayers, parents and guardians, and creditors with a general overview of Stafford Schools' finances and to demonstrate accountability for the money it receives. If you have any questions about this report or need any additional financial information, please contact Chris R. Fulmer, CPA, CFE, Deputy Superintendent and Chief Operating Officer, Stafford County Public Schools, 31 Stafford Avenue, Stafford, VA 22554, by email at fulmercr@staffordschools.net or by telephone at 540-658-6000.

# Basic Financial Statements



Stafford County
Public Schools

*Inspire | Empower | Excel*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Net Position
## June 30, 2024

**Exhibit A**

| | Governmental Activities |
|---|---|
| **ASSETS** | |
| Cash and cash equivalents | $ 51,396,208 |
| Accounts receivable, net of allowances | 18,425,099 |
| Due from Primary Government | 39,224,354 |
| Inventory | 873,732 |
| Restricted cash and cash equivalents | 87,711,324 |
| Capital assets: | |
| Land | 41,699,737 |
| Land improvements | 75,342,519 |
| Construction in progress | 56,912,903 |
| Buildings and building improvements | 618,005,585 |
| Water treatment system | 1,319,841 |
| Furniture, fixtures and equipment | 19,511,318 |
| Technology infrastructure | 4,799,558 |
| Software | 2,099,651 |
| Vehicles | 35,685,027 |
| Less: accumulated depreciation and amortization | (369,493,667) |
| Right to use assets: | |
| Buildings | 749,944 |
| Equipment | 1,534,565 |
| Subscription-based information technology arrangements | 2,506,422 |
| Less: accumulated amortization | (1,789,339) |
| Total capital assets, net | 488,884,064 |
| Total assets | 686,514,781 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Pension deferrals | 81,333,256 |
| OPEB deferrals | 62,828,022 |
| Total deferred outflows of resources | 144,161,278 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable | 15,309,114 |
| Accrued salaries and benefits | 48,310,784 |
| Contract retainage | 1,948,854 |
| Current portion of accrued insurance claims | 7,154,274 |
| Current portion of long-term liabilities | 2,673,079 |
| Unearned revenues | 8,149,588 |
| Noncurrent portion of accrued insurance claims | 138,214 |
| Noncurrent portion of long-term liabilities | 16,321,299 |
| Net pension liability | 217,739,241 |
| Net OPEB liability | 129,378,789 |
| Total liabilities | 447,123,236 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Pension deferrals | 22,863,430 |
| OPEB deferrals | 151,898,127 |
| Total deferred inflows of resources | 174,761,557 |
| **NET POSITION** | |
| Net investment in capital assets | 465,534,738 |
| Restricted for: | |
| Capital Projects | 85,316,431 |
| School Nutrition | 11,948,747 |
| Grants | 235,353 |
| Endowment | 26,094 |
| Unrestricted (deficit) | (354,270,097) |
| Total net position | $ 208,791,266 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Activities
## For the Fiscal Year Ended June 30, 2024

Exhibit B

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expenses), Revenues and Changes in Net Position |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Education: | | | | | |
| Instruction | $ 286,767,846 | $ 8,013,296 | $ 120,879,763 | $ - | $ (157,874,787) |
| Administration, attendance and health | 60,971,136 | 8,690,133 | 196,468 | - | (52,084,535) |
| Pupil transportation | 25,800,411 | 1,009,166 | 4,193 | - | (24,787,052) |
| Operation and maintenance | 30,598,485 | 75,116 | 1,973 | - | (30,521,396) |
| Food and nutrition services | 17,238,221 | 6,142,395 | 13,410,955 | - | 2,315,129 |
| Facilities | 22,449,560 | 501,849 | 541 | 9,648,140 | (12,299,030) |
| Technology | 22,069,734 | 422,304 | 966,823 | - | (20,680,607) |
| Interest and fiscal charges | 218,112 | - | - | - | (218,112) |
| Total governmental activities | $ 466,113,505 | $ 24,854,259 | $ 135,460,716 | $ 9,648,140 | (296,150,390) |
| | **General revenues:** | | | | |
| | Sales tax | | | | 41,058,860 |
| | Basic aid | | | | 115,700,380 |
| | Payments from Stafford County | | | | 151,834,827 |
| | Investment earnings | | | | 2,832,331 |
| | Gain on capital asset disposals and other sales | | | | 38,560 |
| | Miscellaneous | | | | 371,677 |
| | Total general revenues | | | | 311,836,635 |
| | Change in net position | | | | 15,686,245 |
| | Net position, beginning - July 1, 2023 | | | | 193,105,021 |
| | Net position, ending - June 30, 2024 | | | | $ 208,791,266 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Balance Sheet
## Governmental Funds
## June 30, 2024

Exhibit C

| | Operating Fund | Capital Projects Fund | Special Revenue Funds: Grants Fund | Special Revenue Funds: Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Pooled cash and investments | $ 62,667 | $ 9,240,370 | $ 7,811,261 | $ 16,539,008 | $ 33,653,306 |
| Restricted cash and investments | - | 87,685,230 | - | 26,094 | 87,711,324 |
| Accounts receivable, net of allowances | 1,239,354 | 18,244 | 26,555 | 195,678 | 1,479,831 |
| Intergovernmental receivables: | | | | | |
| Federal Government | 82,413 | - | 9,555,181 | 88,816 | 9,726,410 |
| Commonwealth of Virginia | 7,005,664 | - | 191,679 | 276 | 7,197,619 |
| Due from Primary Government | 39,224,354 | - | - | - | 39,224,354 |
| Due from other funds | 9,080,088 | - | - | 204,721 | 9,284,809 |
| Inventory | - | - | - | 508,817 | 508,817 |
| Total assets | $ 56,694,540 | $ 96,943,844 | $ 17,584,676 | $ 17,563,410 | $ 188,786,470 |
| **LIABILITIES AND FUND BALANCE** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 2,503,087 | $ 9,696,689 | $ 570,391 | $ 242,877 | $ 13,013,044 |
| Accrued salaries and benefits | 47,079,730 | 11,721 | - | 1,030,042 | 48,121,493 |
| Contract retainage | 3,002 | 1,919,003 | 26,849 | - | 1,948,854 |
| Unearned revenues | 60,667 | - | 7,811,261 | 277,660 | 8,149,588 |
| Due to other funds | 204,721 | - | 8,940,822 | 139,266 | 9,284,809 |
| Total liabilities | 49,851,207 | 11,627,413 | 17,349,323 | 1,689,845 | 80,517,788 |
| Fund balance: | | | | | |
| Nonspendable: | | | | | |
| Inventory | - | - | - | 508,817 | 508,817 |
| Total nonspendable | - | - | - | 508,817 | 508,817 |
| Restricted: | | | | | |
| Capital projects | - | 85,316,431 | - | - | 85,316,431 |
| Food and nutrition services | - | - | - | 11,948,747 | 11,948,747 |
| Grants | - | - | 235,353 | - | 235,353 |
| Endowment | - | - | - | 26,094 | 26,094 |
| Total restricted | - | 85,316,431 | 235,353 | 11,974,841 | 97,526,625 |
| Assigned: | | | | | |
| Operating | 6,843,333 | - | - | - | 6,843,333 |
| School Activity | - | - | - | 3,367,308 | 3,367,308 |
| Division Wide Activity | - | - | - | 22,599 | 22,599 |
| Total assigned | 6,843,333 | - | - | 3,389,907 | 10,233,240 |
| Total fund balance | 6,843,333 | 85,316,431 | 235,353 | 15,873,565 | 108,268,682 |
| Total liabilities and fund balance | $ 56,694,540 | $ 96,943,844 | $ 17,584,676 | $ 17,563,410 | $ 188,786,470 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Reconciliation of the Balance Sheet of the Governmental Funds
## To the Statement of Net Position
## June 30, 2024

**Exhibit C-1**

| | | |
|---|---|---|
| Fund balance - total governmental funds | | $ 108,268,682 |
| Amounts reported for governmental activities in the Statement of Net Position are different due to: | | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | |
| Governmental capital assets | $ 851,651,059 | |
| Less accumulated depreciation and amortization | (366,755,262) | |
| Net capital assets | | 484,895,797 |
| Right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | |
| Right-to-use lease assets | 2,284,509 | |
| Right-to-use SBITA assets | 2,506,423 | |
| Less accumulated amortization | (1,789,340) | |
| Net right-to-use assets | | 3,001,592 |
| Deferred outflows of resources represent a consumption of net position that applies to a future period and, therefore, are not recognized as expenditures in the governmental funds. | | 143,318,332 |
| Internal service funds are used by management to charge the costs of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. | | |
| Assets | 19,115,730 | |
| Deferred outflows of resources | 842,946 | |
| Liabilities | (12,909,888) | |
| Deferred inflows of resources | (1,175,465) | |
| Net position | | 5,873,323 |
| Long-term liabilities that are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. | | |
| Lease liability | (1,236,708) | |
| SBITA liability | (1,333,899) | |
| Accrued interest | (28,808) | |
| Notes payable | (8,394,637) | |
| Compensated absences | (7,887,179) | |
| Net pension liability | (215,623,943) | |
| Net OPEB liability | (128,475,194) | |
| Total | | (362,980,368) |
| Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, are not recognized as revenue in the governmental funds. | | (173,586,092) |
| Net position of governmental activities | | $ 208,791,266 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Revenues, Expenditures, and Changes in Fund Balances
## Governmental Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit D

| | Operating Fund | Capital Projects Fund | Special Revenue Funds: Grants Fund | Special Revenue Funds: Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Intergovernmental: | | | | | |
| Stafford County | $ 151,834,827 | $ 8,922,335 | $ - | $ - | $ 160,757,162 |
| Commonwealth of Virginia | 248,677,268 | - | 3,876,832 | 372,713 | 252,926,813 |
| Federal Government | 3,382,934 | - | 20,356,768 | 12,968,820 | 36,708,522 |
| Total intergovernmental revenues | 403,895,029 | 8,922,335 | 24,233,600 | 13,341,533 | 450,392,497 |
| Charges for services: | | | | | |
| Tuition and fees | 959,822 | - | - | 5,218,295 | 6,178,117 |
| Food sales | - | - | - | 5,956,040 | 5,956,040 |
| Recovered costs | 3,062,283 | 89,869 | - | 186,355 | 3,338,507 |
| Miscellaneous | 428,455 | - | 250,868 | 110,893 | 790,216 |
| Use of money and property | - | 2,534,173 | - | 1,435 | 2,535,608 |
| Total revenues | 408,345,589 | 11,546,377 | 24,484,468 | 24,814,551 | 469,190,985 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Education: | | | | | |
| Instruction | 300,945,004 | - | 19,962,679 | 5,174,736 | 326,082,419 |
| Administration, attendance and health | 21,891,921 | - | 1,449,352 | 22,789 | 23,364,062 |
| Pupil transportation | 24,697,842 | - | 633,062 | - | 25,330,904 |
| Operation and maintenance | 31,089,076 | - | 55,574 | - | 31,144,650 |
| Food and nutrition services | 135,399 | - | 107,569 | 18,076,888 | 18,319,856 |
| Facilities | 543,959 | - | - | - | 543,959 |
| Technology | 19,962,307 | - | 1,100,609 | 110,191 | 21,173,107 |
| Capital outlay | 7,106,206 | 46,953,019 | 1,120,443 | 709,026 | 55,888,694 |
| Debt service: | | | | | |
| Principal | 1,806,917 | - | 47,749 | 35,709 | 1,890,375 |
| Interest and fiscal charges | 200,561 | - | - | 3,226 | 203,787 |
| Total expenditures | 408,379,192 | 46,953,019 | 24,477,037 | 24,132,565 | 503,941,813 |
| Excess (deficiency) of revenues over (under) expenditures | (33,603) | (35,406,642) | 7,431 | 681,986 | (34,750,828) |
| **OTHER FINANCING SOURCES** | | | | | |
| SBITAs issued | 1,041,948 | - | 93,790 | - | 1,135,738 |
| Total other financing sources | 1,041,948 | - | 93,790 | - | 1,135,738 |
| Change in fund balance | 1,008,345 | (35,406,642) | 101,221 | 681,986 | (33,615,090) |
| Fund balance, beginning - July 1, 2023 | 5,834,988 | 120,723,073 | 134,132 | 15,191,579 | 141,883,772 |
| Fund balance, ending - June 30, 2024 | $ 6,843,333 | $ 85,316,431 | $ 235,353 | $ 15,873,565 | $ 108,268,682 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities
## For the Fiscal Year Ended June 30, 2024

**Exhibit D-1**

| | | |
|---|---|---|
| Net change in fund balance - total governmental funds | | $ (33,615,090) |
| Amounts reported for governmental activities in the Statement of Activities are different due to: | | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. | | |
| Expenditures for acquisition of capital assets | $ 54,351,439 | |
| Less: Depreciation and amortization expense | (26,156,328) | |
| Excess of capital outlay over depreciation and amortization | | 28,195,111 |
| Expenditures for right-to-use assets | 1,135,738 | |
| Less: Amortization expense | (1,283,660) | |
| Excess of amortization over capital outlay | | (147,922) |
| The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins, disposals and donations) is to decrease net position. | | (25,172) |
| Debt issuance is revenue in the governmental funds, but increases long term liabilities in the Statement of Net Position. | | |
| SBITA issuance | (1,135,738) | |
| | | (1,135,738) |
| Repayment of principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position. | | 1,890,375 |
| Non-employer contributions for defined benefit pension and OPEB plans are recognized as revenue in the Statement of Activities. However, governmental funds do not report revenues that are not available to pay current obligations. | | 3,310,025 |
| Contributions for defined benefit pension and OPEB plans are recognized as expenditures in the governmental funds when contributions are made. However, in the Statement of Activities, pension expense is recognized based on changes in the long-term net pension and OPEB liabilities. | | 44,130,172 |
| 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 the governmental funds. | | |
| Changes in accrued interest | (14,322) | |
| Changes in accrued compensated absences | (289,190) | |
| OPEB expense | 2,579,509 | |
| Pension expense | (28,680,898) | |
| | | (26,404,901) |
| Internal service funds are used by management to charge the costs of vehicle maintenance and employee benefits to individual funds. The net expense is reported with governmental funds. | | (510,615) |
| Change in net position of governmental activities | | $ 15,686,245 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Net Position
## Proprietary Funds
## June 30, 2024

**Exhibit E**

| | Governmental Activities - Internal Service Funds |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash and cash equivalents | $ 17,742,902 |
| Accounts receivable | 21,238 |
| Inventory | 364,915 |
| Capital assets: | |
| Land | 37,357 |
| Land improvements | 1,268,429 |
| Buildings and building improvements | 1,867,382 |
| Furniture, fixtures and equipment | 339,953 |
| Software | 79,530 |
| Vehicles | 132,429 |
| Less: accumulated depreciation and amortization | (2,738,405) |
| Total capital assets | 986,675 |
| Total assets | 19,115,730 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Pension deferrals | 355,713 |
| OPEB deferrals | 487,233 |
| Total deferred outflows of resources | 842,946 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable | 2,267,261 |
| Accrued salaries and benefits | 189,291 |
| Current portion of accrued insurance claims | 7,154,274 |
| Current portion of compensated absences | 31,545 |
| Noncurrent portion of accrued insurance claims | 138,214 |
| Noncurrent portion of compensated absences | 110,410 |
| Net pension liability | 2,115,298 |
| Net OPEB liability | 903,595 |
| Total liabilities | 12,909,888 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Pension deferrals | 140,830 |
| OPEB deferrals | 1,034,635 |
| Total deferred inflows of resources | 1,175,465 |
| **NET POSITION** | |
| Net investment in capital assets | 986,675 |
| Unrestricted | 4,886,648 |
| Total net position | $ 5,873,323 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Revenues, Expenses, and Changes in Net Position
## Proprietary Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit F

| | Governmental Activities - Internal Service Funds |
|---|---|
| **OPERATING REVENUES** | |
| Charges for services | $ 42,566,499 |
| Miscellaneous | 9,916 |
| Total operating revenues | 42,576,415 |
| **OPERATING EXPENSES** | |
| Personnel services | 2,208,588 |
| Contractual services | 39,132,733 |
| Materials and supplies | 1,723,831 |
| Utilities | 23,572 |
| Telecommunications | 6,880 |
| Depreciation and amortization | 145,967 |
| Total operating expenses | 43,241,571 |
| Operating loss | (665,156) |
| **NONOPERATING REVENUES (EXPENSES)** | |
| Interest and investment revenue | 296,723 |
| Loss on disposal of capital assets | (181,145) |
| Non-Employer OPEB Contribution | 403 |
| Vehicle and other sales | 38,560 |
| Total nonoperating revenues, net | 154,541 |
| Change in net position | (510,615) |
| Net position, beginning - July 1, 2023 | 6,383,938 |
| Net position, ending - June 30, 2024 | $ 5,873,323 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Cash Flows
## Proprietary Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit G

| | Governmental Activities - Internal Service Funds |
|---|---|
| **Cash flows from operating activities:** | |
| Receipts from customers | $ 42,548,368 |
| Other receipts | 9,916 |
| Payments to suppliers | (41,122,103) |
| Payments to employees | (2,017,679) |
| Net cash used in operating activities | (581,498) |
| **Cash flows from noncapital financing activities:** | |
| Non-Employer OPEB Contribution | 403 |
| Net cash provided by noncapital financing activities | 403 |
| **Cash flows from capital and related financing activities:** | |
| Proceeds from vehicle and supply sales | 38,560 |
| Net cash provided by capital and related financing activities | 38,560 |
| **Cash flows from investing activities:** | |
| Interest earned on investments | 296,723 |
| Net cash provided by investing activities | 296,723 |
| Net decrease in cash and cash equivalents | (245,812) |
| Cash and cash equivalents, beginning - July 1, 2023 | 17,988,714 |
| Cash and cash equivalents, ending - June 30, 2024 | $ 17,742,902 |
| **Reconciliation of operating loss to net cash used in operating activities:** | |
| Operating loss | $ (665,156) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | |
| Depreciation and amortization expense | 145,967 |
| Changes in assets and liabilities: | |
| Increase in accounts receivable | (18,132) |
| Increase in inventory | (39,378) |
| Decrease in deferred outflows of resources | 41,287 |
| Decrease in accounts payable and accrued expenses | (22,432) |
| Increase in compensated absences | 9,351 |
| Increase in net pension liability | 76,730 |
| Increase in net OPEB liability | 24,120 |
| Decrease in deferred inflows of resources | (133,855) |
| Total adjustments | 83,658 |
| Net cash used in operating activities | $ (581,498) |

*The accompanying notes are an integral part of these financial statements.*

**Stafford County Public Schools**
**A Component Unit of Stafford County, Virginia**
**Statement of Fiduciary Net Position**
**Fiduciary Funds**
**June 30, 2024**

**Exhibit H**

| | OPEB Trust Fund | Custodial Funds |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ - | $ 563,393 |
| Pooled investment funds | 43,289,637 | - |
| Intergovernmental receivables: | | |
| Commonwealth of Virginia | - | 241,521 |
| Total assets | 43,289,637 | 804,914 |
| **LIABILITIES** | | |
| Accounts payable | - | 210,901 |
| Accrued salaries and benefits | - | 30,620 |
| Total liabilities | - | 241,521 |
| **NET POSITION** | | |
| Restricted for OPEB | 43,289,637 | - |
| Restricted for organizations and individuals | - | 563,393 |
| Total net position | $ 43,289,637 | $ 563,393 |

*The accompanying notes are an integral part of these financial statements.*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Statement of Changes in Fiduciary Net Position
## Fiduciary Funds - Trust and Custodial Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit I

| | OPEB Trust Fund | Custodial Funds |
|---|---|---|
| **ADDITIONS** | | |
| Contributions: | | |
| Contributions from employees | $ - | $ 830,501 |
| Total contributions | - | 830,501 |
| Investment earnings: | | |
| Net increase in fair value of investments | 3,749,883 | - |
| Total investment earnings | 3,749,883 | - |
| Less: Investment expenses | (35,967) | - |
| Net investment earnings | 3,713,916 | - |
| Intergovernmental revenue: | | |
| Commonwealth of Virgina | - | 241,531 |
| Total intergovernmental revenue | - | 241,531 |
| Total additions | 3,713,916 | 1,072,032 |
| **DEDUCTIONS** | | |
| Benefits paid to or on behalf of organizations and individuals: | | |
| Personnel services | - | 80,027 |
| Contractual services | - | 19,100 |
| Materials and supplies | - | 53,284 |
| Other expenses | - | 89,120 |
| Benefits paid to employees | - | 799,090 |
| Total deductions | - | 1,040,621 |
| Net increase in fiduciary net position | 3,713,916 | 31,411 |
| Net position, beginning - July 1, 2023 | 39,575,721 | 531,982 |
| Net position, ending - June 30, 2024 | $ 43,289,637 | $ 563,393 |

*The accompanying notes are an integral part of these financial statements.*



Stafford County
Public Schools

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Stafford County Public Schools

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# Notes to the Basic Financial Statements



Stafford County
Public Schools

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## Note 1. Summary of Significant Accounting Policies

Stafford County Public Schools (Stafford Schools or "the division") is a corporate body operating under the constitution of the Commonwealth of Virginia and the Code of Virginia, and provides elementary and secondary education for the County of Stafford (County). The seven voting members of the School Board of Stafford County Public Schools (School Board) are elected by the citizens of the County to serve 4-year terms. Each of the County's seven districts has a School Board member who represents its constituents. The School Board is responsible for setting the educational policies of Stafford Schools and appoints a superintendent to implement the School Board's policies and serve as the chief administrative officer of the division, providing leadership and direct management of the division in accordance with policies adopted by the School Board.

### A. The Financial Reporting Entity

A financial reporting entity is comprised of the Primary Government, component units and other organizations that are included to ensure the basic financial statements are not misleading. The Primary Government for Stafford Schools includes all funds and departments that are not legally separate from Stafford Schools. Stafford Schools is not financially accountable for any legally separate organizations; therefore, it has no component units. However, because Stafford Schools is fiscally dependent on the County and Stafford Schools' operations are funded by payments from the County's general fund, Stafford Schools is considered a component unit of the County. Other significant determining factors also include: the County approves Stafford Schools' budget, the County funds any deficits, and the County issues and contracts debt to finance capital projects for Stafford Schools. Also, Stafford Schools provides services, which primarily benefit the citizens of the County.

The accompanying financial statements presented for Stafford Schools conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB), which is the standard setting body for establishing governmental accounting and financial reporting principles.

### B. Fund Accounting

Financial transactions and accounts of Stafford Schools are maintained on the basis of fund accounting. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts. Each fund reports cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein. There are three categories of funds: governmental, proprietary and fiduciary.

#### Governmental Funds

Governmental funds are those through which most governmental functions of Stafford Schools are financed. The acquisition, use and balances of Stafford Schools' expendable financial resources and the related liabilities are accounted for through these funds. Stafford Schools has three major governmental funds and five non-major governmental funds as follows:

**Major Governmental Funds**

- **General Fund (hereafter referred to as the Operating Fund)** – Stafford Schools' primary fund to account for and report the assets, liabilities, fund balance, revenues and expenditures associated with Stafford Schools' operations, including financial resources not required to be accounted for and reported in another fund.
- **Capital Projects Fund** – accounts for and reports the assets, liabilities, fund balance, revenues and expenditures that are restricted, committed or assigned to Stafford Schools' capital projects, including the acquisition, construction and equipping of new schools and the renovation, improvement and repairing of existing schools.

## Note 1. Summary of Significant Accounting Policies (Continued)

### B. Fund Accounting (Continued)

- **Grants Fund** – accounts for the assets, liabilities, fund balance, revenues and expenditures associated with grants received and used by Stafford Schools to supplement operations.

#### Non-major Governmental Funds

- **Food and Nutrition Services Fund –** accounts for the assets, liabilities, fund balance, revenues and expenditures associated with the provision of food and nutrition services within Stafford Schools' school cafeterias.
- **School Activity Fund** – accounts for the assets, liabilities, fund balance, revenues and expenditures associated with the various activities conducted at the individual school sites in connection with student athletics, classes, clubs, and various fundraising activities and private donations. In addition, each school also has a faculty activity fund. Stafford Schools is liable if any school is unable to meet its obligations with respect to these funds.
- **Division Wide Activity Fund** – accounts for the assets, liabilities, fund balance, revenues and expenditures associated with certain activities conducted on a division-wide level, in connection with private donations and sales tax collections. Stafford Schools is liable for any obligation this fund is unable to meet.
- **Endowment Fund** – accounts for the assets, liabilities, fund balance, revenues and expenditures associated with endowment programs administered by Stafford Schools.

The Grants Fund, and all of the Non-major Governmental Funds are special revenue funds used to account for and report proceeds of specific revenue sources, other than major capital projects, in which expenditures are restricted or committed for a specific purpose.

### Proprietary Funds

Proprietary funds are used to account for activities similar to those often engaged in by profit-seeking businesses. These funds account for the provision of services to other funds of Stafford Schools and the County on a cost-reimbursement basis. Operating revenues include charges for services and operating expenses include the cost of services.

#### Enterprise Funds

This type of proprietary fund accounts for services provided to the general public on a user-charge basis. Stafford Schools does not have any enterprise funds.

#### Internal Service Funds

Activities that produce goods or services to be provided to other departments or other governmental units on a cost-reimbursement basis are accounted for by internal service funds. Stafford Schools has three internal service funds:

- **Fleet Services Fund** – accounts for the assets, liabilities, net position, deferred outflows and inflows of resources, revenues and expenses associated with the provision of vehicle maintenance services on a cost reimbursement basis to the departments and agencies of the County and Stafford Schools.
- **Health Benefits Fund** – accounts for the assets, liabilities, net position, revenues and expenses associated with the provision of health benefits to the enrolled employees and retirees of Stafford Schools under a comprehensive health benefits self-insurance program.
- **Workers' Compensation Fund** – accounts for the assets, liabilities, net position, revenues and expenses associated with the administration of the workers' compensation self-insurance program and the provision of workers' compensation benefits to the injured employees of Stafford Schools.

## Note 1. Summary of Significant Accounting Policies (Continued)

### B. Fund Accounting (Continued)

#### Fiduciary Funds

Fiduciary funds are used to account for assets held by a government acting as a trustee or agent for entities external to the governmental unit: individuals, organizations, other governmental units, or other funds. There are four types of fiduciary funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Fiduciary funds are not included in the government-wide financial statements. Stafford Schools has one other employee benefit trust fund and two custodial funds as follows:

- **OPEB Trust Fund** – accounts for the assets, liabilities, fiduciary net position and changes in fiduciary net position (additions and deductions) associated with the investment of funds contributed into an irrevocable trust and used to cover current and future retiree health benefit costs.
- **Employee Flexible Spending Fund** – accounts for the assets, liabilities, fiduciary net position and changes in fiduciary net position (additions and deductions) associated with the employee flexible spending program.
- **Academy of Technology and Innovation at University of Mary Washington (UMW) Fund** – accounts for the assets, liabilities, fiduciary net position and changes in fiduciary net position (additions and deductions) associated with a regional high school program focused on computer and data science as applied across content areas at the University of Mary Washington. Stafford Schools serves as the fiscal agent for the program.

### C. Basis of Financial Statement Presentation

GAAP has established the accounting requirements and reporting model to be used in the annual financial reports of state and local governments. The reporting model was developed to make the Annual Comprehensive Financial Report (ACFR) easier to understand and more useful to the people who use governmental financial information to make decisions.

The basic financial statements consist of the government-wide statements, including the Statement of Net Position and the Statement of Activities; fund financial statements, which provide more detailed financial information; and notes to the basic financial statements which provide detailed narrative information.

#### Government-Wide Financial Statements

The government-wide statements (the Statement of Net Position and the Statement of Activities) present financial information about Stafford Schools as a whole. These statements include the financial activity of the Stafford Schools Primary Government, except the fiduciary funds. In accordance with GAAP reporting requirements, activities are reported in these statements as either governmental or business-type. Stafford Schools does not have any business- type activities.

The Statement of Net Position presents the overall financial condition of Stafford Schools at fiscal year-end. Presence and size of the net position is an indication of Stafford Schools' ability to cover its costs and continue to provide services in the future.

The Statement of Activities reports the expenses and revenues of Stafford Schools in a format that focuses on the cost of Stafford Schools' major functions, while net revenue or expenses indicate whether a function is self-supporting or relies on general revenue funding sources. Direct expenses are those that are clearly identifiable to particular functions. Program revenues include: (1) charges for services (e.g., tuition and fees); (2) operating grants and contributions; and (3) capital grants and contributions. Revenues not directly related to a program are reported as general revenues, including Stafford Schools' portion of property tax revenues received from the County and other unrestricted amounts received from the Commonwealth of Virginia and the federal government. Stafford Schools does not allocate indirect expenses.

The effect of interfund activity has been eliminated from the government-wide financial statements.

## Note 1. Summary of Significant Accounting Policies (Continued)

### C. Basis of Financial Statement Presentation (Continued)

#### Fund Financial Statements

In order to provide budgetary controls and maintain legal compliance, Stafford Schools records transactions in separate funds rendering a more detailed level. Stafford Schools' Operating Fund, Capital Projects Fund, and Grants Fund are all deemed to be major governmental funds; therefore, they are separately reported in the governmental fund statements. Stafford Schools also reports five non-major governmental funds. The three internal service funds are presented in the proprietary fund statements. There are three fiduciary funds, including one trust fund and two custodial funds, presented in the fiduciary fund statements.

### D. Measurement Focus

#### Government-Wide Financial Statements

The government-wide financial statements are presented using an economic resources measurement focus. All assets and liabilities, as well as deferred outflows and deferred inflows of resources, are shown in the Statement of Net Position. This includes capital and right to use assets (i.e., land, buildings, improvements, and other capital assets) as well as long-term liabilities (i.e., financing obligations, compensated absences, accrued insurance claims, and OPEB liability).

Presented by the Statement of Activities is the degree to which expenses are offset by program revenues for a specific program or function of Stafford Schools. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Grants and contributions from the County, the Commonwealth of Virginia, and the federal government, which are not restricted for specific purposes, are presented as general revenues. Revenue from the use of money is also presented as general revenues.

#### Fund Financial Statements

##### Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities are included in the Balance Sheet. The operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current financial resources. Since governmental fund statements are presented on a different measurement focus than government-wide statements, a reconciliation of the total fund balance to net position is presented which briefly explains the adjustments made to reconcile the governmental activities reflected in the governmental fund financial statements to the government-wide statements.

##### Proprietary Funds

All proprietary funds are accounted for using the economic resources measurement focus. All assets and liabilities, as well as deferred outflows and deferred inflows of resources, associated with the operation of these funds are included on the Statement of Net Position. Proprietary fund equity (i.e., net position) is segregated into unrestricted and net investment in capital assets. The proprietary fund operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The operating revenue is charges for services; the cost to provide these services is reported as operating expenses. Non-operating revenue is generated from financing and investing type activities.

## Note 1. Summary of Significant Accounting Policies (Continued)

### D. Measurement Focus (Continued)

#### Fiduciary Funds

The fiduciary funds are accounted for using the economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Fiduciary Net Position. A liability to the beneficiaries of a fiduciary activity is recognized in a fiduciary fund when an event has occurred that compels the agency to disburse fiduciary resources. Liabilities other than those to beneficiaries are recognized in accordance with existing accounting standards using the economic resources measurement focus. The Statement of Changes in Fiduciary Net Position reports additions to and deductions from the fiduciary funds, disaggregated by source or type.

### E. Basis of Accounting

The basis of accounting determines when transactions are recorded as financial entries reported in the financial statements. The government-wide financial statements are reported using the accrual basis of accounting. All governmental funds use the modified accrual basis of accounting. The proprietary and fiduciary funds use the accrual basis of accounting. The difference in the basis of accounting relates to how revenue is recognized, how unearned revenue is recorded, and whether expenses or expenditures are reported.

#### Revenues

In the government-wide financial statements and in the proprietary and fiduciary funds financial statements, revenue is recorded on the accrual basis, i.e., when earned. In the governmental funds, revenue is recorded on the modified accrual basis, that is, revenue is recorded in the fiscal year in which resources are measurable and available, i.e., expected to be collected by fiscal year end or soon enough thereafter to be used to pay current liabilities. Stafford Schools uses the period 60 days after fiscal year end for its funds availability criteria. Non-exchange transactions, in which Stafford Schools either gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. These revenues are recognized in the fiscal year in which all eligibility requirements have been satisfied. The effect of inter-fund revenue has been eliminated from the government-wide statements.

In the fund financial statements, Stafford Schools' primary revenues are unrestricted payments from the County and the Commonwealth of Virginia. These are considered general revenue and are recognized on the modified accrual basis. Revenue from general-purpose grants is recognized as general revenues in the period to which the grant applies. Special purpose revenue (i.e., federal, state, and other grants) is recognized as program revenue when earned. Revenue for the school lunch program is recognized as program revenue at the time the meals are provided. Operating revenue in the proprietary funds is revenue that is earned from charges for services provided to other departments on a cost- reimbursement basis. The non-operating revenue of these funds does not require a good or service to be delivered. The primary sources for non-operating revenue are interest income, vehicle sales, and other sales.

#### Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded when incurred. On the modified accrual basis of accounting, decreases in net financial resources are reported as expenditures rather than expenses. Expenditures are reported in the fiscal year when the related fund liability is incurred, except certain general long-term obligations, such as compensated absences and pension obligations, which are recognized only to the extent they have matured. Depreciation and amortization, which are allocations of cost, are not recorded in the governmental funds.

The operating expenses in the proprietary funds are those costs that relate directly to providing goods and services to the other departments, within the school district, on a cost-reimbursement basis. For services which extend over more than one fiscal period, such as insurance, the change in the actuarially determined insurance liability from one year to the next is reported as an operating expense. Any costs incurred as a result of financing and investing activities are reported as non-operating expenses.

## Note 1. Summary of Significant Accounting Policies (Continued)

### F. Cash and Cash Equivalents

Cash on deposit with the Treasurer's Office at the County represents the majority of Stafford Schools' available cash throughout the fiscal year. At the close of the fiscal year, substantially all available cash in the Operating Fund is reclassified to Due from Primary Government and represents cash available to pay existing liabilities at year-end, primarily accrued payroll. The Treasurer's Office has custodial and internal control responsibilities for Stafford Schools' cash including monthly bank reconciliations.

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 County. In order to maximize investment returns, cash and cash equivalents are maintained in a fully insured or collateralized investment pool administered by the Treasurer's Office of the County. At June 30, 2024, all of the County's deposits were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). The Act established a single body of law applicable to the pledge of security as collateral for public funds on deposit in banking institutions so that the procedure for securing public deposits is uniform throughout the Commonwealth. Under the Act, banks holding public deposits must pledge certain levels of collateral and make monthly filings with the State Treasury Board.

### Restricted Cash

Restricted cash and investments of the Capital Projects Fund represent proceeds from school bonds held by the Commonwealth of Virginia State Non-Arbitrage Program (SNAP). The Endowment Fund and Scholarship Fund also report restricted cash and investments, which were received subject to donor restrictions on disbursements.

### G. Deposits and Investments

Cash resources of the individual funds, excluding cash held with fiscal agents, are combined in accordance with County policy to form a pool of cash and investments to maximize interest earnings. Investments in the pool consist of municipal bonds, corporate notes and bonds, and obligations of the federal government which are recorded at fair value. Income from pooled cash and investments is retained by the County.

The fair value of investments is based on quoted market prices and no investments are valued at cost. All investments in external investment pools are reported at fair value or amortized cost.

### H. Prepaids

In the governmental funds, Stafford School recognizes the entire amount paid in advance in the period that payment is made under the purchases method for prepaid items.

### I. Inventories

The Food and Nutrition Services Fund (a non-major governmental special revenue fund) carries its inventory on a cost basis (first-in, first-out), which is not in excess of market value. This inventory consists of food service supplies and perishable and non-perishable food products.

The Fleet Services Fund (a proprietary fund that is an internal service fund) carries its inventory on a cost basis (first- in, first-out), which is not in excess of market value. The inventory consists of parts, materials, and supplies for repair and maintenance of Stafford Schools and County vehicles, primarily school buses, police cars, and fire trucks.

The consumption method of accounting for inventory is used in the government-wide statements, as well as in the governmental and internal service funds. Under this method, inventory items are comprised of expendable supplies and are expensed as consumed. In the governmental funds, the inventory of the Food and Nutrition Services Fund, which consists of perishable and non-perishable food products, is considered non-spendable fund balance. The Internal Service Fund inventory is comprised of expendable supplies held for consumption.

## Note 1. Summary of Significant Accounting Policies (Continued)

### J. Lease Arrangements

The School Board is a lessee for non-cancellable leases of certain buildings and equipment. A right-of-use asset and lease liability are recognized on the Statement of Net Position for leases with an initial, non-cancellable term of greater than twelve months (including any options to extend the lease when exercise is reasonably certain). The lease asset and liability are calculated based on the value of the discounted future lease payments over the term of the lease. The liability is reduced as payments are made over the life of the lease, allocating the payment between principal and interest. The School Board is not a party to any lease agreements as a lessor which would require recognition in the financial statements.

### K. Subscription-Based Information Technology Arrangements(SBITA)

The School Board has entered into non-cancellable contracts for certain SBITAs. A right-of-use asset and SBITA liability are recognized on the Statement of Net Position for SBITAs with an initial, non-cancellable term of greater than twelve months (including any options to extend the SBITA when exercise is reasonably certain). The SBITA asset and liability are calculated based on the value of the discounted future lease payments over the term of the SBITA. The liability is reduced as payments are made over the life of the SBITA, allocating the payment between principal and interest.

### L. Capital Assets

Capital asset include property, plant, equipment, and infrastructure assets, as well as right to use assets associated with lease and subscription based information technology agreements in accordance with GASB Statement No. 87, Leases and GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA).

Property, plant, equipment, and infrastructure assets with an individual cost of $5,000 or more and when purchased en mass where total cost exceeds $150,000 are capitalized and reported in government-wide financial statements and proprietary fund statements. Property, plant, equipment, and infrastructure assets are valued at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their acquisition value on the date of the donation. Maintenance, repairs and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation and amortization, if applicable, are eliminated from the respective accounts and any resulting gain or loss is recorded in the results of operations. There are no impaired property, plant, equipment, or infrastructure assets at year end.

Right to use assets acquired through lease and SBITA agreements are recorded at the present value of the minimum lease or subscription payments, as stated in the amortization schedule. Right to use assets are initially measured at an amount equal to the initial measurement of the related lease or SBITA liability plus any lease or SBITA payments made prior to the contract term, less incentives, and plus any ancillary charges necessary to place the right-to-use asset into service. Right-to-use assets are amortized on a straight-line basis over the life of the related contract.

Depreciation and amortization are recorded on capital assets in the government-wide statements and proprietary fund statements using the straight-line method.

All reported capital assets except land and construction in progress are depreciated or amortized. Accumulated depreciation and amortization is recorded as a reduction to capital assets. The straight-line depreciation or amortization method is used over the following estimated useful lives:

## Note 1. Summary of Significant Accounting Policies (Continued)

### L. Capital Assets (Continued)

| | |
|---|---|
| Land improvements | 5 – 20 years |
| Buildings and building improvements | 5 – 50 years |
| Water treatment system | 15 – 20 years |
| Furniture, fixtures and equipment | 5 – 20 years |
| Vehicles | 8 – 15 years |
| Software | 5 – 15 years |
| Technology infrastructure | 20 years |

### M. Accrued Liabilities and Long-Term Debt

All payables, accrued liabilities and long-term debt amounts are reported in the government-wide financial statements and the proprietary fund financial statements. Accounts payable and accrued liabilities expected to be paid from current financial resources are reported as current liabilities in each applicable fund. Long-term debt is segregated between amounts due within one year (current) and amounts due beyond one year (non-current).

### N. Compensated Absences

Stafford Schools' employees accumulate vacation time and sick leave depending upon their length of service and whether they are VRS Legacy or Hybrid members. Stafford Schools has established accumulated leave balance thresholds for vacation leave. For VRS Legacy employees, excess vacation days above the allowed carry-over are converted to sick leave days. There is no threshold on accumulated sick leave for Legacy employees. Excess vacation days are converted to sick leave days for VRS Hybrid employees until the sick leave threshold of 60 days has been reached. If the employee has excess vacation days and a sick leave balance of 60 days the excess vacation days are forfeited. Vacation leave up to the established threshold and a portion of sick leave time is payable upon termination of employment.

The current and long-term portions of the governmental funds' accumulated vacation, personal and sick leave are recorded as liabilities in the government-wide financial statements only. Current and long-term compensated absences liabilities for proprietary funds are recorded in the government-wide and proprietary fund financial statements.

### O. Pensions

The Virginia Retirement System (VRS) Teacher Employee Retirement Plan (professional plan) is a multiple employer, cost-sharing plan. The VRS Political Subdivision Retirement Plan (non-professional plan) is a multi-employer, agent plan. 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 VRS Plans and the additions to/deduction from the VRS Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, 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.

### P. Other Postemployment Benefits (OPEB)

#### Retiree Health Insurance

The Stafford Schools' postemployment medical plan (the plan) is a single-employer defined benefit health care plan which provides health insurance to retired employees. The fiduciary net position of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from the plan fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Note 1. Summary of Significant Accounting Policies (Continued)

### P. Other Postemployment Benefits (OPEB) (Continued)

#### Health Insurance Credit Program

The VRS Health Insurance Credit (HIC) Program for non-professional employees is a multiple-employer, agent defined benefit plan; whereas for professional employees it is a multiple-employer, cost-sharing plan. The HIC Program provides a credit toward the cost of health insurance coverage for retired employees of participating employers. The HIC Program 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. For purposes of measuring the net HIC Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC Program OPEB, and the HIC Program OPEB expense, information about the fiduciary net position of the VRS HIC Program; and the additions to/deductions from the HIC Program's fiduciary net position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

#### Group Life Insurance

The VRS Group Life Insurance (GLI) Program is a multiple employer, cost- sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program 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. The GLI Program is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI program OPEB and the additions to/deductions from the GLI Program OPEB's fiduciary net 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.

### Q. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources representing a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until that time. Items related to the Stafford Schools' retirement and OPEB plans qualify for reporting in this category, including contributions to the plans subsequent to the actuarial measurement date, changes in proportionate share, changes in assumptions, and differences between expected and actual experience. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the plan membership as of the measurement date, and investment gains/losses are amortized over five years.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources representing an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Items related to the Stafford Schools' retirement and OPEB plans qualify for reporting in this category, including net differences between projected and actual earnings on plan investments, changes in proportionate share, changes in assumptions, and differences between expected and actual experience. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the plan membership as of the measurement date, and investment gains/losses are amortized over five years.

Deferred outflows of resources and deferred inflows of resources are reported in the government-wide Statement of Net Position and the proprietary funds' Statement of Net Position. These are explained in more detail in separate notes to the financial statements.

## Note 1. Summary of Significant Accounting Policies (Continued)

### R. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources in the government-wide and proprietary funds' financial statements. The net position of Stafford Schools falls into three categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. The first category represents the portion of net position related to capital assets, net of accumulated depreciation and amortization, capital asset related accounts payable and retainage payable, and notes payable incurred to acquire these assets (see Notes 5 and 6). The second category represents the portion restricted by external parties and/or transactions. The unrestricted portion is reported in the third category. Stafford Schools considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available.

By law, Stafford Schools does not have taxing authority and, therefore, cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of capital assets. That responsibility lies with the local governing body that issues the debt on behalf of Stafford Schools. However, the *Code of Virginia* requires Stafford Schools to hold title to the capital assets (buildings and equipment) due to its responsibility for maintenance and insurance.

In the Statement of Net Position, this scenario presents a dilemma for the County and Stafford Schools. Debt issued on behalf of Stafford Schools is reported along with the County debt as a liability of the Primary Government, thereby reducing the net position of the Primary Government. The corresponding capital assets are reported as assets of Stafford Schools (title holder), the component unit, thereby increasing the net position of Stafford Schools.

The Virginia General Assembly amended the *Code of Virginia* to allow a tenancy in common with a school division whenever the locality incurs a financial obligation which is payable over more than one fiscal year for the acquisition of any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt. The legislation allows local governments to elect not to acquire a tenancy in common by adopting a resolution to that effect.

The County concluded that while joint tenancy would resolve a deficit in the Primary Government's net position, the continual computation process that would be required to allocate principal, interest, asset additions and depreciation and amortization between the County and Stafford Schools would be cumbersome and not provide any added benefit to the financial statements. Therefore, the Board of Supervisors of the County adopted a resolution declining tenancy in common for current and future financial obligations.

### S. Encumbrances

Stafford Schools uses encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of funds are reported as restricted, committed, assigned or unassigned fund balance. Encumbrances represent the estimated amount of expenditures resulting when open purchase orders and unfinished contracts and commitments are completed in the subsequent fiscal year. The encumbrances for the Capital Projects Fund do not lapse until the projects are completed and are reported as restricted or committed fund balance at year-end. Funding for all other encumbrances lapse at year-end and require re-appropriation by the County. These are shown as restricted or assigned fund balance to indicate they are not available for other financing purposes.

### T. Use of Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

## Note 1. Summary of Significant Accounting Policies (Continued)

### U. Stewardship, Compliance, and Accounting

Stafford Schools follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Stafford Schools' Superintendent prepares an annual budget that is presented to the School Board. The School Board then reviews and requests changes be made or approves the Superintendent's Budget and presents it to the Board of Supervisors of the County.
2. Prior to April 1, the County Administrator submits a proposed budget (operating and capital) to the Board of Supervisors of the County for the fiscal year commencing the following July 1. The budget includes proposed obligations and the means of financing them. The budget embodies estimates of specific amounts of revenue.
3. Public hearings are conducted by the Board of Supervisors of the County to obtain taxpayer and citizen comments.
4. Prior to June 30, the County's budget, which includes Stafford Schools as a component unit, is legally enacted through passage of a resolution by the Board of Supervisors of the County. The School Board then adopts the budget approved by the County and the following individual fund budgets are legally adopted:

   **Stafford County Public Schools' Budgets**

   ***Governmental Funds:***
   Operating Fund
   Capital Projects Fund
   Grants Fund
   Food and Nutrition Services Fund

   ***Proprietary Funds – Internal Service Funds:***
   Fleet Services Fund
   Health Benefits Fund
   Workers' Compensation Fund

Budgets are adopted on a basis consistent with GAAP. The budget for the proprietary funds serves as a guide and not as legally binding limitations. Although legal restrictions on expenditures are established at the departmental level, effective administrative control over expenditures is maintained through the establishment of more detailed line-item budgets. For the year ended June 30, 2024, there were no expenditures in excess of budgetary appropriations.

The budget is integrated into the accounting system, and the budgetary data, presented in the financial statements for all funds with annual budgets, comparing actual revenue and expenditures with budgeted amounts as originally adopted, and as amended by the Board of Supervisors through June 30, 2024. Individual amendments were not material in relation to the original appropriations.

### V. Fund Balances

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaid expenses) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes 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;

## Note 1. Summary of Significant Accounting Policies (Continued)

### V. Fund Balances (Continued)

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority, and
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the operating fund.

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

The School Board 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 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 School Board through the adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt service, or for other purposes).

## Note 2. Deposits and Investments

### A. Deposits

Deposits with banks are insured up to limits established by the Federal Deposit Insurance Corporation (FDIC) and the excess is 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 amount from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully insured or collateralized.

### B. Investments

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

### External Investment Pools

#### Virginia Local Government Investment Pool (LGIP)

The School Board invests in a professionally managed money market fund, the LGIP, which diversifies investments in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 of the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and regulatory oversight of the pool rests with the Virginia State Treasury, not the SEC. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. It is the policy of the LGIP management to invest funds in accordance with Section 2.2-4500, et seq. of the code with the primary objectives (in priority order) of safety, liquidity, and return on investment. The reported value of the position of the LGIP is measured at amortized cost and the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of $1 per share. Redemptions of shares are not subject to redemption fees or withdrawal penalties, and can be made on any banking day without limitations.

## Note 2. Deposits and Investments (Continued)

### B. Investments (Continued)

#### Virginia State Non-Arbitrage Program (SNAP)

The County Treasurer has invested the proceeds of VPSA bonds in the SNAP Fund (the Program) to ensure compliance with certain arbitrage requirements of the *Internal Revenue Code of 1986*, as amended. The Program invests in the PFM Fund Prime Series-SNAP Fund Class. Registered under the Investment Act of 1940, as amended, the SNAP Fund Class is a diversified, open-end fund with the primary objective to see as high a rate of current income is consistent with maintaining liquidity and stability of principle. It also provides Virginia issuers of tax-exempt borrowings investment management, accounting, and arbitrage rebate calculation services. The Program invests in qualifying obligations and securities as permitted by Virginia statutes. The reported value of the position in the SNAP external investment pool is measured at amortized cost and the same as the value of the pool's shares, $1 per share. Redemption of shares are not subject to redemption fees or withdrawal penalties, and can be made on any banking day without limitations.

The School Board has the following recurring reported value measurements as of June 30, 2024:

| Investment Type | Valuation Method | Reported Value |
|---|---|---|
| LGIP | Amortized Cost | $ 5,604,905 |
| SNAP | Amortized Cost | 87,685,230 |
| Total | | $ 93,290,135 |

#### 1. Custodial Credit Risk

The School Board's investment securities at June 30, 2024, were held by the School Board or in the School Board's name by the County's custodial banks.

#### 2. Credit Risk of Debt Securities

Standard & Poor's and/or an equivalent organization on the Nationally Recognized Statistical Rating Organizations (NRSRO) list rated the County's debt investments as of June 30, 2024, and the ratings are presented below using the Standard & Poor's or Moody's rating scale.

| Investment Type | AAAm |
|---|---|
| LGIP | $ 5,604,905 |
| SNAP | 87,685,230 |
| Total | $ 93,290,135 |

As of June 30, 2024, all investments were in compliance with the State Statutes administering investments of Public Funds. All investments are rated by Standard & Poor's and/or Moody's. Ratings must comply with the investment policy prior to any purchase.

#### 3. Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with GAAP, if certain investments in any single issuer represent 5% of total investments, except U.S. government guaranteed obligations, there must be a disclosure for the amount and the issuer. At June 30, 2024, the School Board did not have any investments exceeding 5% of the total investment.

## Note 2. Deposits and Investments (Continued)

### B. Investments (Continued)

#### 4. 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. Due to market conditions, the County's investment policy generally sets a 5-year maximum maturity from the date of purchase. Additionally, the County requires 25% of the liquid funds be invested in over-night funds while the remaining 75% be invested in no longer than 180 days. Furthermore, the core funds are to have a final maturity of no longer than 5.5 years and a duration requirement not exceeding 3 years to manage portfolio volatility. The County establishes these guidelines to minimize investment risk in the portfolio.

### C. External Investment Pools

The School Board categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for an asset or liability.

The fair value of the positions in the external investment pools (LGIP and the VACo/VML Pooled OPEB Trust) are the same as the value of the pool shares. As these pools are not SEC-registered, regulatory oversight of the pools rests with the Virginia State Treasury.

| Investment Type | Fair Value | Less than 1 Year |
|---|---|---|
| LGIP | $ 5,604,905 | $ 5,604,905 |
| SNAP | 87,685,230 | 87,685,230 |
| Total | $ 93,290,135 | $ 93,290,135 |

LGIP, SNAP, and VACo/VML Pooled OPEB Trust funds are not publicly traded on an open market and significant information about the underlying assets are unknown to the School Board. Therefore, the School Board records these funds at net asset value, which represents fair value based on observable data such as ongoing redemption and/or subscription activity. There are no features associated with the LGIP, SNAP, and VACo/VML Pooled OPEB Trust funds that management believes requires an adjustment to the net asset value.

### D. OPEB Trust Funds

As of June 30, 2024, the carrying value of the OPEB Trust Fund's deposits and investments held by the Virginia Pooled OPEB Trust (VACo/VML Pooled OPEB Trust) and their respective credit rating was as follows:

| | Reported Value | Credit Rating |
|---|---|---|
| Investment in pooled funds | $ 43,289,637 | Not Rated |

## Note 2. Deposits and Investments (Continued)

### D. OPEB Trust Funds (Continued)

The Stafford Schools' OPEB Trust Fund participates in the Virginia Pooled OPEB Trust. The Trust is an irrevocable trust offered to local governments and authorities and is governed by a Board of Trustees consisting of local officials participating in the Trust. Funds of participating jurisdictions are pooled and are invested in the name of the Virginia Pooled OPEB Trust. The reported value of the pool is measured at amortized cost and can be redeemed on demand for use against qualified OPEB benefit costs. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compound annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 5% after inflation, in a manner consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance, and asset allocation policies in light of the purpose of the Fund, market and economic conditions, and generally prevailing prudent investment practices. In addition, they oversee adherence to the investment policy.

The Board of Trustees reviews, monitors, and evaluates the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 919 East Main Street Suite 1100, Richmond, Virginia 23219.

## Note 3. Due From Stafford County (Primary Government)

The receivable due from Stafford County at June 30, 2024, represents Stafford Schools' ending cash balance, excluding the balance reported as "Pooled cash and investments", which was reclassified and reported at year-end as "Due from Primary Government" in the Operating Fund.

## Note 4. Due from Commonwealth of Virginia and Federal Government

Significant amounts of intergovernmental receivables due from other governments at June 30, 2024, were as follows:

| Intergovernmental Receivables: | Operating Fund | Grants Fund | Food and Nutrition Services Fund | Governmental Funds Total |
|---|---|---|---|---|
| Federal Government | $ 82,413 | $ 9,555,181 | $ 88,816 | $ 9,726,410 |
| Commonwealth of Virginia | 7,005,664 | 191,679 | 276 | 7,197,619 |
| Total | $ 7,088,077 | $ 9,746,860 | $ 89,092 | $ 16,924,029 |

Amounts due from the federal government in the Operating Fund are attributed to the U.S. Department of Defense Junior Reserve Officers' Training Corps (JROTC) reimbursements and Medicaid reimbursements.

Amounts due from the federal government in the Grants Fund primarily consists of reimbursements owed for Title programs (I, II, III, IVB, VIB, X) that enhance the instruction for disadvantaged children, English learners and immigrant students, students with disabilities, provide assistance to improve quality of instruction and teacher skills, and other programs, as well as reimbursements owed from federal Elementary and Secondary School Emergency Relief (ESSER) funds to address impacts related to COVID-19.

Amounts due from the federal government in the Food and Nutrition Services Fund are attributed to the National School Breakfast and Lunch Programs and the Summer Food Service Program.

Amount due from the Commonwealth of Virginia in the Operating Fund is attributed to state sales and use tax due to the school system. The Virginia Retail Sales and Use Tax Act requires one and one-eighth cent out of every five cents collected in state sales tax be distributed to school divisions based on school-age population.

## Note 4. Due from Commonwealth of Virginia and Federal Government (Continued)

Amounts due from the Commonwealth of Virginia in the Grants Fund is primarily attributed to the Special Education in Local and Regional Jails program, and also a grant received from the Virginia Department of Criminal Justice Services for digital mapping.

Amount due from the Commonwealth of Virginia in the Food and Nutrition Services Fund are attributed to state funding to support breakfast and lunch programs.

Amounts due from the Commonwealth of Virginia and federal government are considered fully collectible and, therefore, an allowance for uncollectible accounts does not apply to these receivables.

## Note 5. Capital Assets

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

| | Balance July 1, 2023 | Increases | Decreases | Re-classifications | Balance June 30, 2024 |
|---|---|---|---|---|---|
| **Capital assets not being depreciated or amortized:** | | | | | |
| Land | $ 41,699,737 | $ - | $ - | $ - | $ 41,699,737 |
| Construction in progress | 18,188,341 | 47,570,156 | (181,145) | (8,664,449) | 56,912,903 |
| Total capital assets not being depreciated or amortized | 59,888,078 | 47,570,156 | (181,145) | (8,664,449) | 98,612,640 |
| **Capital assets being depreciated or amortized** | | | | | |
| Land improvements | 74,517,063 | 256,260 | - | 569,196 | 75,342,519 |
| Buildings and building improvements | 608,246,349 | 1,663,983 | - | 8,095,253 | 618,005,585 |
| Furniture, fixtures and equipment | 18,203,831 | 3,168,718 | (1,861,231) | - | 19,511,318 |
| Vehicles | 35,660,390 | 1,268,191 | (1,243,554) | - | 35,685,027 |
| Software | 2,109,140 | - | (9,489) | - | 2,099,651 |
| Technology infrastructure | 4,375,427 | 424,131 | - | - | 4,799,558 |
| Water treatment system | 1,319,841 | - | - | - | 1,319,841 |
| Right-to-use assets - Buildings | 749,944 | - | - | - | 749,944 |
| Right-to-use assets - Equipment | 1,534,565 | - | - | - | 1,534,565 |
| Right-to-use assets - SBITA | 1,854,881 | 1,135,738 | (484,197) | - | 2,506,422 |
| Total capital assets being depreciated or amortized | 748,571,431 | 7,917,021 | (3,598,471) | 8,664,449 | 761,554,430 |
| **Less accumulated depreciation or amortization** | | | | | |
| Land improvements | (43,503,584) | (3,332,547) | - | - | (46,836,131) |
| Buildings and building improvements | (271,861,405) | (18,788,648) | - | - | (290,650,053) |
| Furniture, fixtures and equipment | (11,303,801) | (1,494,351) | 1,855,536 | - | (10,942,616) |
| Vehicles | (15,742,191) | (2,268,645) | 1,234,305 | - | (16,776,531) |
| Software | (1,146,600) | (102,157) | 9,489 | - | (1,239,268) |
| Technology infrastructure | (1,962,563) | (259,555) | - | - | (2,222,118) |
| Water treatment system | (770,558) | (56,392) | - | - | (826,950) |
| Right-to-use assets - Buildings | (224,983) | (149,989) | - | - | (374,972) |
| Right-to-use assets - Equipment | (191,821) | (383,641) | - | - | (575,462) |
| Right-to-use assets - SBITA | (295,985) | (750,030) | 207,110 | - | (838,905) |
| Total accumulated depreciation or amortization | (347,003,491) | (27,585,955) | 3,306,440 | - | (371,283,006) |
| Total capital assets being depreciated or amortized, net | 401,567,940 | (19,668,934) | (292,031) | 8,664,449 | 390,271,424 |
| Total capital assets, net | $ 461,456,018 | $ 27,901,222 | $ (473,176) | $ - | $ 488,884,064 |

Governmental activities capital assets, net of accumulated depreciation at June 30, 2024, are comprised of the following:

| | Amount |
|---|---|
| General capital assets, net | $ 487,897,389 |
| Internal Service Funds capital assets, net | 986,675 |
| Total capital assets, net | $ 488,884,064 |

## Note 5. Capital Assets (Continued)

Depreciation and amortization expense was allocated to the government-wide functions as follows:

| | Amount |
|---|---|
| Instruction | $ 467,811 |
| Administration, attendance and health | 159,638 |
| Pupil transportation | 2,402,775 |
| Operation and maintenance | 326,448 |
| Food and nutrition services | 247,073 |
| Facilities | 21,668,158 |
| Technology | 2,314,052 |
| Total depreciation and amortization expense | $ 27,585,955 |

## Note 6. Long-Term Debt

### Changes in Long-Term Indebtedness

The following is a summary of long-term liability activity of Stafford Schools for the year ended June 30, 2024:

| | Amounts Payable at July 1, 2023 | Increases | Decreases | Amounts Payable at June 30, 2024 | Amounts Due within One Year |
|---|---|---|---|---|---|
| Lease liabilities | $ 1,687,514 | $ - | $ 450,806 | $ 1,236,708 | $ 457,410 |
| SBITA liabilities | 1,295,688 | 1,096,989 | 1,058,778 | 1,333,899 | 665,576 |
| Notes payable | 9,130,827 | - | 736,190 | 8,394,637 | 749,445 |
| Compensated absences | 7,730,593 | 1,068,914 | 770,373 | 8,029,134 | 800,648 |
| Net pension liability | 195,539,234 | 117,450,214 | 95,250,207 | 217,739,241 | - |
| Net OPEB liability | 125,186,196 | 228,123,283 | 223,930,690 | 129,378,789 | - |
| Total | $ 340,570,052 | $ 347,739,400 | $ 322,197,044 | $ 366,112,408 | $ 2,673,079 |

### Lease Liabilities

The School Board has entered into agreements to lease certain buildings and equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87, Leases, and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The School Board entered into an agreement beginning July 1, 2022, to lease copiers for a term of 60 months. Payment is due monthly at the beginning of each month in the amount of $53,946, of which $27,961 represents maintenance services. The lease liability is measured at a discount rate of .648%. As a result of the lease, the School Board has recorded a right to use asset with a net book value of $959,103 on June 30, 2024.

The School Board entered into an agreement beginning January 1, 2022, to lease warehouse space with an expected term of 5 years. Payment is due annually at the beginning of each term in amounts ranging from $115,500 to $129,996. The lease liability is measured at a discount rate of .648%. As a result of the lease, the School Board has recorded a right to use asset with a net book value of $302,564 on June 30, 2024.

The School Board entered into an agreement beginning August 19, 2021, to lease two modular buildings to provide additional classroom space at Rocky Run Elementary School with an expected term of 60 months. Payment is due monthly in the amount of $1,100 per modular building. The lease liability is measured at a discount rate of .648%. As a result of the lease, the School Board has recorded a right to use asset with a net book value of $72,408 on June 30, 2024.

## Note 6. Long-Term Debt (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, are as follows:

| Fiscal year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 457,410 | $ 7,026 | $ 464,436 |
| 2026 | 464,167 | 4,056 | 468,223 |
| 2027 | 315,131 | 1,095 | 316,226 |
| Total future minimum lease payments | $ 1,236,708 | $ 12,177 | $ 1,248,885 |

### Subscription-Based Information Technology Arrangement Liabilities

Stafford Schools is obligated under contracts covering certain subscription-based information technology arrangements (SBITA) as a lessee for information technology software. These contracts expire at various dates during the next three fiscal years. Stafford Schools' SBITA contracts do not contain any material residual value guarantees. As the interest rate implicit in the SBITAs is not readily determinable, Stafford Schools utilizes its incremental borrowing rate to discount the SBITA payments.

As a result of these SBITA, the School Board has recorded right to use assets with a net book value of $1,667,517 on June 30, 2024.

The future minimum SBITA obligations and the net present value of these minimum SBITA payments as of June 30, 2024, are as follows:

| Fiscal year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 665,576 | $ 29,694 | $ 695,270 |
| 2026 | 494,788 | 15,726 | 510,514 |
| 2027 | 173,535 | 3,793 | 177,328 |
| Total future minimum lease payments | $ 1,333,899 | $ 49,213 | $ 1,383,112 |

### Notes Payable

On July 8, 2010, Stafford Schools received the proceeds of a note from the County in the amount of $1,305,000. The note is related to a bond the County received from the Virginia Public School Authority. It is a principal only note with an annual payment due June 30th each year for 17 years, with the final payment coming due in 2027. The payment schedule is as follows:

| Fiscal year ending June 30: | Principal |
|---|---|
| 2025 | $ 80,000 |
| 2026 | 80,000 |
| 2027 | 80,000 |
| Total future payments | $ 240,000 |

In October 2019, Stafford Schools executed an Energy Performance Contract, including improvements to building envelopes, lighting, and irrigation systems, that will result in energy conservation and operational efficiencies. The cost of implementing these improvements will be paid for from realized energy savings. The project was financed using a Master Equipment Lease/Purchase Agreement and qualifies as capital financing for accounting purposes. The total amount financed was $10,650,651, of which $8,154,637 was outstanding as of June 30, 2024. For the year ended June 30, 2024, interest expense from the Energy Performance capital financing obligation totaled $173,817.

## Note 6. Long-Term Debt (Continued)

The maturities of future minimum payments and the net present value of the financing obligation related to the Energy Performance Contract as of June 30, 2024, are as follows:

| Fiscal year ending June 30: | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 669,445 | $ 160,561 | $ 830,006 |
| 2026 | 682,969 | 147,037 | 830,006 |
| 2027 | 696,765 | 133,241 | 830,006 |
| 2028 | 710,841 | 119,165 | 830,006 |
| 2029 | 725,200 | 104,806 | 830,006 |
| 2030-2034 | 3,851,759 | 298,274 | 4,150,033 |
| 2035 | 817,658 | 12,347 | 830,005 |
| Total future minimum lease payments | $ 8,154,637 | $ 975,431 | $ 9,130,068 |

Assets acquired under capital financing at June 30, 2024, are summarized below:

| | Amount |
|---|---|
| Buildings & building improvements | $ 10,650,651 |
| Accumulated depreciation | (1,609,536) |
| Total assets, net | $ 9,041,115 |

## Note 7. Construction and Other Significant Commitments

At June 30, 2024, Stafford Schools had contractual commitments for significant construction projects of $137.7 million in the Capital Projects Fund.

## Note 8. Related Parties

Stafford County Schools is fiscally dependent on Stafford County, which funds a large portion of the Stafford Schools budget and is the custodian of the majority of Stafford Schools' cash and cash equivalents.

The Academy of Technology and Innovation at University of Mary Washington (ATI-UMW) was established in partnership with the University of Mary Washington and Stafford Schools for the establishment of a regional laboratory partnership school to serve students in grades 9-12, with the possibility of eventual expansion to additional grades. The Academy is located at the University of Mary Washington's Stafford Campus and serves school divisions across the Fredericksburg region, including Caroline County, Fredericksburg City, King George County, Orange County, and Stafford County. The ATI-UMW Regional School Board includes one school board representative from each participating school division and each school division contributes annually based on the number of students from each school division attending the school. ATI-UMW opened for the 2024- 2025 school year and Stafford Schools serves as the fiscal agent for ATI-UMW.

## Note 9. Debt Service

The *Code of Virginia* prohibits Stafford Schools from having borrowing or taxing authority. The County issues and services the general obligation debt to finance the purchase or construction of school facilities. The debt is not secured by the assets purchased or constructed but by the full faith and credit and taxing authority of the County. Since Stafford Schools is not obligated to repay principal or interest on any general obligation debt incurred on Stafford Schools' behalf, the debt is recorded in the County's government-wide financial statements.

## Note 10. Risk Management

Stafford Schools 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 for which Stafford Schools carries insurance for risk of loss. Like the County, Stafford Schools participates in the local government insurance pool administered through VAcorp, a provider for government entities and municipalities in Virginia. Settled claims from these risks have not exceeded coverage for the past three years.

Stafford Schools is a member of VAcorp insurance pool for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing. Each pool member jointly and severally agrees to assume, pay and discharge any liability. Stafford Schools pays VAcorp contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the pool and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, VAcorp may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The total estimated workers' compensation insurance claims payable as of June 30, 2024 was $189,488, of which $51,274 was estimated to be current claims payable.

The change in the workers' compensation claims liability balance during the past two years is as follows:

| Fiscal Year Ended: | June 30, 2024 | June 30, 2023 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | $ 1,183,496 | $ 1,305,953 |
| Incurred claims (including IBNR) | (111,257) | 572,595 |
| Claims payments | (882,751) | (695,052) |
| Unpaid claims, end of fiscal year | $ 189,488 | $ 1,183,496 |

Stafford Schools fully retains risks associated with its health insurance plans. The risk financing is accounted for in the Health Benefits Fund. Premiums are paid for all full-time employees of Stafford Schools to a claims administrator who processes all claims.

Liabilities are reported when it is possible that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include any amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering recent settlement trends including frequency and amount of payouts.

The change in the health insurance claims liability balance during the past two years is as follows:

| Fiscal Year Ended: | June 30, 2024 | June 30, 2023 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | $ 6,256,000 | $ 6,017,000 |
| Incurred claims (including IBNR) | 39,143,938 | 35,407,848 |
| Claims payments | (38,296,938) | (35,168,848) |
| Unpaid claims, end of fiscal year | $ 7,103,000 | $ 6,256,000 |

## Note 11. Litigation and Contingent Liabilities

Stafford Schools is contingently liable with respect to lawsuits and other claims which arise in the ordinary course of its operations. It is the opinion of Stafford Schools' management, based on advice from legal counsel, that any losses incurred as a result of claims existing as of June 30, 2024, will not be material to the financial statements.

## Note 11. Litigation and Contingent Liabilities (Continued)

Federal programs in which the School Board participates were audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of the Uniform Guidance, all major programs and certain other programs were tested for compliance with applicable grant requirements. While matters of noncompliance may be disclosed by our audit, the grantors may also 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 likely be immaterial.

## Note 12. Pension Plan

### A. Plan Description

**Name of Plan:** Virginia Retirement System (VRS)
**Identification of Plan:** Agent ("Non-professional") and Cost-Sharing ("Professional") Multiple-Employer Pension Plan
**Administering Entity:** Virginia Retirement System (System)

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

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

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

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

| Plan 1 | Plan 2 | Hybrid Retirement Plan |
|---|---|---|
| **Eligible Members** | **Eligible Members** | **Eligible Members** |
| | *Professional Plan* | |
| Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund. | Employees are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Employees are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013. | Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:<br>• School division employees<br>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 |
| | *Non-Professional Plan* | *Non-Professional Plan* |
| | Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. | Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:<br>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees |
| *Hybrid Opt-In Election* | *Hybrid Opt-In Election* | *Hybrid Opt-In Election* |
| VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.<br>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.<br>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP. | Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.<br>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.<br>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP. | Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP. |
| **Retirement Contributions** | **Retirement Contributions** | **Retirement Contributions** |
| Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax- deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment. | Same as Plan 1. | A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages. |

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

| Plan 1 | Plan 2 | Hybrid Retirement Plan |
|---|---|---|
| **Service Credit**<br>Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. | **Service Credit**<br>Same as Plan 1. | **Service Credit**<br>Defined Benefit Component:<br>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.<br><br>*Defined Contribution Component:*<br>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan. |
| **Vesting**<br>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.<br><br>Members are always 100% vested in the contributions that they make. | **Vesting**<br>Same as Plan 1. | **Vesting**<br>*Defined Benefit Component:*<br>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. |

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

| Plan 1 | Plan 2 | Hybrid Retirement Plan |
|---|---|---|
| | | *Defined Contribution Component:*<br>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.<br><br>Members are always 100% vested in the contributions that they make.<br><br>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.<br>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.<br>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.<br>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.<br><br>Distributions not required, except as governed by law until age 73. |
| **Calculating the Benefit**<br><br>The basic benefit is determined using the average final compensation, service credit, and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied. | **Calculating the Benefit**<br><br>Same as Plan 1. | **Calculating the Benefit**<br>*Defined Benefit Component:*<br>Same as Plan 1.<br><br>Defined Contribution Component:<br>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions. |
| **Average Final Compensation**<br>A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee. | **Average Final Compensation**<br>A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee. | **Average Final Compensation**<br>Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan. |
| **Service Retirement Multiplier**<br><br>The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%. | **Service Retirement Multiplier**<br><br>Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013. | **Service Retirement Multiplier**<br>*Defined Benefit Component:*<br>The retirement multiplier for the defined benefit component is 1.00%.<br>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.<br>*Defined Contribution Component:*<br>Not applicable. |

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

| Plan 1 | Plan 2 | Hybrid Retirement Plan |
|---|---|---|
| **Normal Retirement Age** | **Normal Retirement Age** | **Normal Retirement Age** |
| | | *Defined Benefit Component:* |
| Age 65. | Normal Social Security retirement age. | Same as Plan 2. |
| | | *Defined Contribution Component:* |
| | | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| **Earliest Unreduced Retirement Eligibility** | **Earliest Unreduced Retirement Eligibility** | **Earliest Unreduced Retirement Eligibility** |
| | | *Defined Benefit Component:* |
| Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. | Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equals 90. | Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equals 90. |
| | | *Defined Contribution Component:* |
| | | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| **Earliest Reduced Retirement Eligibility** | **Earliest Reduced Retirement Eligibility** | **Earliest Reduced Retirement Eligibility** |
| | | *Defined Benefit Component:* |
| Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. | Age 60 with at least five years (60 months) of service credit. | Age 60 with at least five years (60 months) of service credit. |
| | | *Defined Contribution Component:* |
| | | Members are eligible to receive distributions upon leaving employment, subject to restrictions. |
| **Cost-of-Living Adjustment (COLA) in Retirement** | **Cost-of-Living Adjustment (COLA) in Retirement** | **Cost-of-Living Adjustment (COLA) in Retirement** |
| | | *Defined Benefit Component:* |
| The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. | The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. | Same as Plan 2. |
| | | *Defined Contribution Component:* |
| | | Not applicable. |
| *Eligibility:* | *Eligibility:* | *Eligibility:* |
| For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.<br>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. | Same as Plan 1. | Same as Plan 1. |

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

| Plan 1 | Plan 2 | Hybrid Retirement Plan |
|---|---|---|
| *Exceptions to COLA Effective Dates:*<br>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:<br>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.<br>• The member retires on disability.<br>• The member retires directly from short-term or long-term disability.<br>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.<br><br>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.<br>The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. | *Exceptions to COLA Effective Dates:*<br>Same as Plan 1. | *Exceptions to COLA Effective Dates:*<br>Same as Plan 1. |
| **Disability Coverage**<br>For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted. | **Disability Coverage**<br>For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted. | **Disability Coverage**<br>Employees of school divisions (including Plan 1 and Plan 2 opt- ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.<br><br>Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits. |
| **Purchase of Prior Service**<br><br>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay. | **Purchase of Prior Service**<br><br>Same as Plan 1. | **Purchase of Prior Service**<br>*Defined Benefit Component:*<br>Same as Plan 1, with the following exception:<br>• Hybrid Retirement Plan members are ineligible for ported service.<br><br>*Defined Contribution Component:*<br>Not applicable. |

## Note 12. Pension Plan (Continued)

### A. Plan Description (Continued)

#### School Board Non-Professional

**Employees Covered by Benefit Terms**

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

| | Number |
|---|---|
| Retirees and beneficiaries | 204 |
| Inactive vested members | 46 |
| Inactive nonvested members | 151 |
| Active elsewhere in VRS | 65 |
| Active employees | 351 |
| Total membership | 817 |

#### Contributions

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

#### School Board Non-Professional

The School Board's non-professional contractually required employer contribution rate for the year ended June 30, 2024, was 7.80% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were $1,124,842 and $1,115,482 for the years ended June 30, 2024 and 2023, respectively.

#### School Board Professional

The School Board's professional contractually required contribution rate for the year ended June 30, 2024 was 16.62% of covered employee compensation. This rate was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were $38,918,241 and $35,733,373 for the years ended June 30, 2024 and 2023, respectively.

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

## Note 12. Pension Plan (Continued)

### B. Net Pension Liability

### School Board Non-Professional

For the School Board's non-professional plan, the net pension liability 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. For the School Board's non-professional plan, the net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

**Net Pension Liability – School Board Professional**

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

| | Amount |
|---|---|
| Total Pension Liability | $ 57,574,609 |
| Plan Fiduciary Net Position | 47,467,405 |
| Employers' Net Pension Liability | $ 10,107,204 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.45% |

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net 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.

At June 30, 2024, the School Board reported a liability for the professional plan of $214,211,087 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 2.11939% as compared to 2.02921% at June 30, 2022.

### Actuarial Assumptions – School Board Non-Professional Plan

The total pension liability for non-professionals in the School Board's retirement plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases, including inflation | 3.50% - 5.35% |
| Investment rate of return | 6.75%, net of pension plan investment expenses, including inflation |
| Mortality Rates: | 15% of deaths are assumed to be service related. |
| – Pre-retirement: | Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95 % of rates for males; 105% of rates for females set forward 2 years. |

## Note 12. Pension Plan (Continued)

### B. Net Pension Liability (Continued)

| | |
|---|---|
| – Post-retirement: | Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. |
| – Post-disablement: | Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years. |
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. |
| – Mortality Improvement: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. |

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

| | |
|---|---|
| – Mortality Rates (Pre-retirement, post-retirement healthy, and disabled): | Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020. |
| – Retirement Rates: | Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age |
| – Withdrawal Rates: | Adjusted rates to better fit experience at each year age and service 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 – School Board Professional**

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

| | |
|---|---|
| Inflation | 2.50% |
| Salary increases, including inflation | 3.50% - 5.95% |
| Investment rate of return | 6.75%, net of pension plan investment expenses, including inflation |
| Mortality Rates: | |
| – Pre-retirement: | Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males |
| – Post-retirement: | Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females. |
| – Post-disablement: | Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females |
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally |
| – Mortality Improvement: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates |

## Note 12. Pension Plan (Continued)

### B. Net Pension Liability (Continued)

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

| | |
|---|---|
| – Mortality Rates (Pre-retirement, post-retirement healthy, and disabled): | Update to PUB2010 public sector mortality tables. 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 |

### 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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

## Note 12. Pension Plan (Continued)

### B. Net Pension Liability (Continued)

#### Discount Rate – School Board Non-Professional Plan

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

#### Discount Rate – School Board Professional Plan

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2023, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2023, on, 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.

### C. Changes in the Net Pension Liability

#### School Board Non-Professional

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balances at June 30, 2022 | $ 39,305,884 | $ 36,959,590 | $ 2,346,294 |
| Changes for the Year: | | | |
| Service cost | 1,293,253 | - | 1,293,253 |
| Interest | 2,674,794 | - | 2,674,794 |
| Difference between expected and actual experience | 1,220,096 | - | 1,220,096 |
| Contributions – employer | - | 987,403 | (987,403) |
| Contributions – employee | - | 650,586 | (650,586) |
| Net investment income | - | 2,390,900 | (2,390,900) |
| Benefit payments, including refunds of employee contributions | (1,945,127) | (1,945,127) | - |
| Administrative expense | - | (23,572) | 23,572 |
| Other changes | - | 966 | (966) |
| Net changes | 3,243,016 | 2,061,156 | 1,181,860 |
| Balances at June 30, 2023 | $ 42,548,900 | $ 39,020,746 | $ 3,528,154 |

## Note 12. Pension Plan (Continued)

### C. Changes in the Net Pension Liability (Continued)

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

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

| | 1 % Decrease (5.75%) | Current Discount Rate (6.75%) | 1 % Increase (7.75%) |
|---|---|---|---|
| School Board's non-professional net pension liability (asset) | $ 9,062,790 | $ 3,528,154 | $ (1,088,500) |
| School Board's professional net pension liability | 379,719,855 | 214,211,087 | 78,149,267 |

### D. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

#### School Board Non-Professional

For the year ended June 30, 2024, the School Board recognized pension expense of $1,706,895 related to its non professional plan. At June 30, 2024, the School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional pension plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 851,278 | $ - |
| Net difference between projected and actual earnings on plan investments | - | 575,956 |
| Employer contributions subsequent to the measurement date | 970,788 | - |
| Total | $ 1,822,066 | $ 575,956 |

The $970,788 reported as deferred outflows of resources related to pensions resulting from the School Board's non professional plan contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the School Board non-professional plan will be recognized in pension expense in future reporting periods as follows:

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ 50,828 |
| 2026 | (325,378) |
| 2027 | 531,325 |
| 2028 | 18,547 |
| | $ 275,322 |

#### School Board Professional

For the year ended June 30, 2024, the School Board recognized pension expense related to the professional plan of $27,129,022. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022, measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

## Note 12. Pension Plan (Continued)

### D. Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 18,400,915 | $ 8,359,432 |
| Changes of assumptions | 9,710,939 | - |
| Net difference between projected and actual earnings on plan investments | - | 13,928,042 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 15,105,093 | - |
| Employer contributions subsequent to the measurement date | 36,294,243 | - |
| Total | $ 79,511,190 | $ 22,287,474 |

The $36,294,243 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ 1,716,548 |
| 2026 | (7,422,641) |
| 2027 | 20,961,506 |
| 2028 | 5,674,060 |
| | $ 20,929,473 |

### Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan (non-professional plan) and the VRS Teacher Retirement Plan (professional plan) is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan

### A. Plan Description

Stafford Schools' postemployment medical plan (the plan) is a single-employer defined benefit health care plan that offers health insurance for retired employees. The School Board administers the plan, which has no separate financial report.

### Provided Benefits

Plan participants are eligible for coverage based upon the following, in accordance with the eligibility provisions of the VRS retirement plan:

- Normal retirement at age 65 with 5 years of service
- Normal retirement at age 50 with 30 years of service

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### A. Plan Description (Continued)

- Early retirement at age 50 with 10 years of service
- Early retirement at age 55 with 5 years of service

In addition, plan participants are also eligible to receive a HIC based upon retirement at age 50 for up to a minimum of 10 years and a maximum of 30 years of service, with the employer contribution (subsidy) percentages ranging from 15% to 100%. The HIC represents a subsidy of postemployment health care premiums for retirees, which is applied only to individual medical coverage. Retirees may elect to continue spousal and/or dependent coverage upon retirement, but they must pay the entire cost of that coverage.

The employer's subsidized portion of the participants' benefit is determined after any credit given to the retiree from the VRS. For inactive participants, the VRS subsidy amount paid to retirees is used. For active participants, the HIC provided by VRS is determined by multiplying the participants' years of service by $2.50 for non-professional employees and $4.00 for professional employees.

#### Disability Benefits

The VRS disability eligibility is the date of hire for a participant, which is the same eligibility for Stafford Schools. Disability participants receive the same subsidy percentage as a retiree, except there is no age 50 requirement to receive the employer subsidy. The employer's subsidized portion of the participants' benefit is determined after any credit given to the retiree from the VRS.

#### Survivor Benefits

Surviving spouses of participants with dependent coverage can stay on the plan, but receive no subsidy from Stafford Schools.

#### Medicare Coverage Options

Pre-Medicare retirees may continue to remain in one of the three options for medical and prescription drug coverage offered to active participants. Once the participant is Medicare eligible they can continue with the Medicare carve-out plan, which is offered secondarily to Medicare.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

### Membership

At March 1, 2024, membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 709 |
| Active employees (excludes employees who waived medical coverage) | 2,707 |
| Total | 3,416 |

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### A. Plan Description (Continued)

#### Contributions

The School Board establishes employer contribution rates for plan participants as part of the annual budget process. The School Board also determines whether to partially or fully fund the plan during the annual budget process. Funding for these benefits is currently made on a pay-as-you-go basis. Contributions from the School Board to the program were $2,687,693 and $2,631,891 for the years ended June 30, 2024 and June 30, 2023, respectively.

The contribution requirements of plan members are established and may be amended by the School Board. Dental insurance for retirees is paid 100% by the retiree. Life insurance for retirees is covered by the Virginia Retirement System.

### B. Net OPEB Liability

The School Board's net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of July 1, 2021, and rolled forward to the measurement date of June 30, 2023.

#### Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Discount rate 4.14%
- Inflation 2.50%
- Medical Trend Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions

The Society of Actuaries (SOA) recently published the first public plans mortality study. The study analyzed general employees, public safety and teachers experience separately. The mortality assumption was updated to that recommended by the SOA study for teacher employees and the most recently released mortality improvement (MP2021) scale. Other assumptions were those used by VRS to value the School Board - Professional Pension Plan (see Note 13).

#### Discount Rate

The discount rate on the measurement date of June 30, 2023, was 4.14%. The estimated future benefit payment stream is discounted based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher for years when the projected benefit payouts are expected to be unfunded and 6.75% for years when the projected benefit payouts are expected to be funded. A long-term expected rate of return on assets of 6.75% and a long-term expected rate of return on internal fund rate of 3.86% as of June 30, 2023, was used for the blended discount rate determination.

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### C. Investment Policy

The School Board's assets are invested in the VACo/VML Pooled OPEB Trust – Portfolio I. Listed below are the target allocation and expected returns:

| VACo/VML Pooled OPEB Trust - Portfolio I | Target Asset Allocation | LT Arithmetic Average Nominal Return | LT Arithmetic Average Real Return | LT Arithmetic Weighted Average Real Return |
|---|---|---|---|---|
| Core Bonds | 5.00% | 5.31% | 2.56% | 0.13% |
| Core Plus | 11.00% | 5.62% | 2.87% | 0.32% |
| Liquid Absolute Return | 4.00% | 6.00% | 3.25% | 0.13% |
| U.S. Large Cap Equity | 21.00% | 9.90% | 7.15% | 1.51% |
| U.S. Small Cap Equity | 10.00% | 11.33% | 8.58% | 0.86% |
| International Developed Equity | 13.00% | 10.78% | 8.03% | 1.04% |
| Emerging Market Equity | 5.00% | 12.04% | 9.29% | 0.46% |
| Long/Short Equity | 6.00% | 8.30% | 5.55% | 0.33% |
| Private Equity | 10.00% | 13.26% | 10.51% | 1.05% |
| Core Real Estate | 10.00% | 9.24% | 6.49% | 0.65% |
| Opportunistic Real Estate | 5.00% | 12.24% | 9.49% | 0.47% |
| Total | 100.00% | | | 6.95% |
| | | | Inflation | 2.75% |
| | | | Expected arithmetic nominal return | 9.70% |

### Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 9.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### D. Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balances at June 30, 2022 | $ 124,489,659 | $ 36,804,983 | $ 87,684,676 |
| Changes for the Year: | | | |
| Service cost | 6,165,749 | - | 6,165,749 |
| Interest | 4,980,911 | - | 4,980,911 |
| Difference between expected and actual experience | (376,499) | - | (376,499) |
| Change in assumptions | (1,940,331) | - | (1,940,331) |
| Contributions - employer | - | 2,631,891 | (2,631,891) |
| Net investment income | - | 2,770,738 | (2,770,738) |
| Benefit payments | (2,631,891) | (2,631,891) | - |
| Net changes | 6,197,939 | 2,770,738 | 3,427,201 |
| Balances at June 30, 2023 | $ 130,687,598 | $ 39,575,721 | $ 91,111,877 |
| Funded status | | | 30.28% |

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### D. Changes in the Net OPEB Liability (Continued)

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Total and Net OPEB liabilities, using the discount rate of 4.14%, as well as what the Total and Net OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (3.14%) or one percentage point higher (5.14%) than the current rate:

| | 1 % Decrease (3.14%) | Discount Rate (4.14%) | 1 % Increase (5.14%) |
|---|---|---|---|
| Total OPEB Liability | $ 154,740,180 | $ 130,687,598 | $ 111,616,835 |
| Net OPEB Liability | 115,164,459 | 91,111,877 | 72,041,114 |

#### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Total and Net OPEB liabilities, using the ultimate health care cost trend rate of 3.94%, as well as what the Total and Net OPEB liabilities would be if they were calculated using a ultimate health care cost trend rate that is one percentage point lower (2.94%) or one percentage point higher (4.94%) than the current rate:

| | 1 % Decrease (2.94%) | Medical Trend (3.94%) | 1 % Increase (4.94%) |
|---|---|---|---|
| Total OPEB Liability | $ 106,946,656 | $ 130,687,598 | $ 162,262,893 |
| Net OPEB Liability | 67,370,935 | 91,111,877 | 122,687,172 |

### E. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended June 30, 2024, the School Board recognized OPEB expense of ($5,976,408). The School Board also reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 219,977 | $ 78,148,672 |
| Changes of assumptions | 48,572,306 | 70,781,047 |
| Net difference between projected and actual earnings on plan investments | 1,586,425 | - |
| Employer contributions subsequent to the measurement date | 2,687,693 | - |
| Total | $ 53,066,401 | $ 148,929,719 |

The $2,687,693 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025 The OPEB plan does not make contributions based on payroll; therefore, a Schedule of Contributions is not required or included.

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### E. OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

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

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ (14,752,755) |
| 2026 | (14,944,908) |
| 2027 | (11,052,552) |
| 2028 | (11,466,137) |
| 2029 | (13,420,848) |
| Thereafter | (32,913,811) |
| | $ (98,551,011) |

### F. Additional OPEB Medical Plan Data

The following additional disclosures are presented in conformity with the requirements of GAAP, using a Plan measurement date of June 30, 2024. For purposes of these disclosures, the School Board's net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of March 1, 2024, and rolled forward to the measurement date of June 30, 2024.

**Actuarial Methods and Assumptions**

The total OPEB liability in the March 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Discount Rate — 4.84%
- Inflation — 2.50%
- Medical Trend — Society of Actuaries Long-Run Medical Cost Trend Model baseline assumptions and adjusted to reflect the expected impact of the Inflation Reduction Act.
- Mortality — Active Employees: SOA Pub 2010 Teachers Employees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

  Healthy Retirees and Spouses: SOA Pub 2010 Teachers Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

  Surviving Spouses: SOA Pub 2010 Teachers Retirees Headcount-Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

  Disabled Retirees: SOA Pub 2010 Teachers Disabled Retirees Headcount -Weighted Mortality Table, projected on a fully generational basis using mortality improvement scale MP-2021

### Discount Rate

The discount rate on the measurement date of June 30, 2024, is 4.84%. The new benefit payment stream is discounted based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher for years when the projected benefit payouts are expected to be unfunded and 6.75% for years when the projected benefit payouts are expected to be funded. A long-term expected rate of return on assets of 6.75% and a long-term expected rate of return on internal fund rate of 3.97% as of June 30, 2024, was used in the calculations.

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### F. Additional OPEB Medical Plan Data (Continued)

### Membership

At March 1, 2024 membership consisted of:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 709 |
| Active employees (excludes employees who waived medical coverage) | 2,707 |
| Total | 3,416 |

### Net OPEB Liability

The components of the net OPEB liability of the School Board as of June 30, 2024, were as follows:

| | Amount |
|---|---|
| Total OPEB Liability | $ 126,048,730 |
| Plan Fiduciary Net Position | (43,289,636) |
| Net OPEB Liability | $ 82,759,094 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 34.34% |

### Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balances at June 30, 2023 | $ 130,687,598 | $ 39,575,721 | $ 91,111,877 |
| Changes for the Year: | | | |
| Service cost | 6,247,197 | - | 6,247,197 |
| Interest | 5,342,080 | - | 5,342,080 |
| Changes of benefit terms | (306,148) | - | (306,148) |
| Difference between expected and actual experience | (6,978,855) | - | (6,978,855) |
| Change in assumptions | (6,255,449) | - | (6,255,449) |
| Contributions – employer | - | 2,687,693 | (2,687,693) |
| Net investment income | - | 3,713,915 | (3,713,915) |
| Benefit payments | (2,687,693) | (2,687,693) | - |
| Net changes | (4,638,868) | 3,713,915 | (8,352,783) |
| Balances at June 30, 2024 | $ 126,048,730 | $ 43,289,636 | $ 82,759,094 |

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Total and Net OPEB liabilities, using the discount rate of 4.84%, as well as what the Total and Net OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower (3.84%) or one percentage point higher (5.84%) than the current rate:

| | 1 % Decrease (3.84%) | Discount Rate (4.84%) | 1 % Increase (5.84%) |
|---|---|---|---|
| Total OPEB Liability | $ 150,153,991 | $ 126,048,730 | $ 107,012,779 |
| Net OPEB Liability | 106,874,355 | 82,759,094 | 63,723,143 |

## Note 13. Other Postemployment Benefits (OPEB) Medical Plan (Continued)

### F. Additional OPEB Medical Plan Data (Continued)

#### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Total and Net OPEB liabilities, using the ultimate health care cost trend rate of 3.92%, as well as what the Total and Net OPEB liabilities would be if they were calculated using a ultimate health care cost trend rate that is one percentage point lower (2.92%) or one percentage point higher (4.92%) than the current rate:

| | 1% Decrease (2.92%) | Medical Trend (3.92%) | 1% Increase (4.92%) |
|---|---|---|---|
| Total OPEB Liability | $ 104,579,854 | $ 126,048,730 | $ 154,338,538 |
| Net OPEB Liability | 61,290,218 | 82,759,094 | 111,048,902 |

## Note 14. Health Insurance Credit (HIC) OPEB Plan

### A. Plan Description

All full-time, salaried permanent employees are automatically covered by the VRS HIC Program upon employment. This plan is 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 HIC Program OPEB, including eligibility, coverage and benefits is set out below.

#### Eligible Employees

The Retiree HIC Program was established July 1, 1993, for retired employees who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include full-time permanent salaried employees who are covered under the VRS pension plan.

#### Benefit Amount

##### School Board Non-Professional

The School Board Non-Professional Retiree HIC Program provides the following benefits for eligible employees:

- At Retirement – For employees who retire, the standard monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. As of July 1, 2021, the School Board elected to provide an additional monthly benefit of $1.00 per year of service, bringing the total monthly benefit to $2.50 per year of service per month. This additional benefit is applicable to current and future retired employees covered under the Non-Professional Retiree HIC Program and is irrevocable.
- Disability Retirement - For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

##### School Board Professional

The School Board Professional Retiree HIC Program provides the following benefits for eligible employees:

- At Retirement – For teachers 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.

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### A. Plan Description (Continued)

- Disability Retirement – For teachers and other professional school employees who retire on disability or go on long-term disability under VLDP, the monthly benefit is either $4.00 per month multiplied by twice the amount of service credit, or $4.00 per month multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

*HIC Program Notes:*

For both the School Board Non-Professional and Professional Plans, the monthly HIC benefit cannot exceed the individual premium amount. Also, employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

### Employees Covered by Benefit Terms

#### School Board Non-Professional

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

| | Number |
|---|---|
| Retirees and beneficiaries | 75 |
| Inactive vested members | 5 |
| Active elsewhere in VRS | 66 |
| Active employees | 350 |
| Total covered employees | 496 |

### Contributions

#### School Board Non-Professional

The contribution requirement 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 by the Virginia General Assembly. The School Board's Non-Professional Plan contractually required employer contribution rate for the year ended June 30, 2024, was 0.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions from the School Board to the Non-Professional HIC Program were $69,221 and $68,643 for the years ended June 30, 2024, and June 30, 2023, respectively.

#### School Board Professional

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided by the Virginia General Assembly. The School Board's Professional Plan contractually required employer contribution rate for the year ended June 30, 2024, was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions from the School Board to the Professional HIC Program were $2,833,398 and $2,601,499 for the years ended June 30, 2024, and June 30, 2023, respectively.

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### A. Plan Description (Continued)

In June 2023, the Commonwealth of Virginia made a special contribution of approximately $4.0 million to the VRS Teacher HIC Program. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a non-employer contribution. The School Board's proportionate share is reflected in Operating Grants and Contributions in the Statement of Activities.

### B. Net HIC OPEB Liability

#### School Board Non-Professional

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

#### School Board Professional

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

| | Amount |
|---|---|
| Total HIC OPEB Liability | $ 1,475,471 |
| Plan Fiduciary Net Position | 264,054 |
| Net HIC OPEB Liability | $ 1,211,417 |
| Plan Fiduciary Net Position as a Percentage of the Total HIC OPEB Liability | 17.90% |

The total 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 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.

At June 30, 2024, the School Board reported a liability for the professional plan of $26,121,551 for its proportionate share of the HIC Program Net OPEB Liability. The Net HIC Program OPEB Liability was measured as of June 30, 2023, and the total HIC Program OPEB liability used to calculate the Net HIC Program OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the Net HIC Program OPEB Liability was based on the School Board's actuarially determined employer contributions to the HIC Program OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion was 2.15628% as compared to 2.06441% at June 30, 2022.

### Actuarial Assumptions – School Board Non-Professional Plan

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

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

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### B. Net HIC OPEB Liability (Continued)

| | |
|---|---|
| – Pre-retirement: | Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95 % of rates for males; 105% of rates for females set forward 2 years. |
| – Post-retirement: | Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years. |
| – Post-disablement: | Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years. |
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years. |
| – Mortality Improvement Scale: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. |

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

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

#### Actuarial Assumptions – School Board Professional Plan

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

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

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### B. Net HIC OPEB Liability (Continued)

| | |
|---|---|
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally |
| – Mortality Improvement Scale: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates |

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

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

### Long-Term Expected Rate of Return

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

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

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

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

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### B. Net HIC OPEB Liability (Continued)

#### 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 and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2023, the rate contributed by the School Board for the HIC OPEB plan was 100% of the actuarially determined contribution rate. From July 1, 2023, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

### C. Changes in the Net HIC OPEB Liability

#### School Board Non-Professional

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total HIC OPEB Liability | Plan Fiduciary Net Position | Net HIC OPEB Liability |
| Balances at June 30, 2022 | $ 707,298 | $ 355,602 | $ 351,696 |
| Changes for the year: | | | |
| Service cost | 15,294 | - | 15,294 |
| Interest | 47,245 | - | 47,245 |
| Difference between expected and actual experience | 132,194 | - | 132,194 |
| Contributions – employer | - | 68,643 | (68,643) |
| Net investment income | - | 22,043 | (22,043) |
| Benefit payments | (45,342) | (45,342) | - |
| Administrative expense | - | (550) | 550 |
| Other changes | - | 520 | (520) |
| Net changes | 149,391 | 45,314 | 104,077 |
| Balances at June 30, 2023 | $ 856,689 | $ 400,916 | $ 455,773 |

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

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

| | 1 % Decrease (5.75%) | Current Discount Rate (6.75%) | 1 % Increase (7.75%) |
|---|---|---|---|
| School Board's non-professional HIC OPEB liability | $ 550,679 | $ 455,773 | $ 375,386 |
| School Board's professional HIC OPEB liability | 29,546,391 | 26,121,551 | 23,219,296 |

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### D. HIC OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

### School Board Non-Professional

For the year ended June 30, 2024, the School Board recognized HIC OPEB expense related to its non-professional plan of $65,230. At June 30, 2024, the School Board also reported deferred outflows of resources and deferred inflows of resources related to its non-professional plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 115,205 | $ 43,523 |
| Changes of assumptions | 31,274 | - |
| Net difference between projected and actual earnings on plan investments | - | 2,572 |
| Employer contributions subsequent to the measurement date | 69,221 | - |
| Total | $ 215,700 | $ 46,095 |

The $69,221 reported as deferred outflows of resources related to the HIC OPEB plan resulting from the School Board's non-professional plan contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB plan for the School Board's non-professional plan will be recognized in HIC OPEB expense in future reporting periods as follows:

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ 29,600 |
| 2026 | 23,716 |
| 2027 | 31,562 |
| 2028 | 15,506 |
| | $ 100,384 |

### School Board Professional

For the year ended June 30, 2024, the School Board recognized HIC OPEB expense related to the professional plan of $2,512,194. Since there was a change in proportionate share between measurement dates, a portion of the HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 1,149,741 |
| Changes of assumptions | 608,066 | 26,322 |
| Changes in proportionate share | 2,299,263 | 79,347 |
| Net difference between projected and actual earnings on plan investments | 13,108 | - |
| Employer contributions subsequent to the measurement date | 2,833,398 | - |
| Total | $ 5,753,835 | $ 1,255,410 |

## Note 14. Health Insurance Credit (HIC) OPEB Plan (Continued)

### D. HIC OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

The $2,833,398 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's professional plan contributions subsequent to the measurement date will be recognized as a reduction of the HIC OPEB liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB for the School Board's professional plan will be recognized in HIC OPEB expense in future reporting periods as follows:

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ 345,563 |
| 2026 | 332,431 |
| 2027 | 421,121 |
| 2028 | 263,909 |
| 2029 | 188,228 |
| Thereafter | 113,775 |
| | $ 1,665,027 |

#### HIC OPEB Plan Data

Detailed information about the HIC Programs is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2023-annual-report.pdf or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

## Note 15. Group Life Insurance (GLI) OPEB Plan

### A. Plan Description

All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by 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 Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

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

#### Eligible Employees

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

#### Benefit Amounts

The benefits payable under the GLI Program have several components.

- **Natural Death Benefit** – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### A. Plan Description (Continued)

- **Accidental Death Benefit** – The accidental death benefit is double the natural death benefit.
- **Other Benefit Provisions** – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:
  - Accidental dismemberment benefit
  - Seatbelt benefit
  - Repatriation benefit
  - Felonious assault benefit
  - Accelerated death benefit option

#### Reduction in Benefit Amounts

The benefit amounts provided to members covered under the GLI Program 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.

#### Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLI Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

#### Contributions

The contribution requirements for the GLI Program 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 Program 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. The School Board has elected to pay both the employee and employer components. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the GLI plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution. The School Board's proportionate share is reflected in the Non-Employer OPEB Contribution line of the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position; and in Operating Grants and Contributions in the Statement of Activities.

#### School Board Non-Professional

Contributions to the GLI Program from the School Board for the non-professional plan, which include both the employee and employer components, were $193,318 and $191,833 for the years ended June 30, 2024, and June 30, 2023, respectively.

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### A. Plan Description (Continued)

#### School Board Professional

Contributions to the GLI Program from the School Board for the professional plan, which include both the employee and employer components, were $3,140,395 and $2,884,639 for the years ended June 30, 2024 and June 30, 2023, respectively.

### B. Net GLI OPEB Liability

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

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

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

At June 30, 2024, the School Board reported liabilities of $728,823 for the non-professional plan and $10,960,765 for the professional plan for proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2023, and the total GLI OPEB Liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The School Board's proportion of the Net GLI OPEB Liability was based on the School Board's actuarially determined employer contributions to the GLI Program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the School Board's proportion for the non-professional plan was 0.06077% as compared to 0.05790% at June 30, 2022. At June 30, 2023, the School Board's proportion for the professional plan was 0.91392% as compared to 0.88591% at June 30, 2022.

#### Actuarial Assumptions – School Board Non-Professional

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

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

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### B. Net GLI OPEB Liability (Continued)

| | |
|---|---|
| Mortality Rates: | |
| – Pre-retirement: | Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years. |
| – Post-retirement: | Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year. |
| – Post-disablement: | Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years. |
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally. |
| – Mortality Improvement Scale: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates. |

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

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

### Actuarial Assumptions – School Board Professional

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

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

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### B. Net GLI OPEB Liability (Continued)

| | |
|---|---|
| – Beneficiaries and Survivors: | Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally |
| – Mortality Improvement Scale: | Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates |

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

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

#### Long-Term Expected Rate of Return

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

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

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

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

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### B. Net GLI OPEB Liability (Continued)

#### Discount Rate

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

### C. Changes in the GLI Net 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 School Board's proportionate share of the net GLI OPEB Liability using the discount rate of 6.75%, as well as what the School Board'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:

| | 1 % Decrease (5.75%) | Current Discount Rate (6.75%) | 1 % Increase (7.75%) |
|---|---|---|---|
| School Board's proportionate share of the non-professional net GLI OPEB Liability | $ 1,080,343 | $ 728,823 | $ 444,616 |
| School Board's proportionate share of the professional net GLI OPEB Liability | 16,247,279 | 10,960,765 | 6,686,585 |

### D. GLI OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

#### School Board Non-Professional

For the year ended June 30, 2024, the School Board recognized GLI OPEB expense related to its non-professional plan of $67,751. 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.

At June 30, 2024, the School Board reported deferred outflows of resources and deferred inflows of resources related to its non-professional GLI OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 72,792 | $ 22,123 |
| Changes of assumptions | 15,579 | 50,496 |
| Changes in proportion | 151,989 | 11,762 |
| Net difference between projected and actual earnings on plan investments | - | 29,288 |
| Employer contributions subsequent to the measurement date | 77,904 | - |
| Total | $ 318,264 | $ 113,669 |

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### D. GLI OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources (Continued)

The $77,904 reported as deferred outflows of resources related to the GLI OPEB resulting from the School Board's non-professional plan contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| | Amount |
|---|---|
| 2025 | $ 29,770 |
| 2026 | 5,018 |
| 2027 | 43,721 |
| 2028 | 35,008 |
| 2029 | 13,174 |
| | $ 126,691 |

### School Board Professional

For the year ended June 30, 2024, the School Board recognized GLI OPEB expense related to its professional plan of $734,238. 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.

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 1,094,712 | $ 332,715 |
| Changes of assumptions | 234,291 | 759,405 |
| Changes in proportion | 863,245 | 20,648 |
| Net difference between projected and actual earnings on plan investments | - | 440,466 |
| Employer contributions subsequent to the measurement date | 1,265,532 | - |
| Total | $ 3,457,780 | $ 1,553,234 |

The $1,265,532 reported as deferred outflows of resources related to the GLI OPEB resulting from the School Board's professional plan contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| Fiscal year ending June 30: | Amount |
|---|---|
| 2025 | $ 162,274 |
| 2026 | (221,666) |
| 2027 | 370,884 |
| 2028 | 160,987 |
| 2029 | 166,535 |
| | $ 639,014 |

## Note 15. Group Life Insurance (GLI) OPEB Plan (Continued)

### GLI OPEB Plan Data

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

## Note 16. Deficit in Net Position

The Fleet Services Funds had a deficit net position balance of $368,557 as of June 30, 2024.

## Note 17. Pending Accounting Standards of Governmental Accounting Standards Board

As of June 30, 2024, the GASB had issued statements not yet implemented by Stafford Schools. The statements which might impact Stafford Schools are as follows:

GASB Statement No.101, "Compensated Absences," updates the recognition and measurement guidance for compensated absences under a unified model, as well as disclosure requirements. Statement No.101 will be effective for fiscal years beginning after December 15, 2023.

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

GASB Statement No.103, "Financial Reporting Model Improvements" provides for updates in reporting requirements and presentation for the Management's DIscussion and Analysis, unusual and/or infrequent items, major component units, budgetary comparison information, and for Proprietary Fund Statement of Revenues, Expense, and Changes in Net Position. Statement No.103 is effective for fiscal years beginning after June 15, 2025.

GASB Statement No.104, "Disclosure of Certain Capital Assets" provides for updates in reporting and disclosure requirements for right to use capital assets related to lease agreements and subscription based IT arrangements, as well as for assets held for sale. Statement No.104 is effective for fiscal years beginning after June 15, 2025.

Management has not determined the effects these new Statements may have on prospective financial statements.

## Note 18. Subsequent Events

The School Board has evaluated subsequent events through January 20, 2025, the date on which the financial statements were available to be issued and has determined that the following subsequent events require disclosure in the financial statements:

#### Construction Commitments

On August 16, 2024, the School Board entered into a contract with Howard Shockey & Sons, Inc. in the amount of $46,139,000 for the construction of Stafford Schools' eighteenth elementary school.

On September 13, 2024, the School Board entered into a contract with Branch Builds, Inc. in the amount of $43,937,681 for the construction of Stafford Schools' nineteenth elementary school.

Stafford County Public Schools

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# Required Supplementary Information



Stafford County
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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Operating Fund
## For the Fiscal Year Ended June 30, 2024

Exhibit J

| | Budget | | | Variance from |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental: | | | | |
| Stafford County | $ 156,994,449 | $ 157,079,449 | $ 151,834,827 | $ 5,244,622 |
| Commonwealth of Virginia | 242,064,576 | 246,870,713 | 248,677,268 | (1,806,555) |
| Federal Government | 2,550,000 | 2,550,000 | 3,382,934 | (832,934) |
| Total intergovernmental revenues | 401,609,025 | 406,500,162 | 403,895,029 | 2,605,133 |
| Charges for services: | | | | |
| Tuition and fees | 1,185,000 | 1,185,000 | 959,822 | 225,178 |
| Recovered costs | 4,640,107 | 3,965,554 | 3,062,283 | 903,271 |
| Miscellaneous | 120,000 | 172,928 | 428,455 | (255,527) |
| Total revenues | 407,554,132 | 411,823,644 | 408,345,589 | 3,478,055 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Education: | | | | |
| Instruction | 302,002,732 | 304,239,970 | 300,945,004 | 3,294,966 |
| Administration, attendance and health | 23,131,472 | 23,779,608 | 21,891,921 | 1,887,687 |
| Pupil transportation | 25,816,132 | 25,898,370 | 24,697,842 | 1,200,528 |
| Operation and maintenance | 31,236,898 | 32,123,919 | 31,089,076 | 1,034,843 |
| Food and nutrition services | - | 142,959 | 135,399 | 7,560 |
| Facilities | 475,520 | 567,006 | 543,959 | 23,047 |
| Technology | 22,890,649 | 23,378,535 | 19,962,307 | 3,416,228 |
| Capital outlay | 2,085,722 | 7,613,341 | 7,106,206 | 507,135 |
| Debt service: | | | | |
| Principal | 736,190 | 736,190 | 1,806,917 | (1,070,727) |
| Interest and fiscal charges | 178,817 | 178,817 | 200,561 | (21,744) |
| Total expenditures | 408,554,132 | 418,658,715 | 408,379,192 | 10,279,523 |
| Deficiency of revenues under expenditures | (1,000,000) | (6,835,071) | (33,603) | (6,801,468) |
| **OTHER FINANCING SOURCES** | | | | |
| SBITAs issued | - | - | 1,041,948 | (1,041,948) |
| Total other financing sources | - | - | 1,041,948 | (1,041,948) |
| Change in fund balance | $ (1,000,000) | $ (6,835,071) | 1,008,345 | $ (7,843,416) |
| Fund balance, beginning - July 1, 2023 | | | 5,834,988 | |
| Fund balance, ending - June 30, 2024 | | | $ 6,843,333 | |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Capital Projects Fund
## For the Fiscal Year Ended June 30, 2024

Exhibit K

| | Budget | | | Variance from |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental: | | | | |
| Stafford County | $ 1,445,865 | $ 68,118,661 | $ 8,922,335 | $ 59,196,326 |
| Total intergovernmental revenues | 1,445,865 | 68,118,661 | 8,922,335 | 59,196,326 |
| Recovered costs | 110,000 | 110,000 | 89,869 | 20,131 |
| Use of money and property | - | - | 2,534,173 | (2,534,173) |
| Total revenues | 1,555,865 | 68,228,661 | 11,546,377 | 56,682,284 |
| **EXPENDITURES** | | | | |
| Capital outlay | 1,785,602 | 79,415,739 | 46,953,019 | 32,462,720 |
| Total expenditures | 1,785,602 | 79,415,739 | 46,953,019 | 32,462,720 |
| Deficiency of revenues under expenditures | (229,737) | (11,187,078) | (35,406,642) | 24,219,564 |
| Change in fund balance | $ (229,737) | $ (11,187,078) | (35,406,642) | $ 24,219,564 |
| Fund balance, beginning - July 1, 2023 | | | 120,723,073 | |
| Fund balance, ending - June 30, 2024 | | | $ 85,316,431 | |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
## Grants Fund
## For the Fiscal Year Ended June 30, 2024

Exhibit L

| | Budget | | | Variance from |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental: | | | | |
| Commonwealth of Virginia | $ 1,683,081 | $ 12,044,229 | $ 3,876,832 | $ 8,167,397 |
| Federal Government | 11,408,800 | 17,483,337 | 20,356,768 | (2,873,431) |
| Total intergovernmental revenues | 13,091,881 | 29,527,566 | 24,233,600 | 5,293,966 |
| Miscellaneous | 3,291,800 | 289,856 | 250,868 | 38,988 |
| Total revenues | 16,383,681 | 29,817,422 | 24,484,468 | 5,332,954 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Education: | | | | |
| Instruction | 15,837,452 | 26,542,892 | 19,962,679 | 6,580,213 |
| Administration, attendance and health | 515,118 | 140 | 1,449,352 | (1,449,212) |
| Pupil transportation | 11,800 | 280,546 | 633,062 | (352,516) |
| Operation and maintenance | - | 19,326 | 55,574 | (36,248) |
| Food and nutrition services | - | - | 107,569 | (107,569) |
| Technology | 19,311 | 690,129 | 1,100,609 | (410,480) |
| Capital outlay | - | 3,337,137 | 1,120,443 | 2,216,694 |
| Debt service: | | | | |
| Principal | - | - | 47,749 | (47,749) |
| Total expenditures | 16,383,681 | 30,870,170 | 24,477,037 | 6,393,133 |
| Excess (deficiency) of revenues over (under) expenditures | - | (1,052,748) | 7,431 | (1,060,179) |
| **OTHER FINANCING SOURCES** | | | | |
| SBITAs issued | - | - | 93,790 | (93,790) |
| Total other financing sources | - | - | 93,790 | (93,790) |
| Change in fund balance | $ - | $ (1,052,748) | 101,221 | $ (1,153,969) |
| Fund balance, beginning - July 1, 2023 | | | 134,132 | |
| Fund balance, ending - June 30, 2024 | | | $ 235,353 | |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Changes in the Net Pension Liability and Related Ratios
## Non-Professional - Virginia Retirement System

| | As of June 30, | | | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Total Pension Liability | | | | | |
| Service cost | $ 1,293,253 | $ 915,926 | $ 876,424 | $ 827,459 | $ 794,341 |
| Interest | 2,674,794 | 2,530,003 | 2,196,559 | 2,023,480 | 1,976,360 |
| Differences between expected and actual experience | 1,220,096 | 227,511 | 1,549,661 | 1,284,546 | (295,951) |
| Changes of assumptions | - | - | 1,151,016 | - | 861,271 |
| Benefit payments, including refunds of employee contributions | (1,945,127) | (1,866,303) | (1,633,057) | (1,509,641) | (1,674,858) |
| **Net change in total pension liability** | 3,243,016 | 1,807,137 | 4,140,603 | 2,625,844 | 1,661,163 |
| Total pension liability - beginning | 39,305,884 | 37,498,747 | 33,358,144 | 30,732,300 | 29,071,137 |
| Total pension liability - ending (a) | $ 42,548,900 | $ 39,305,884 | $ 37,498,747 | $ 33,358,144 | $ 30,732,300 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | $ 987,403 | $ 708,351 | $ 542,312 | $ 451,488 | $ 421,836 |
| Contributions - employee | 650,586 | 582,036 | 445,936 | 461,700 | 422,790 |
| Net investment income | 2,390,900 | (45,825) | 8,198,530 | 571,869 | 1,914,248 |
| Benefit payments, including refunds of employee contributions | (1,945,127) | (1,866,303) | (1,633,057) | (1,509,641) | (1,674,858) |
| Administrative expense | (23,572) | (23,401) | (20,485) | (19,669) | (19,286) |
| Other changes | 966 | 868 | 772 | (678) | (1,202) |
| **Net change in plan fiduciary net position** | 2,061,156 | (644,274) | 7,534,008 | (44,931) | 1,063,528 |
| Plan fiduciary net position - beginning | 36,959,590 | 37,603,864 | 30,069,856 | 30,114,787 | 29,051,259 |
| Plan fiduciary net position - ending (b) | $ 39,020,746 | $ 36,959,590 | $ 37,603,864 | $ 30,069,856 | $ 30,114,787 |
| School Board non-professional net pension liability (asset) - ending (a) - (b) | $ 3,528,154 | $ 2,346,294 | $ (105,117) | $ 3,288,288 | $ 617,513 |
| Plan fiduciary net position as a percentage of the total pension liability | 91.71% | 94.03% | 100.28% | 90.14% | 97.99% |
| Employer's covered payroll | $ 14,301,038 | $ 12,591,916 | $ 9,525,656 | $ 9,807,469 | $ 8,944,315 |
| School Board's non-professional net pension liability (asset) as a percentage of covered payroll | 24.67% | 18.63% | (1.10%) | 33.53% | 6.90% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

b. Adjusted retirement 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

c. Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to the line of duty disability

g. No change to the discount rate

**Exhibit M**

| As of June 30, | | | | | |
|---|---|---|---|---|---|
| **2019** | **2018** | **2017** | **2016** | **2015** | |
| | | | | | Total Pension Liability |
| $ 792,512 | $ 811,596 | $ 853,719 | $ 917,801 | $ 931,365 | Service cost |
| 1,942,465 | 1,893,932 | 1,856,844 | 1,773,289 | 1,679,630 | Interest |
| (743,289) | (466,649) | (868,215) | (171,518) | - | Differences between expected and actual experience |
| - | (230,348) | - | - | - | Changes of assumptions |
| (1,340,098) | (1,290,317) | (1,334,723) | (1,317,128) | (1,228,897) | Benefit payments, including refunds of employee contributions |
| 651,590 | 718,214 | 507,625 | 1,202,444 | 1,382,098 | **Net change in total pension liability** |
| 28,419,547 | 27,701,333 | 27,193,708 | 25,991,264 | 24,609,166 | Total pension liability - beginning |
| $ 29,071,137 | $ 28,419,547 | $ 27,701,333 | $ 27,193,708 | $ 25,991,264 | Total pension liability - ending (a) |
| | | | | | Plan Fiduciary Net Position |
| $ 509,433 | $ 505,800 | $ 687,268 | $ 700,475 | $ 828,505 | Contributions - employer |
| 415,354 | 409,474 | 406,077 | 412,685 | 433,951 | Contributions - employee |
| 2,018,373 | 3,015,642 | 436,457 | 1,081,570 | 3,247,485 | Net investment income |
| (1,340,098) | (1,290,317) | (1,334,723) | (1,317,128) | (1,228,897) | Benefit payments, including refunds of employee contributions |
| (17,438) | (17,420) | (15,244) | (14,788) | (17,281) | Administrative expense |
| (1,803) | (2,684) | (182) | (227) | 171 | Other changes |
| 1,583,821 | 2,620,495 | 179,653 | 862,587 | 3,263,934 | **Net change in plan fiduciary net position** |
| 27,467,438 | 24,846,943 | 24,667,290 | 23,804,703 | 20,540,769 | Plan fiduciary net position - beginning |
| $ 29,051,259 | $ 27,467,438 | $ 24,846,943 | $ 24,667,290 | $ 23,804,703 | Plan fiduciary net position - ending (b) |
| $ 19,878 | $ 952,109 | $ 2,854,390 | $ 2,526,418 | $ 2,186,561 | School Board non-professional net pension liability (asset) - ending (a) - (b) |
| 99.93% | 96.65% | 89.70% | 90.71% | 91.59% | Plan fiduciary net position as a percentage of the total pension liability |
| $ 8,704,683 | $ 8,450,346 | $ 8,163,550 | $ 8,451,460 | $ 8,577,515 | Employer's covered payroll |
| 0.23% | 11.27% | 34.97% | 29.89% | 25.49% | School Board's non-professional net pension liability (asset) as a percentage of covered payroll |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Share of Net Pension Liability
## Professional - Virginia Retirement System

| | As of June 30, | | | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2022** | **2021** | **2020** |
| Employer's proportion of the net pension liability | 2.11939% | 2.02921% | 1.95422% | 1.93237% | 1.90174% |
| Employer's proportionate share of the net pension liability | $ 214,211,087 | $ 193,192,940 | $ 151,708,002 | $ 281,210,583 | $ 250,279,791 |
| Employer's covered payroll | $ 215,004,534 | $ 192,399,026 | $ 175,927,006 | $ 172,044,450 | $ 161,000,993 |
| Employer's proportionate share of the net pension liability as a percentage of its covered payroll | 99.63% | 100.41% | 86.23% | 163.45% | 155.45% |
| Plan fiduciary net position as a percentage of the total pension liability | 82.45% | 82.61% | 85.46% | 71.47% | 73.51% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

b. Adjusted retirement 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

c. Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to the discount rate

**Exhibit N**

| As of June 30, | | | | | |
|---|---|---|---|---|---|
| **2019** | **2018** | **2017** | **2016** | **2015** | |
| 1.88423% | 1.91638% | 1.88465% | 1.87703% | 1.96028% | Employer's proportion of the net pension liability |
| $ 221,585,000 | $ 235,676,000 | $ 264,117,000 | $ 236,250,000 | $ 236,893,000 | Employer's proportionate share of the net pension liability |
| $ 153,228,530 | $ 148,882,433 | $ 143,696,984 | $ 139,553,875 | $ 143,355,995 | Employer's covered payroll |
| 144.61% | 158.30% | 183.80% | 169.29% | 165.25% | Employer's proportionate share of the net pension liability as a percentage of its covered payroll |
| 74.81% | 72.92% | 68.28% | 70.68% | 70.88% | Plan fiduciary net position as a percentage of the total pension liability |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Contributions
## Virginia Retirement System - Pension Plan

Exhibit O

### Non-Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 1,124,842 | $ 1,124,842 | $ - | $ 14,421,056 | 7.80% |
| June 30, 2023 | 1,115,482 | 1,115,482 | - | 14,301,038 | 7.80% |
| June 30, 2022 | 797,068 | 797,068 | - | 12,591,916 | 6.33% |
| June 30, 2021 | 602,974 | 602,974 | - | 9,525,656 | 6.33% |
| June 30, 2020 | 505,085 | 505,085 | - | 9,807,469 | 5.15% |
| June 30, 2019 | 460,764 | 460,764 | - | 8,944,315 | 5.15% |
| June 30, 2018 | 541,431 | 541,431 | - | 8,704,683 | 6.22% |
| June 30, 2017 | 525,614 | 525,614 | - | 8,450,346 | 6.22% |
| June 30, 2016 | 1,099,630 | 1,099,630 | - | 8,163,550 | 13.47% |
| June 30, 2015 | 825,400 | 825,400 | - | 8,451,460 | 9.77% |

### Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 38,918,241 | $ 38,918,241 | $ - | $ 234,165,109 | 16.62% |
| June 30, 2023 | 35,733,373 | 35,733,373 | - | 215,004,534 | 16.62% |
| June 30, 2022 | 31,976,718 | 31,976,718 | - | 192,399,026 | 16.62% |
| June 30, 2021 | 29,239,068 | 29,239,068 | - | 175,927,006 | 16.62% |
| June 30, 2020 | 26,976,570 | 26,976,570 | - | 172,044,450 | 15.68% |
| June 30, 2019 | 24,354,767 | 24,354,767 | - | 161,000,993 | 15.13% |
| June 30, 2018 | 24,089,529 | 24,089,529 | - | 153,228,530 | 15.72% |
| June 30, 2017 | 21,806,528 | 21,806,528 | - | 148,882,433 | 14.65% |
| June 30, 2016 | 20,203,796 | 20,203,796 | - | 143,696,984 | 14.06% |
| June 30, 2015 | 20,235,599 | 20,235,599 | - | 139,553,875 | 14.50% |

**Note to Schedule:**

(1) Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.



Stafford County
Public Schools

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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Changes in the Net OPEB Liability and Related Ratios
## School Board Medical Plan

| | As of June 30, | | | |
|---|---|---|---|---|
| | **2024** | **2023** | **2022** | **2021** |
| Total Medical Plan OPEB Liability | | | | |
| Service cost | $ 6,247,197 | $ 6,165,749 | $ 18,063,239 | $ 14,411,622 |
| Interest | 5,342,080 | 4,980,911 | 5,277,316 | 5,562,925 |
| Changes of benefit terms | (306,148) | - | (1,787,122) | - |
| Differences between expected and actual experience | (6,978,855) | (376,499) | (78,391,888) | (368,444) |
| Changes of assumptions | (6,255,449) | (1,940,331) | (81,380,147) | 30,638,733 |
| Benefit payments | (2,687,693) | (2,631,891) | (2,830,038) | (2,693,946) |
| **Net change in total Medical Plan OPEB liability** | (4,638,868) | 6,197,939 | - (141,048,640) | 47,550,890 |
| Total Medical Plan OPEB liability - beginning | 130,687,598 | 124,489,659 | 265,538,299 | 217,987,409 |
| Total Medical Plan OPEB liability - ending (a) | $ 126,048,730 | $ 130,687,598 | $ 124,489,659 | $ 265,538,299 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | $ 2,687,693 | $ 2,631,891 | $ 11,830,038 | $ 2,693,946 |
| Net investment income | 3,713,915 | 2,770,738 | (3,904,210) | 7,307,892 |
| Benefit payments | (2,687,693) | (2,631,891) | (2,830,038) | (2,693,946) |
| **Net change in plan fiduciary net position** | 3,713,915 | 2,770,738 | 5,095,790 | 7,307,892 |
| Plan fiduciary net position - beginning | 39,575,721 | 36,804,983 | 31,709,193 | 24,401,301 |
| Plan fiduciary net position - ending (b) | $ 43,289,636 | $ 39,575,721 | $ 36,804,983 | $ 31,709,193 |
| School Board net Medical Plan OPEB liability - ending (a) - (b) | $ 82,759,094 | $ 91,111,877 | $ 87,684,676 | $ 233,829,106 |
| Plan fiduciary net position as a percentage of the total Medical Plan OPEB liability | 34.34% | 30.28% | 29.56% | 11.94% |
| Employer's covered-employee payroll | $ 248,586,165 | $ 229,305,572 | $ 204,990,942 | $ 185,452,662 |
| School Board's net Medical Plan OPEB liability as a percentage of covered-employee payroll | 33.29% | 39.73% | 42.77% | 126.09% |

**Notes to Schedule:**

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

(2) Changes of benefit terms: The 30 years of service cap on the VRS Health Insurance Credit for Non-Professional Employees was eliminated.

(3) Changes of assumptions:

a. Discount rate increased to 4.84%

b. Expected return on assets: None

(4) The OPEB medical plan does not make contributions based on payroll; therefore, a Schedule of Contributions is not required or included.

**Exhibit P**

| As of June 30, 2020 | 2019 | 2018 | 2017 | |
|---|---|---|---|---|
| | | | | Total Medical Plan OPEB Liability |
| $ 10,991,667 | $ 9,102,769 | $ 8,503,360 | $ 9,898,436 | Service cost |
| 6,224,135 | 6,050,643 | 5,698,104 | 4,889,280 | Interest |
| - | - | - | - | Changes of benefit terms |
| (25,542,345) | 494,952 | (3,477,196) | (5,614,431) | Differences between expected and actual experience |
| 36,573,341 | 17,612,914 | (4,390,470) | (19,337,174) | Changes of assumptions |
| (3,147,826) | (2,951,708) | (2,658,722) | (1,397,982) | Benefit payments |
| 25,098,972 | 30,309,570 | 3,675,076 | (11,561,871) | **Net change in total Medical Plan OPEB liability** |
| 192,888,437 | 162,578,867 | 158,903,791 | 170,465,662 | Total Medical Plan OPEB liability - beginning |
| $ 217,987,409 | $ 192,888,437 | $ 162,578,867 | $ 158,903,791 | Total Medical Plan OPEB liability - ending (a) |
| | | | | Plan Fiduciary Net Position |
| $ 3,147,826 | $ 2,951,708 | $ 2,658,722 | $ 1,397,982 | Contributions - employer |
| 698,418 | 1,017,835 | 1,960,214 | 2,355,594 | Net investment income |
| (3,147,826) | (2,951,708) | (2,658,722) | (1,397,982) | Benefit payments |
| 698,418 | 1,017,835 | 1,960,214 | 2,355,594 | **Net change in plan fiduciary net position** |
| 23,702,883 | 22,685,048 | 20,724,834 | 18,369,240 | Plan fiduciary net position - beginning |
| $ 24,401,301 | $ 23,702,883 | $ 22,685,048 | $ 20,724,834 | Plan fiduciary net position - ending (b) |
| $ 193,586,108 | $ 169,185,554 | $ 139,893,819 | $ 138,178,957 | School Board net Medical Plan OPEB liability - ending (a) - (b) |
| 11.19% | 12.29% | 13.95% | 13.04% | Plan fiduciary net position as a percentage of the total Medical Plan OPEB liability |
| $ 181,851,919 | $ 169,945,308 | $ 161,933,213 | $ 151,834,911 | Employer's covered-employee payroll |
| 106.45% | 99.55% | 86.39% | 91.01% | School Board's net Medical Plan OPEB liability as a percentage of covered-employee payroll |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Investment Returns
## School Board Medical Plan

Exhibit Q

| Fiscal Year Ended | Annual Money-Weighted Rate of Return (Net of Investment Expense) |
|---|---|
| June 30, 2024 | 9.48% |
| June 30, 2023 | 7.62% |
| June 30, 2022 | -10.65% |
| June 30, 2021 | 30.07% |
| June 30, 2020 | 3.01% |
| June 30, 2019 | 4.67% |
| June 30, 2018 | 9.52% |

**Note to Schedule:**

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



Stafford County
Public Schools

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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Changes in the Net OPEB Liability and Related Ratios
## Non-Professional - Health Insurance Credit Program

| | As of June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 |
| Total HIC OPEB Liability | | | | |
| Service cost | $ 15,294 | $ 9,280 | $ 11,927 | $ 11,137 |
| Interest | 47,245 | 31,393 | 29,033 | 26,976 |
| Changes of benefit terms | - | 261,739 | - | 12,387 |
| Changes of assumptions | - | 40,793 | 7,927 | - |
| Difference between expected and actual experience | 132,194 | (68,245) | 16,069 | 10,585 |
| Benefit payments | (45,342) | (46,938) | (31,603) | (29,614) |
| **Net change in total HIC OPEB liability** | 149,391 | 228,022 | 33,353 | 31,471 |
| Total HIC OPEB liability - beginning | 707,298 | 479,276 | 445,923 | 414,452 |
| Total HIC OPEB liability - ending (a) | $ 856,689 | $ 707,298 | $ 479,276 | $ 445,923 |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | 68,643 | 52,887 | $ 23,815 | $ 21,577 |
| Net investment income | 22,043 | 142 | 71,910 | 5,531 |
| Benefit payments | (45,342) | (46,938) | (31,603) | (29,614) |
| Administrative expense | (550) | (623) | (833) | (525) |
| Other changes | 520 | 9,649 | - | (3) |
| **Net change in plan fiduciary net position** | 45,314 | 15,117 | 63,289 | (3,034) |
| Plan fiduciary net position - beginning | 355,602 | 340,485 | 277,196 | 280,230 |
| Plan fiduciary net position - ending (b) | $ 400,916 | $ 355,602 | $ 340,485 | $ 277,196 |
| School Board non-professional net HIC OPEB liability - ending (a) - (b) | $ 455,773 | $ 351,696 | $ 138,791 | $ 168,727 |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 46.80% | 50.28% | 71.04% | 62.16% |
| Employer's covered payroll | $ 14,301,038 | $ 12,591,916 | $ 9,525,657 | $ 9,807,469 |
| School Board's non-professional net HIC OPEB liability as a percentage of covered payroll | 3.19% | 2.79% | 1.46% | 1.72% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

b. Adjusted retirement 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

c. Adjusted rates to better fit experience at each age and service decrement through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to the line of duty disability

g. No change to the discount rate

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

**Exhibit R**

| As of June 30, 2020 | 2019 | 2018 | |
|---|---|---|---|
| | | | Total HIC OPEB Liability |
| $ 10,467 | $ 10,258 | $ 10,954 | Service cost |
| 26,120 | 26,440 | 25,945 | Interest |
| - | - | - | Changes of benefit terms |
| 10,145 | - | (8,780) | Changes of assumptions |
| 6,939 | (15,854) | - | Difference between expected and actual experience |
| (24,731) | (26,099) | (16,000) | Benefit payments |
| 28,940 | (5,255) | 12,119 | **Net change in total HIC OPEB liability** |
| 385,512 | 390,767 | 378,648 | Total HIC OPEB liability - beginning |
| $ 414,452 | $ 385,512 | $ 390,767 | Total HIC OPEB liability - ending (a) |
| | | | Plan Fiduciary Net Position |
| $ 19,683 | $ 19,152 | $ 18,590 | Contributions - employer |
| 17,081 | 18,142 | 26,654 | Net investment income |
| (24,731) | (26,099) | (16,000) | Benefit payments |
| (370) | (421) | (435) | Administrative expense |
| (20) | (1,340) | 1,340 | Other changes |
| 11,643 | 9,434 | 30,149 | **Net change in plan fiduciary net position** |
| 268,587 | 259,153 | 229,004 | Plan fiduciary net position - beginning |
| $ 280,230 | $ 268,587 | $ 259,153 | Plan fiduciary net position - ending (b) |
| $ 134,222 | $ 116,925 | $ 131,614 | School Board non-professional net HIC OPEB liability - ending (a) - (b) |
| 67.61% | 69.67% | 66.32% | Plan fiduciary net position as a percentage of the total HIC OPEB liability |
| $ 8,946,867 | $ 8,704,683 | $ 8,450,387 | Employer's covered payroll |
| 1.50% | 1.34% | 1.56% | School Board's non-professional net HIC OPEB liability as a percentage of covered payroll |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Share of Net OPEB Liability
## Professional - Health Insurance Credit Program

| | As of June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 |
| Employer's proportion of the net HIC OPEB liability | 2.15628% | 2.06441% | 1.98924% | 1.96246% |
| Employer's proportionate share of the net HIC OPEB liability | $ 26,121,551 | $ 25,785,441 | $ 25,533,271 | $ 25,600,615 |
| Employer's covered payroll | $ 215,004,534 | $ 192,405,991 | $ 175,927,006 | $ 172,044,450 |
| Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll | 12.15% | 13.40% | 14.51% | 14.88% |
| Plan fiduciary net position as a percentage of the total HIC OPEB liability | 17.90% | 15.08% | 13.15% | 9.95% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

b. Adjusted retirement 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

c. Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to the discount rate

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

**Exhibit S**

| As of June 30, 2020 | As of June 30, 2019 | As of June 30, 2018 | |
|---|---|---|---|
| 1.91992% | 1.89482% | 1.92437% | Employer's proportion of the net HIC OPEB liability |
| $ 25,134,000 | $ 24,058,000 | $ 24,413,000 | Employer's proportionate share of the net HIC OPEB liability |
| $ 161,036,564 | $ 153,241,128 | $ 151,871,436 | Employer's covered payroll |
| 15.61% | 15.70% | 16.07% | Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll |
| 8.97% | 8.08% | 7.04% | Plan fiduciary net position as a percentage of the total HIC OPEB liability |

**Stafford County Public Schools**
**A Component Unit of Stafford County, Virginia**
**Schedule of School Board Contributions**
**Health Insurance Credit Program**

**Exhibit T**

## Non-Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 69,221 | $ 69,221 | $ - | $ 14,421,056 | 0.48% |
| June 30, 2023 | 68,643 | 68,643 | - | 14,301,038 | 0.48% |
| June 30, 2022 | 31,481 | 31,481 | - | 12,591,916 | 0.25% |
| June 30, 2021 | 23,815 | 23,815 | - | 9,525,657 | 0.25% |
| June 30, 2020 | 21,576 | 21,576 | - | 9,807,469 | 0.22% |
| June 30, 2019 | 19,607 | 19,607 | - | 8,946,867 | 0.22% |
| June 30, 2018 | 19,150 | 19,150 | - | 8,704,683 | 0.22% |
| June 30, 2017 | 18,590 | 18,590 | - | 8,450,387 | 0.22% |

## Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 2,833,398 | $ 2,833,398 | $ - | $ 234,165,109 | 1.21% |
| June 30, 2023 | 2,601,499 | 2,601,499 | - | 215,004,534 | 1.21% |
| June 30, 2022 | 2,328,017 | 2,328,017 | - | 192,405,991 | 1.21% |
| June 30, 2021 | 2,128,770 | 2,128,770 | - | 175,927,006 | 1.21% |
| June 30, 2020 | 2,064,460 | 2,064,460 | - | 172,044,450 | 1.20% |
| June 30, 2019 | 1,928,014 | 1,928,014 | - | 161,036,564 | 1.20% |
| June 30, 2018 | 1,884,866 | 1,884,866 | - | 153,241,128 | 1.23% |
| June 30, 2017 | 1,685,773 | 1,685,773 | - | 151,871,436 | 1.11% |

**Note to Schedule:**

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



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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Share of Net OPEB Liability
## Non-Professional - Group Life Insurance Program

| | As of June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 |
| Employer's proportion of the net GLI OPEB liability | 0.06077% | 0.05790% | 0.04617% | 0.04768% |
| Employer's proportionate share of the net GLI OPEB liability | $ 728,823 | $ 697,172 | $ 537,544 | $ 795,701 |
| Employer's covered payroll | $ 14,315,591 | $ 12,594,533 | $ 9,531,893 | $ 9,811,944 |
| Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll | 5.09% | 5.54% | 5.64% | 8.11% |
| Plan fiduciary net position as a percentage of the total GLI OPEB liability | 69.30% | 67.21% | 67.45% | 52.64% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020

b. Adjusted retirement rates to better fit experience for Plan 1; set separate retirement rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

c. Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to Line of Duty Disability.

g. No change to the discount rate

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

**Exhibit U**

| As of June 30, 2020 | As of June 30, 2019 | As of June 30, 2018 | |
|---|---|---|---|
| 0.04575% | 0.04588% | 0.04586% | Employer's proportion of the net GLI OPEB liability |
| $ 744,000 | $ 696,000 | $ 690,000 | Employer's proportionate share of the net GLI OPEB liability |
| $ 8,968,209 | $ 8,724,051 | $ 8,459,382 | Employer's covered payroll |
| 8.30% | 7.98% | 8.16% | Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll |
| 52.00% | 51.22% | 48.86% | Plan fiduciary net position as a percentage of the total GLI OPEB liability |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Share of Net OPEB Liability
## Professional - Group Life Insurance Program

| | As of June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | 2022 | 2021 |
| Employer's proportion of the net GLI OPEB liability | 0.91392% | 0.88591% | 0.85292% | 0.83745% |
| Employer's proportionate share of the net GLI OPEB liability | $ 10,960,765 | $ 10,667,211 | $ 9,930,303 | $ 13,975,670 |
| Employer's covered payroll | $ 215,276,609 | $ 192,707,144 | $ 176,095,376 | $ 172,350,914 |
| Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll | 5.09% | 5.54% | 5.64% | 8.11% |
| Plan fiduciary net position as a percentage of the total GLI OPEB liability | 69.30% | 67.21% | 67.45% | 52.64% |

**Notes to Schedule:**

(1) This schedule is presented based on the measurement date used in the actuarial valuation, which is one year prior to the date of the financial statements.

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

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

a. Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.

b. Adjusted retirement rates to better fit experience for Plan 1; set separate retirement rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all

c. Adjusted withdrawal rates to better fit experience at each age and service decrement through 9 years of service

d. No change to the disability rates

e. No change to the salary scale

f. No change to the discount rate

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

**Exhibit V**

| As of June 30, 2020 | As of June 30, 2019 | As of June 30, 2018 | |
|---|---|---|---|
| 0.82223% | 0.80662% | 0.82442% | Employer's proportion of the net GLI OPEB liability |
| $ 13,380,000 | $ 12,250,000 | $ 12,406,000 | Employer's proportionate share of the net GLI OPEB liability |
| $ 161,184,289 | $ 153,377,599 | $ 152,067,324 | Employer's covered payroll |
| 8.30% | 7.99% | 8.16% | Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll |
| 52.00% | 51.22% | 48.86% | Plan fiduciary net position as a percentage of the total GLI OPEB liability |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of School Board Contributions
## Group Life Insurance Program

Exhibit W

### Non-Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 77,904 | $ 77,904 | $ - | $ 14,426,717 | 0.54% |
| June 30, 2023 | 77,306 | 77,306 | - | 14,315,591 | 0.54% |
| June 30, 2022 | 68,012 | 68,012 | - | 12,594,533 | 0.54% |
| June 30, 2021 | 51,472 | 51,472 | - | 9,531,893 | 0.54% |
| June 30, 2020 | 51,022 | 51,022 | - | 9,811,944 | 0.52% |
| June 30, 2019 | 46,635 | 46,635 | - | 8,968,209 | 0.52% |
| June 30, 2018 | 45,365 | 45,365 | - | 8,724,051 | 0.52% |
| June 30, 2017 | 43,989 | 43,989 | - | 8,459,382 | 0.52% |

### Professional

| Fiscal Year Ended | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| June 30, 2024 | $ 1,265,532 | $ 1,265,532 | $ - | $ 234,357,841 | 0.54% |
| June 30, 2023 | 1,162,466 | 1,162,466 | - | 215,276,609 | 0.54% |
| June 30, 2022 | 1,040,582 | 1,040,582 | - | 192,707,144 | 0.54% |
| June 30, 2021 | 950,915 | 950,915 | - | 176,095,376 | 0.54% |
| June 30, 2020 | 896,225 | 896,225 | - | 172,350,914 | 0.52% |
| June 30, 2019 | 838,158 | 838,158 | - | 161,184,289 | 0.52% |
| June 30, 2018 | 797,564 | 797,564 | - | 153,377,599 | 0.52% |
| June 30, 2017 | 790,750 | 790,750 | - | 152,067,324 | 0.52% |

**Note to Schedule:**

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

Stafford County Public Schools
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# Other Supplementary Information



Stafford County
Public Schools

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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Balance Sheet
## Nonmajor Governmental Funds
## June 30, 2024

Exhibit AA

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Food and Nutrition Services Fund | School Activity Fund | Division Wide Activity Fund | Endowment Fund | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | | |
| Pooled cash and investments | $ 13,009,835 | $ 3,506,574 | $ 22,599 | $ - | $ 16,539,008 |
| Restricted cash and investments | - | - | - | 26,094 | 26,094 |
| Accounts receivable, net of allowances | 195,678 | - | - | - | 195,678 |
| Intergovernmental receivables: | | | | | |
| Federal Government | 88,816 | - | - | - | 88,816 |
| Commonwealth of Virginia | 276 | - | - | - | 276 |
| Due from other funds | 204,721 | - | - | - | 204,721 |
| Inventory | 508,817 | - | - | - | 508,817 |
| Total assets | $ 14,008,143 | $ 3,506,574 | $ 22,599 | $ 26,094 | $ 17,563,410 |
| **LIABILITIES AND FUND BALANCE** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 242,877 | $ - | $ - | $ - | $ 242,877 |
| Accrued salaries and benefits | 1,030,042 | - | - | - | 1,030,042 |
| Unearned revenues | 277,660 | - | - | - | 277,660 |
| Due to other funds | - | 139,266 | - | - | 139,266 |
| Total liabilities | 1,550,579 | 139,266 | - | - | 1,689,845 |
| Fund balance: | | | | | |
| Nonspendable: | | | | | |
| Inventory | 508,817 | - | - | - | 508,817 |
| Total nonspendable | 508,817 | - | - | - | 508,817 |
| Restricted: | | | | | |
| Food and nutrition services | 11,948,747 | - | - | - | 11,948,747 |
| Endowment | - | - | - | 26,094 | 26,094 |
| Total restricted | 11,948,747 | - | - | 26,094 | 11,974,841 |
| Assigned: | | | | | |
| School Activity | - | 3,367,308 | - | - | 3,367,308 |
| Division Wide Activity | - | - | 22,599 | - | 22,599 |
| Total assigned | - | 3,367,308 | 22,599 | - | 3,389,907 |
| Total fund balance | 12,457,564 | 3,367,308 | 22,599 | 26,094 | 15,873,565 |
| Total liabilities and fund balance | $ 14,008,143 | $ 3,506,574 | $ 22,599 | $ 26,094 | $ 17,563,410 |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
## Nonmajor Governmental Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit AB

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Food and Nutrition Services Fund | School Activity Fund | Division Wide Activity Fund | Endowment Fund | Total Nonmajor Governmental Funds |
| **REVENUES** | | | | | |
| Intergovernmental: | | | | | |
| Commonwealth of Virginia | $ 372,713 | $ - | $ - | $ - | $ 372,713 |
| Federal Government | 12,968,820 | - | - | - | 12,968,820 |
| Total intergovernmental revenues | 13,341,533 | - | - | - | 13,341,533 |
| Charges for services: | | | | | |
| Tuition and fees | - | 5,218,295 | - | - | 5,218,295 |
| Food sales | 5,956,040 | - | - | - | 5,956,040 |
| Recovered costs | 186,355 | - | - | - | 186,355 |
| Miscellaneous | 78,295 | - | 32,598 | - | 110,893 |
| Use of money and property | - | - | - | 1,435 | 1,435 |
| Total revenues | 19,562,223 | 5,218,295 | 32,598 | 1,435 | 24,814,551 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Education: | | | | | |
| Instruction | - | 5,173,736 | - | 1,000 | 5,174,736 |
| Administration, attendance and health | - | - | 22,789 | - | 22,789 |
| Food and nutrition services | 18,076,888 | - | - | - | 18,076,888 |
| Technology | 110,191 | - | - | - | 110,191 |
| Capital outlay | 709,026 | - | - | - | 709,026 |
| Debt service: | | | | | |
| Principal | 35,709 | - | - | - | 35,709 |
| Interest and fiscal charges | 3,226 | - | - | - | 3,226 |
| Total expenditures | 18,935,040 | 5,173,736 | 22,789 | 1,000 | 24,132,565 |
| Excess of revenues over expenditures | 627,183 | 44,559 | 9,809 | 435 | 681,986 |
| Change in fund balance | 627,183 | 44,559 | 9,809 | 435 | 681,986 |
| Fund balance, beginning - July 1, 2023 | 11,830,381 | 3,322,749 | 12,790 | 25,659 | 15,191,579 |
| Fund balance, ending - June 30, 2024 | $ 12,457,564 | $ 3,367,308 | $ 22,599 | $ 26,094 | $ 15,873,565 |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Net Position
## Proprietary Funds
## June 30, 2024

Exhibit AC

| | Internal Service Funds | | | |
|---|---|---|---|---|
| | Fleet Services Fund | Health Benefits Fund | Workers' Compensation Fund | Total Proprietary Funds |
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 1,922,466 | $ 14,197,971 | $ 1,622,465 | $ 17,742,902 |
| Accounts receivable | 18,122 | 3,116 | - | 21,238 |
| Inventory | 364,915 | - | - | 364,915 |
| Capital assets: | | | | |
| Land | 37,357 | - | - | 37,357 |
| Land improvements | 1,268,429 | - | - | 1,268,429 |
| Buildings and building improvements | 1,867,382 | - | - | 1,867,382 |
| Furniture, fixtures and equipment | 339,953 | - | - | 339,953 |
| Software | 79,530 | - | - | 79,530 |
| Vehicles | 132,429 | - | - | 132,429 |
| Less: accumulated depreciation and amortization | (2,738,405) | - | - | (2,738,405) |
| Total capital assets | 986,675 | - | - | 986,675 |
| Total assets | 3,292,178 | 14,201,087 | 1,622,465 | 19,115,730 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension deferrals | 355,713 | - | - | 355,713 |
| OPEB deferrals | 487,233 | - | - | 487,233 |
| Total deferred outflows of resources | 842,946 | - | - | 842,946 |
| **LIABILITIES** | | | | |
| Current liabilities: | | | | |
| Accounts payable | 41,999 | 2,224,618 | 644 | 2,267,261 |
| Accrued salaries and benefits | 125,369 | 29,000 | 34,922 | 189,291 |
| Current portion of accrued insurance claims | - | 7,103,000 | 51,274 | 7,154,274 |
| Current portion of compensated absences | 31,545 | - | - | 31,545 |
| Noncurrent portion of accrued insurance claims | - | - | 138,214 | 138,214 |
| Noncurrent portion of compensated absences | 110,410 | - | - | 110,410 |
| Net pension liability | 2,115,298 | - | - | 2,115,298 |
| Net OPEB liability | 903,595 | - | - | 903,595 |
| Total liabilities | 3,328,216 | 9,356,618 | 225,054 | 12,909,888 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension deferrals | 140,830 | - | - | 140,830 |
| OPEB deferrals | 1,034,635 | - | - | 1,034,635 |
| Total deferred inflows of resources | 1,175,465 | - | - | 1,175,465 |
| **NET POSITION** | | | | |
| Net investment in capital assets | 986,675 | - | - | 986,675 |
| Unrestricted (deficit) | (1,355,232) | 4,844,469 | 1,397,411 | 4,886,648 |
| Total net position (deficit) | $ (368,557) | $ 4,844,469 | $ 1,397,411 | $ 5,873,323 |

**Exhibit AD**

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Revenues, Expenses, and Changes in Net Position
## Proprietary Funds
## For the Fiscal Year Ended June 30, 2024

| | Internal Service Funds | | | |
|---|---|---|---|---|
| | Fleet Services Fund | Health Benefits Fund | Workers' Compensation Fund | Total Proprietary Funds |
| **OPERATING REVENUES** | | | | |
| Charges for services | $ 3,840,306 | $ 37,674,690 | $ 1,051,503 | $ 42,566,499 |
| Miscellaneous | 9,916 | - | - | 9,916 |
| Total operating revenues | 3,850,222 | 37,674,690 | 1,051,503 | 42,576,415 |
| **OPERATING EXPENSES** | | | | |
| Personnel services | 1,683,767 | 354,033 | 170,788 | 2,208,588 |
| Contractual services | 83,666 | 39,160,324 | (111,257) | 39,132,733 |
| Materials and supplies | 1,723,831 | - | - | 1,723,831 |
| Utilities | 23,572 | - | - | 23,572 |
| Telecommunications | 6,880 | - | - | 6,880 |
| Depreciation and amortization | 145,967 | - | - | 145,967 |
| Total operating expenses | 3,667,683 | 39,514,357 | 59,531 | 43,241,571 |
| Operating (loss) income | 182,539 | (1,839,667) | 991,972 | (665,156) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| Interest and investment revenue | - | 296,723 | - | 296,723 |
| Loss on disposal of capital assets | (181,145) | - | - | (181,145) |
| Non-Employer OPEB Contribution | 403 | - | - | 403 |
| Vehicle and other sales | 38,560 | - | - | 38,560 |
| Total nonoperating revenues (expenses), net | (142,182) | 296,723 | - | 154,541 |
| Change in net position | 40,357 | (1,542,944) | 991,972 | (510,615) |
| Net position, beginning - July 1, 2023 | (408,914) | 6,387,413 | 405,439 | 6,383,938 |
| Net position (deficit), ending - June 30, 2024 | $ (368,557) | $ 4,844,469 | $ 1,397,411 | $ 5,873,323 |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Cash Flows
## Proprietary Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit AE

| | Internal Service Funds | | | |
|---|---|---|---|---|
| | Fleet Services Fund | Health Benefits Fund | Workers' Compensation Fund | Total Proprietary Funds |
| **Cash flows from operating activities:** | | | | |
| Receipts from customers | $ 3,825,291 | $ 37,671,574 | $ 1,051,503 | $ 42,548,368 |
| Other receipts | 9,916 | - | - | 9,916 |
| Payments to suppliers | (1,862,866) | (38,321,687) | (937,550) | (41,122,103) |
| Payments to employees | (1,555,802) | (325,956) | (135,921) | (2,017,679) |
| Net cash provided by (used in) operating activities | 416,539 | (976,069) | (21,968) | (581,498) |
| **Cash flows from noncapital financing activities:** | | | | |
| Non-Employer OPEB Contribution | 403 | - | - | 403 |
| Net cash provided by noncapital financing activities | 403 | - | - | 403 |
| **Cash flows from capital and related financing activities:** | | | | |
| Proceeds from vehicle and supply sales | 38,560 | - | - | 38,560 |
| Net cash provided by capital and related financing activities | 38,560 | - | - | 38,560 |
| **Cash flows from investing activities:** | | | | |
| Interest earned on investments | - | 296,723 | - | 296,723 |
| Net cash provided by investing activities | - | 296,723 | - | 296,723 |
| Net increase (decrease) in cash and cash equivalents | 455,502 | (679,346) | (21,968) | (245,812) |
| Cash and cash equivalents, beginning - July 1, 2023 | 1,466,964 | 14,877,317 | 1,644,433 | 17,988,714 |
| Cash and cash equivalents, ending - June 30, 2024 | $ 1,922,466 | $ 14,197,971 | $ 1,622,465 | $ 17,742,902 |
| **Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:** | | | | |
| Operating income (loss) | $ 182,539 | $ (1,839,667) | $ 991,972 | $ (665,156) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization expense | 145,967 | - | - | 145,967 |
| Changes in assets and liabilities: | | | | |
| Increase in accounts receivable | (15,016) | (3,116) | - | (18,132) |
| Increase in inventory | (39,378) | - | - | (39,378) |
| Decrease in deferred outflows of resources | 41,287 | - | - | 41,287 |
| (Decrease) increase in accounts payable and accrued expenses | 124,794 | 866,714 | (1,013,940) | (22,432) |
| Increase in compensated absences | 9,351 | - | - | 9,351 |
| Increase in net pension liability | 76,730 | - | - | 76,730 |
| Increase in net OPEB liability | 24,120 | - | - | 24,120 |
| Decrease in deferred inflows of resources | (133,855) | - | - | (133,855) |
| Total adjustments | 234,000 | 863,598 | (1,013,940) | 83,658 |
| Net cash provided by (used in) operating activities | $ 416,539 | $ (976,069) | $ (21,968) | $ (581,498) |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Fiduciary Net Position
## Custodial Funds
## June 30, 2024

Exhibit AF

| | Custodial Funds | | |
|---|---|---|---|
| | Academy of Technology and Innovation at UMW | Employee Flexible Spending Fund | Total Custodial Funds |
| **ASSETS** | | | |
| Cash and cash equivalents | $ - | $ 563,393 | $ 563,393 |
| Intergovernmental receivables: | | | |
| Commonwealth of Virginia | 241,521 | - | 241,521 |
| Total assets | 241,521 | 563,393 | 804,914 |
| **LIABILITIES** | | | |
| Accounts payable | 210,901 | - | 210,901 |
| Accrued salaries and benefits | 30,620 | - | 30,620 |
| Total liabilities | 241,521 | - | 241,521 |
| **NET POSITION** | | | |
| Restricted for organizations and individuals | - | 563,393 | 563,393 |
| Total net position | $ - | $ 563,393 | $ 563,393 |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Combining Statement of Changes in Fiduciary Net Position
## Custodial Funds
## For the Fiscal Year Ended June 30, 2024

Exhibit AG

| | Custodial Funds | | |
|---|---|---|---|
| | Academy of Technology and Innovation at UMW | Employee Flexible Spending Fund | Total Custodial Funds |
| **ADDITIONS** | | | |
| Contributions: | | | |
| Contributions from employees | $ - | $ 830,501 | $ 830,501 |
| Total contributions | - | 830,501 | 830,501 |
| Intergovernmental: | | | |
| Commonwealth of Virgina | 241,531 | - | 241,531 |
| Total intergovernmental | 241,531 | - | 241,531 |
| Total additions | 241,531 | 830,501 | 1,072,032 |
| **DEDUCTIONS** | | | |
| Benefits paid to or on behalf of organizations and individuals: | | | |
| Personnel services | 80,027 | - | 80,027 |
| Contractual services | 19,100 | - | 19,100 |
| Materials and supplies | 53,284 | - | 53,284 |
| Other expenses | 89,120 | - | 89,120 |
| Benefits paid to employees | - | 799,090 | 799,090 |
| Total deductions | 241,531 | 799,090 | 1,040,621 |
| Net increase in fiduciary net position | - | 31,411 | 31,411 |
| Net position, beginning - July 1, 2023 | - | 531,982 | 531,982 |
| Net position, ending - June 30, 2024 | $ - | $ 563,393 | $ 563,393 |



Stafford County
Public Schools

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Stafford County Public Schools

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# Statistical Section



Stafford County
Public Schools

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The statistical section of the ACFR presents detailed information as a context for understanding what the financial information presented in the basic financial statements, notes to the basic financial statements, and required and other supplementary information means regarding the overall financial health of Stafford Schools. It includes financial trends, demographic information, and operating indicators and data for the division.

No information on revenue capacity is presented, since Stafford Schools has no taxing authority. Stafford Schools is primarily fiscally dependent on appropriations from the Commonwealth of Virginia and the County of Stafford.

Similarly, no information on debt capacity is presented, since Stafford Schools has no debt issuance authority. The debt carried by Stafford Schools is in the form of notes payable, entered into for an enterprise resource planning system, energy performance improvements, and Fleet Services lift equipment.

The following information included in this statistical section is unaudited.

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## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Net Position by Component
## Fiscal Years 2015 - 2024
## (Accrual Basis of Accounting)

| | June 30, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | $ 433,631,721 | $ 438,932,856 | $ 446,017,755 | $ 448,764,864 | $ 467,480,838 |
| Restricted | 21,465,238 | 12,861,062 | 25,086,466 | 23,153,543 | 12,945,965 |
| Unrestricted (deficit) | (258,123,522) | (242,911,240) | (254,876,621) | (392,841,614) | (394,780,952) |
| **Total net position** | $ 196,973,437 | $ 208,882,678 | $ 216,227,600 | $ 79,076,793 | $ 85,645,851 |

Table S-1

| June 30, | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **NET POSITION** |
| $ 454,576,954 | $ 447,722,989 | $ 439,951,509 | $ 445,739,747 | $ 465,534,738 | Net investment in capital assets |
| 24,039,301 | 13,223,509 | 33,644,175 | 132,109,354 | 97,526,625 | Restricted |
| (398,747,755) | (412,208,580) | (416,129,123) | (384,744,079) | (354,270,097) | Unrestricted (deficit) |
| $ 79,868,500 | $ 48,737,918 | $ 57,466,561 | $ 193,105,022 | $ 208,791,266 | **Total net position** |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Changes in Net Position by Component
## Fiscal Years 2015 - 2024
## (Accrual Basis of Accounting)

| | For the Fiscal Year Ended June 30, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Expenses** | | | | | |
| Governmental activities | $ 285,238,534 | $ 300,625,771 | $ 317,291,665 | $ 321,825,800 | $ 327,204,425 |
| **Program revenues** | | | | | |
| Charges for services | 18,902,311 | 18,372,613 | 18,061,718 | 18,722,670 | 17,973,053 |
| Grants and contributions | 76,415,692 | 72,638,754 | 81,463,016 | 81,336,350 | 79,845,624 |
| **Total program revenues** | 95,318,003 | 91,011,367 | 99,524,734 | 100,059,020 | 97,818,677 |
| **Net expenses** | (189,920,531) | (209,614,404) | (217,766,931) | (221,766,780) | (229,385,748) |
| **General revenues** | | | | | |
| Sales Tax and Basic Aid | 107,949,304 | 109,421,075 | 112,615,106 | 112,912,819 | 119,280,695 |
| Payment from Stafford County | 103,735,323 | 111,658,395 | 112,072,289 | 116,440,953 | 116,796,434 |
| Investment earnings | 42,190 | 71,599 | 90,762 | 339,742 | 291,944 |
| Gain on capital asset disposals and other sales | 133,484 | 115,058 | 64,697 | 24,671 | 28,506 |
| Miscellaneous | 276,331 | 257,518 | 269,000 | 272,184 | 280,767 |
| **Total general revenues** | 212,136,632 | 221,523,645 | 225,111,854 | 229,990,369 | 236,678,346 |
| **Change in net position** | $ 22,216,101 | $ 11,909,241 | $ 7,344,923 | $ 8,223,589 | $ 7,292,598 |

Table S-2

| For the Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Expenses** |
| $ 361,218,027 | $ 406,162,530 | $ 418,403,608 | $ 430,934,554 | $ 466,113,505 | Governmental activities |
| | | | | | **Program revenues** |
| 16,675,763 | 10,252,601 | 15,648,441 | 23,004,363 | 24,854,259 | Charges for services |
| 91,339,965 | 99,736,903 | 135,087,424 | 252,080,008 | 145,108,856 | Grants and contributions |
| 108,015,728 | 109,989,504 | 150,735,865 | 275,084,371 | 169,963,115 | **Total program revenues** |
| (253,202,299) | (296,173,026) | (267,667,743) | (155,850,183) | (296,150,390) | **Net expenses** |
| | | | | | **General revenues** |
| 122,343,356 | 131,551,342 | 140,334,862 | 149,421,523 | 156,759,240 | Sales Tax and Basic Aid |
| 124,601,178 | 129,903,890 | 135,555,869 | 139,231,707 | 151,834,827 | Payment from Stafford County |
| 217,423 | 14,153 | 13,441 | 2,246,854 | 2,832,331 | Investment earnings |
| 22,223 | 31,086 | 67,890 | 42,725 | 38,560 | Gain on capital asset disposals and other sales |
| 240,768 | 330,828 | 424,324 | 545,834 | 371,677 | Miscellaneous |
| 247,424,948 | 261,831,299 | 276,396,386 | 291,488,643 | 311,836,635 | **Total general revenues** |
| $ (5,777,351) | $ (34,341,727) | $ 8,728,643 | $ 135,638,460 | $ 15,686,245 | **Change in net position** |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Fund Balances, Governmental Funds
## Fiscal Years 2015 - 2024
## (Modified Accrual Basis of Accounting)

| | June 30, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Operating Fund:** | | | | | |
| Nonspendable | $ 444,506 | $ 577,597 | $ 569,714 | $ 723,540 | $ - |
| Committed | 3,091,085 | - | 144,043 | 211,584 | - |
| Assigned | - | - | - | 9,069,955 | 6,701,074 |
| Unassigned | 5,213,871 | 12,794,590 | 10,792,575 | - | - |
| Fund balance - operating fund | 8,749,462 | 13,372,187 | 11,506,332 | 10,005,079 | 6,701,074 |
| **All Other Governmental Funds:** | | | | | |
| Nonspendable: | | | | | |
| Food and Nutrition Services Fund | 240,566 | 260,626 | 282,149 | 465,648 | 589,964 |
| | 240,566 | 260,626 | 282,149 | 465,648 | 589,964 |
| Restricted: | | | | | |
| Capital Projects Fund | 18,204,234 | 8,997,231 | 20,065,206 | 17,237,097 | 5,911,621 |
| Food and Nutrition Services Fund | 3,141,740 | 3,797,665 | 4,850,254 | 5,771,134 | 6,916,437 |
| Grants Fund | 119,264 | 66,166 | 171,006 | 145,312 | 117,907 |
| Endowment Fund | - | - | - | - | - |
| Scholarship Fund | - | - | - | - | - |
| | 21,465,238 | 12,861,062 | 25,086,466 | 23,153,543 | 12,945,965 |
| Committed: | | | | | |
| Capital Projects Fund | - | 2,985,882 | - | 6,311,023 | - |
| | - | 2,985,882 | - | 6,311,023 | - |
| Assigned: | | | | | |
| School Activity Fund | - | - | - | - | - |
| Division Wide Activity Fund | - | - | - | - | - |
| | - | - | - | - | - |
| Fund balance - other governmental funds | 21,705,804 | 16,107,570 | 25,368,615 | 29,930,214 | 13,535,929 |
| Fund balance - total governmental funds | $ 30,455,266 | $ 29,479,757 | $ 36,874,947 | $ 39,935,293 | $ 20,237,003 |

Table S-3

| June 30, | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Operating Fund:** |
| $ - | $ - | $ - | $ - | $ - | Nonspendable |
| - | - | - | - | - | Committed |
| 9,311,489 | 16,774,397 | 10,937,987 | 5,834,988 | 6,843,333 | Assigned |
| - | - | - | - | - | Unassigned |
| 9,311,489 | 16,774,397 | 10,937,987 | 5,834,988 | 6,843,333 | Fund balance - operating fund |
| | | | | | **All Other Governmental Funds:** |
| | | | | | Nonspendable: |
| 748,053 | 464,965 | 486,047 | 603,891 | 508,817 | Food and Nutrition Services Fund |
| 748,053 | 464,965 | 486,047 | 603,891 | 508,817 | |
| | | | | | Restricted: |
| 17,098,734 | 6,227,611 | 21,447,694 | 120,723,073 | 85,316,431 | Capital Projects Fund |
| 6,830,419 | 6,757,079 | 11,998,877 | 11,226,490 | 11,948,747 | Food and Nutrition Services Fund |
| 110,148 | 208,571 | 168,289 | 134,132 | 235,353 | Grants Fund |
| - | 26,576 | 25,643 | 25,659 | 26,094 | Endowment Fund |
| - | 3,672 | 3,672 | - | - | Scholarship Fund |
| 24,039,301 | 13,223,509 | 33,644,175 | 132,109,354 | 97,526,625 | |
| | | | | | Committed: |
| - | - | - | - | - | Capital Projects Fund |
| - | - | - | - | - | |
| | | | | | Assigned: |
| - | 2,885,579 | 3,098,946 | 3,322,749 | 3,367,308 | School Activity Fund |
| - | 11,157 | 12,050 | 12,790 | 22,599 | Division Wide Activity Fund |
| - | 2,896,736 | 3,110,996 | 3,335,539 | 3,389,907 | |
| 24,787,354 | 16,585,210 | 37,241,218 | 136,048,784 | 101,425,349 | Fund balance - other governmental funds |
| $ 34,098,843 | $ 33,359,607 | $ 48,179,205 | $ 141,883,772 | $ 108,268,682 | Fund balance - total governmental funds |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Changes in Fund Balances, Governmental Funds
## Fiscal Years 2015 - 2024
## (Modified Accrual Basis of Accounting)

| | For the Fiscal Year Ended June 30, | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **REVENUES** | | | | | |
| Intergovernmental: | | | | | |
| Stafford County | $ 131,198,166 | $ 133,899,547 | $ 138,999,308 | $ 134,942,282 | $ 132,965,915 |
| Commonwealth of Virginia | 139,495,094 | 142,268,097 | 148,896,372 | 156,289,875 | 164,043,554 |
| Federal Government | 17,407,059 | 17,550,580 | 18,254,731 | 19,457,965 | 18,913,284 |
| Total intergovernmental revenues | 288,100,319 | 293,718,224 | 306,150,411 | 310,690,122 | 315,922,753 |
| Charges for services: | | | | | |
| Tuition and fees | 867,202 | 752,941 | 868,492 | 783,138 | 772,915 |
| Food sales | 6,684,272 | 6,754,639 | 6,762,593 | 6,587,698 | 6,709,453 |
| Recovered costs | 2,082,884 | 2,374,395 | 2,514,639 | 3,880,297 | 3,697,437 |
| Miscellaneous | 280,754 | 329,978 | 454,147 | 360,930 | 369,834 |
| Use of money and property | 36,892 | 56,296 | 54,853 | 268,578 | 174,164 |
| Total revenues | 298,052,323 | 303,986,473 | 316,805,135 | 322,570,763 | 327,646,556 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| Education: | | | | | |
| Instruction | 190,794,453 | 196,107,491 | 206,214,135 | 217,564,851 | 224,587,714 |
| Administration, attendance and health | 10,448,126 | 10,743,059 | 11,407,604 | 11,698,247 | 12,242,038 |
| Pupil transportation | 12,923,044 | 12,463,033 | 12,810,665 | 13,874,003 | 14,734,707 |
| Operation and maintenance | 19,888,292 | 20,578,357 | 21,543,418 | 21,944,518 | 23,032,559 |
| Food and nutrition services | 11,724,692 | 12,077,813 | 12,047,774 | 12,204,242 | 12,391,388 |
| Facilities | 100,323 | 161,377 | 163,332 | 600,213 | 344,084 |
| Technology | 15,021,211 | 16,878,885 | 15,717,051 | 15,373,331 | 15,779,881 |
| Capital outlay | 52,277,196 | 34,604,747 | 28,145,272 | 25,278,935 | 42,525,570 |
| Debt service: | | | | | |
| Principal | 421,339 | 721,941 | 743,293 | 372,323 | 378,329 |
| Interest and fiscal charges | 49,701 | 68,115 | 46,703 | 33,204 | 26,900 |
| Total expenditures | 313,648,377 | 304,404,818 | 308,839,247 | 318,943,867 | 346,043,170 |
| Excess (deficiency) of revenues over (under) expenditures | 15,596,054 | 418,345 | 7,965,888 | 3,626,896 | (18,396,614) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Proceeds from notes payable | 2,125,000 | - | - | - | - |
| Leases issued | - | - | - | - | - |
| SBITAs issued | - | - | - | - | - |
| Transfers from other funds | 1,302,000 | 318,630 | - | - | - |
| Transfers to other funds | (2,032,707) | (875,794) | (570,698) | (566,550) | (578,136) |
| Total other financing sources (uses), net | 1,394,293 | (557,164) | (570,698) | (566,550) | (578,136) |
| **Change in fund balance** | $ (14,201,761) | $ (975,509) | $ 7,395,190 | $ 3,060,346 | $ (18,974,750) |

Table S-4

| For the Fiscal Year Ended June 30, | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **REVENUES** |
| | | | | | Intergovernmental: |
| $ 144,398,390 | $ 138,829,835 | $ 161,758,361 | $ 247,709,689 | $ 160,757,162 | Stafford County |
| 173,787,902 | 191,919,975 | 203,167,391 | 236,081,783 | 252,926,813 | Commonwealth of Virginia |
| 20,098,207 | 30,442,325 | 46,052,403 | 47,429,850 | 36,708,522 | Federal Government |
| 338,284,499 | 361,192,135 | 410,978,155 | 531,221,322 | 450,392,497 | Total intergovernmental revenues |
| | | | | | Charges for services: |
| 680,915 | 2,196,689 | 4,471,474 | 5,749,321 | 6,178,117 | Tuition and fees |
| 5,301,519 | 23,345 | 48,856 | 5,403,574 | 5,956,040 | Food sales |
| 2,220,419 | 2,157,216 | 2,667,481 | 3,144,800 | 3,338,507 | Recovered costs |
| 382,322 | 481,471 | 649,301 | 539,798 | 790,216 | Miscellaneous |
| 136,329 | 6,393 | 297 | 2,044,956 | 2,535,608 | Use of money and property |
| 347,006,003 | 366,057,249 | 418,815,564 | 548,103,771 | 469,190,985 | Total revenues |
| | | | | | **EXPENDITURES** |
| | | | | | Current: |
| | | | | | Education: |
| 238,472,922 | 253,998,730 | 278,101,627 | 300,804,570 | 326,082,419 | Instruction |
| 13,508,505 | 15,033,127 | 16,985,672 | 21,581,093 | 23,364,062 | Administration, attendance and health |
| 15,400,249 | 13,861,311 | 20,694,214 | 25,639,838 | 25,330,904 | Pupil transportation |
| 22,633,360 | 25,926,319 | 27,298,459 | 29,139,980 | 31,144,650 | Operation and maintenance |
| 12,148,378 | 11,416,357 | 17,939,815 | 18,512,175 | 18,319,856 | Food and nutrition services |
| 159,458 | 372,755 | 509,041 | 439,249 | 543,959 | Facilities |
| 17,128,328 | 27,769,612 | 21,717,597 | 25,102,321 | 21,173,107 | Technology |
| 23,779,245 | 24,577,592 | 20,113,573 | 34,645,548 | 55,888,694 | Capital outlay |
| | | | | | Debt service: |
| 384,456 | 956,875 | 1,184,361 | 1,727,569 | 1,890,375 | Principal |
| 179,913 | 219,952 | 201,551 | 196,307 | 203,787 | Interest and fiscal charges |
| 343,794,814 | 374,132,630 | 404,745,910 | 457,788,650 | 503,941,813 | Total expenditures |
| 3,211,189 | (8,075,381) | 14,069,654 | 90,315,121 | (34,750,828) | Excess (deficiency) of revenues over (under) expenditures |
| | | | | | **OTHER FINANCING SOURCES (USES)** |
| 10,650,651 | - | - | - | - | Proceeds from notes payable |
| - | - | 749,944 | 1,534,565 | - | Leases issued |
| - | - | - | 1,854,881 | 1,135,738 | SBITAs issued |
| - | 4,125,000 | - | - | - | Transfers from other funds |
| - | - | - | - | - | Transfers to other funds |
| 10,650,651 | 4,125,000 | 749,944 | 3,389,446 | 1,135,738 | Total other financing sources (uses), net |
| $ 13,861,840 | $ (3,950,381) | $ 14,819,598 | $ 93,704,567 | $ (33,615,090) | **Change in fund balance** |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## General Information
## June 30, 2024

Table S-5

| Stafford County | |
|---|---|
| **Independent county:** | September 27, 1664 |
| **Form of government:** | Traditional Board of Supervisors |
| **Area - square miles:** | 277 square miles |

**Stafford County Public Schools**

| **Number of Schools:** | |
|---|---|
| Early childhood centers | 2 |
| Elementary schools | 17 |
| Middle schools | 8 |
| High schools | 5 |
| Alternative schools | 1 |
| | 33 |

| Fall Membership: [1] | |
|---|---|
| Elementary schools | 13,150 |
| Middle schools | 7,187 |
| High schools | 10,715 |
| Total | 31,052 |

| **Employees:** | **FY 2024** |
|---|---|
| Licensed Instructional | 2,404 |
| Other Employees | 1,960 |
| | 4,364 |

(1) Fall membership is defined as the number of students enrolled in public school on September 30.

**Source: VDOE Fall Membership Build-A-Table**



Stafford County
Public Schools

*Inspire | Empower | Excel*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Full-Time Equivalent Government Employees by Function
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Employees:** | | | | | |
| Licensed Instructional | 2,116 | 2,304 | 2,480 | 2,403 | 2,352 |
| Other Employees | 1,428 | 1,449 | 1,402 | 1,864 | 1,511 |
| Total | 3,544 | 3,753 | 3,882 | 4,267 | 3,863 |

**Source: Superintendent's Annual Report**

Table S-6

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Employees:** |
| 2,337 | 2,257 | 2,285 | 2,341 | 2,404 | Licensed Instructional |
| 1,675 | 1,741 | 1,862 | 1,953 | 1,960 | Other Employees |
| 4,012 | 3,998 | 4,147 | 4,294 | 4,364 | Total |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Number of Schools in the Division
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Number of Schools:** | | | | | |
| Elementary Schools | 17 | 17 | 17 | 17 | 17 |
| Middle Schools | 8 | 8 | 8 | 8 | 8 |
| High Schools | 5 | 5 | 5 | 5 | 5 |
| Total | 30 | 30 | 30 | 30 | 30 |

**Source: Stafford Schools Website - Our Schools**

Table S-7

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Number of Schools:** |
| 17 | 17 | 17 | 17 | 17 | Elementary Schools |
| 8 | 8 | 8 | 8 | 8 | Middle Schools |
| 5 | 5 | 5 | 5 | 5 | High Schools |
| 30 | 30 | 30 | 30 | 30 | Total |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Division-Wide Enrollment
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Student Membership:** | | | | | |
| September 30 membership | 27,218 | 27,510 | 28,005 | 28,793 | 28,793 |
| Average daily membership as of March 31 | 27,197 | 27,519 | 28,017 | 28,487 | 28,852 |
| End-of-year membership | 27,218 | 27,474 | 28,786 | 28,576 | 28,869 |
| Students enrolled in special education programs | 2,532 | 2,653 | 2,964 | 3,303 | 3,322 |
| English Language Learners | 1,251 | 1,352 | 1,380 | 1,735 | 1,734 |
| Students enrolled in grades K-3 | 7,761 | 7,822 | 7,916 | 8,018 | 8,018 |

**Sources: Superintendent's Annual Report; December 1 Special Education Child Count; Synergy Student Information System (ELLs); and VDOE Fall Membership Reports**

Table S-8

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Student Membership:** |
| 29,494 | 28,898 | 29,929 | 30,570 | 31,052 | September 30 membership |
| 29,364 | 28,700 | 29,830 | 31,100 | 31,498 | Average daily membership as of March 31 |
| 29,505 | 28,562 | 30,201 | 30,801 | 31,321 | End-of-year membership |
| 3,791 | 3,890 | 3,937 | 4,177 | 4,177 | Students enrolled in special education programs |
| 1,726 | 1,985 | 1,115 | 867 | 863 | English Language Learners |
| 8,204 | 7,644 | 8,248 | 8,501 | 8,638 | Students enrolled in grades K-3 |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Various Operating Indicators
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Operating Statistics:** | | | | | |
| Average per pupil expenditures | $ 8,255 | $ 9,514 | $ 9,961 | $ 9,561 | $ 9,937 |
| Average classroom teacher salary | $ 52,716 | $ 54,490 | $ 56,462 | $ 52,618 | $ 55,463 |
| Composite index [1] | 0.3412 | 0.3412 | 0.3445 | 0.3445 | 0.3462 |

(1) The composite index uses various factors to measure the County's wealth. The higher the index, the less money the County receives (per pupil) from the Commonwealth of Virginia.

**Source: Superintendent's Annual Report**

Table S-9

| Fiscal Year 2020 | 2021 | 2022 | 2023 | 2024 | |
|---|---|---|---|---|---|
| | | | | | **Operating Statistics:** |
| $ 10,217 | $ 11,024 | $ 12,307 | $ 12,779 | $ 13,712 | Average per pupil expenditures |
| $ 58,385 | $ 58,954 | $ 62,008 | $ 68,689 | $ 73,490 | Average classroom teacher salary |
| 0.3462 | 0.3470 | 0.3470 | 0.3411 | 0.3411 | Composite index [1] |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Transportation Operating Indicators
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Transportation Statistics:** | | | | | |
| Average Ridership (Regular) | 17,048 | 15,664 | 17,069 | 17,089 | 17,016 |
| Average Ridership (Special Needs) | 726 | 697 | 732 | 799 | 786 |
| Average Ridership (Head Start) | 350 | 300 | 350 | 350 | 300 |
| Buses Operated Daily (Regular) | 140 | 137 | 139 | 139 | 134 |
| Buses Operated Daily (Special Needs) | 71 | 57 | 67 | 69 | 68 |
| Buses Operated Daily (Head Start) | 10 | 10 | 11 | 12 | 12 |
| Special Trip Assignments | 3,864 | 3,976 | 4,217 | 3,771 | 4,210 |
| Miles Traveled (Regular) | 1,465,231 | 1,686,888 | 1,649,558 | 1,473,182 | 1,420,849 |
| Miles Traveled (Special Needs) | 865,854 | 1,103,008 | 1,291,239 | 1,007,595 | 986,505 |

*The 2020 averages are based on ridership through March 13, 2020, after which Stafford County Public Schools was subject to the Governor's mandatory school closure due to the Covid-19 Pandemic

**Source: Department of Transportation Services, Stafford County Public Schools**

Table S-10

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Transportation Statistics:** |
| 18,087 | 10,166 | 22,694 | 19,362 | 20,489 | Average Ridership (Regular) |
| 780 | 804 | 480 | 883 | 829 | Average Ridership (Special Needs) |
| 350 | 271 | 285 | 269 | 452 | Average Ridership (Head Start) |
| 142 | 134 | 175 | 163 | 171 | Buses Operated Daily (Regular) |
| 71 | 48 | 65 | 65 | 62 | Buses Operated Daily (Special Needs) |
| 12 | 12 | 12 | 11 | 9 | Buses Operated Daily (Head Start) |
| 3,050 | 777 | 2,812 | 3,701 | 3,778 | Special Trip Assignments |
| 1,086,813 | 1,299,520 | 2,317,560 | 1,516,916 | 1,654,841 | Miles Traveled (Regular) |
| 788,190 | 543,520 | 1,088,727 | 852,428 | 644,161 | Miles Traveled (Special Needs) |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Food and Nutrition Services Operating Indicators
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **School Nutrition Program (SNP) Statistics:** | | | | | |
| September 30 Membership | 27,173 | 27,510 | 28,005 | 29,025 | 29,825 |
| Eligible for Free Lunch | 6,439 | 7,222 | 8,035 | 8,376 | 8,746 |
| Percentage | 23.7% | 26.3% | 28.7% | 28.9% | 29.3% |
| Eligible for Reduced Price Lunch | 1,608 | 1,711 | 1,617 | 1,560 | 1,456 |
| Percentage | 5.9% | 6.2% | 5.8% | 5.4% | 4.9% |
| Eligible for Free and Reduced Price Lunch - Total | 8,047 | 8,933 | 9,652 | 9,936 | 10,202 |
| Percentage | 29.6% | 32.5% | 34.5% | 34.2% | 34.2% |
| High School Lunch Prices | $ 2.75 | $ 2.80 | $ 2.90 | $ 3.00 | $ 3.10 |
| Middle School Lunch Prices | $ 2.65 | $ 2.70 | $ 2.80 | $ 2.90 | $ 3.00 |
| Elementary School Lunch Prices | $ 2.55 | $ 2.60 | $ 2.70 | $ 2.80 | $ 2.90 |

**Source: Department of Food and Nutrition Services, Stafford County Public Schools**

Table S-11

| Fiscal Year 2020 | 2021 | 2022 | 2023 | 2024 | |
|---|---|---|---|---|---|
| | | | | | **School Nutrition Program (SNP) Statistics:** |
| 29,276 | 28,898 | 29,929 | 30,570 | 31,052 | September 30 Membership |
| 9,494 | 8,598 | 11,552 | 13,254 | 13,879 | Eligible for Free Lunch |
| 32.4% | 29.8% | 38.6% | 43.4% | 44.7% | **Percentage** |
| 1,470 | 591 | 1,081 | 859 | 928 | Eligible for Reduced Price Lunch |
| 5.0% | 2.1% | 3.6% | 2.8% | 3.0% | **Percentage** |
| 10,964 | 9,189 | 12,633 | 14,113 | 14,807 | Eligible for Free and Reduced Price Lunch - Total |
| 37.5% | 31.8% | 42.2% | 46.2% | 47.7% | **Percentage** |
| $ 3.10 | $ 3.10 | $ 3.10 | $ 3.10 | $ 3.10 | High School Lunch Prices |
| $ 3.00 | $ 3.00 | $ 3.00 | $ 3.00 | $ 3.00 | Middle School Lunch Prices |
| $ 2.90 | $ 2.90 | $ 2.90 | $ 2.90 | $ 2.90 | Elementary School Lunch Prices |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Fleet Services Operating Indicators
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | | | 2019 | | | 2020 | | |
| **Fleet Vehicles Serviced by Fleet Services:** | | | | Active | Average Age | Average Mileage | Active | Average Age | Average Mileage | Active | Average Age | Average Mileage |
| Stafford County Public Schools | | | | | | | | | | | | |
| Buses: | | | | | | | | | | | | |
| Mainstream | 195 | 192 | 195 | 188 | 7.99 | 13,045 | 187 | 8.52 | 13,859 | 195 | 9.06 | 10,191 |
| Special Needs | 67 | 68 | 66 | 67 | 7.14 | 18,635 | 66 | 7.50 | 18,499 | 72 | 8.41 | 12,748 |
| Activity Buses | 5 | 5 | 5 | 5 | 6.20 | 23,762 | 5 | 7.20 | 21,347 | 5 | 8.46 | 18,319 |
| Less: Salvaged [1] | (15) | (20) | (8) | - | | | - | | | - | - | - |
| Subtotal Buses | 252 | 245 | 258 | 260 | | | 258 | | | 272 | | |
| Other School Vehicles: | | | | | | | | | | | | |
| Administration | 2 | 2 | - | - | - | - | - | - | - | - | - | - |
| Driver's Education | 12 | 13 | 13 | 12 | 4.20 | 5,862 | 12 | 3.89 | 5,847 | 12 | 4.26 | 4,137 |
| Fleet Services | 6 | 6 | 6 | 5 | 5.80 | 5,035 | 5 | 6.60 | 4,260 | 5 | 6.39 | 4,624 |
| Head Start | 6 | 6 | 6 | 7 | 11.40 | 1,981 | 5 | 10.54 | 1,634 | 6 | 9.76 | 1,128 |
| Maintenance | 45 | 45 | 58 | 59 | 10.40 | 6,372 | 59 | 10.68 | 4,688 | 53 | 11.61 | 5,191 |
| Food and Nutritional Services | 1 | 1 | 1 | 2 | 7.00 | 1,399 | 2 | 9.11 | 1,033 | 3 | 1.66 | 741 |
| Planning & Construction | 4 | 4 | 4 | 4 | 12.00 | 6,491 | 4 | 13.28 | 3,817 | 4 | 14.32 | 5,613 |
| Technology | 1 | 1 | 1 | 1 | 4.00 | 2,226 | 1 | 8.05 | 2,271 | 1 | 10.15 | 3,203 |
| Security | 7 | 7 | 7 | 6 | 12.10 | 1,703 | 7 | 11.65 | 1,369 | 7 | 12.69 | 1,092 |
| Transportation | 7 | 8 | 8 | 8 | 9.88 | 2,127 | 8 | 11.31 | 2,052 | 8 | 12.36 | 2,005 |
| Subtotal Other Vehicles | 91 | 93 | 104 | 104 | | | 103 | | | 99 | | |
| Total Stafford County Public Schools | 343 | 338 | 362 | 364 | | | 361 | | | 371 | | |
| County of Stafford: | | | | | | | | | | | | |
| Fire & Rescue | 172 | 178 | 170 | 174 | 12.42 | 4,712 | 186 | 12.95 | 3,281 | 195 | 13.35 | 1,567 |
| Sheriff | 221 | 227 | 259 | 275 | 5.66 | 9,497 | 262 | 5.56 | 7,896 | 259 | 5.73 | 9,526 |
| Utilities | 120 | 120 | 134 | 143 | 8.60 | 7,940 | 154 | 8.80 | 4,457 | 151 | 9.09 | 4,454 |
| Other | 153 | 157 | 139 | 152 | - | N/A | 163 | - | N/A | 153 | - | N/A |
| Total County of Stafford | 666 | 682 | 702 | 744 | | | 765 | | | 758 | | |
| **Total Fleet Vehicles** | 1,009 | 1,020 | 1,064 | 1,108 | | | 1,126 | | | 1,129 | | |
| **Other Vehicles Serviced by Fleet Services:** | | | | | | | | | | | | |
| Vocational Foundation Fleet Vehicles | 1 | 1 | - | 1 | - | N/A | 1 | - | N/A | 1 | - | N/A |
| **Total Other Vehicles** | 1 | 1 | - | 1 | | | 1 | | | 1 | | |

(1) To be sold at auction
N/A - Not available.
**Source: Fleet Services internal records**

Table S-12A

| Fiscal Year | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2021 | | | 2022 | | | 2023 | | | 2024 | | | |
| Active | Average Age | Average Mileage | Active | Average Age | Average Mileage | Active | Average Age | Average Mileage | Active | Average Age | Average Mileage | **Fleet Vehicles Serviced by Fleet Services:** |
| | | | | | | | | | | | | Stafford County Public Schools |
| | | | | | | | | | | | | Buses: |
| 175 | 8.83 | 6,773 | 185 | 8.28 | 6,872 | 212 | 7.02 | 12,984 | 222 | 7.46 | 6,486 | Mainstream |
| 75 | 8.34 | 8,491 | 81 | 7.14 | 7,448 | 84 | 7.12 | 6,007 | 83 | 6.92 | 3,821 | Special Needs |
| 5 | 9.71 | 7,917 | 5 | 10.20 | 6,931 | 5 | 11.20 | 20,231 | 11 | 8.90 | 3,288 | Activity Buses |
| - | - | - | - | - | - | - | - | - | - | - | - | Less: Salvaged [1] |
| 255 | | | 271 | | | 301 | | | 316 | | | Subtotal Buses |
| | | | | | | | | | | | | Other School Vehicles: |
| - | - | - | - | - | - | - | - | - | - | - | - | Administration |
| 12 | 5.93 | 5,130 | 14 | 6.17 | 3,952 | 13 | 5.00 | 9,752 | 13 | 4.92 | 3,416 | Driver's Education |
| 5 | 7.40 | 5,096 | 6 | 6.50 | 2,261 | 6 | 8.50 | 5,138 | 6 | 9.50 | 1,517 | Fleet Services |
| 5 | 7.64 | 4,264 | 7 | 8.00 | 938 | 7 | 7.43 | 1,243 | 7 | 8.43 | 1,312 | Head Start |
| 54 | 10.89 | 9,023 | 52 | 11.35 | 8,446 | 47 | 11.83 | 8,123 | 52 | 8.21 | 1,352 | Maintenance |
| 3 | 2.90 | 3,877 | 4 | 1.83 | 1,082 | 6 | 3.83 | 3,010 | 7 | 4.29 | 1,100 | Food and Nutritional Services |
| 3 | 15.28 | 8,730 | 7 | 7.60 | 2,330 | 6 | 9.67 | 5,300 | 6 | 10.67 | 760 | Planning & Construction |
| 1 | 11.40 | 3,449 | 1 | 12.00 | 1,966 | 1 | 14.00 | 4,959 | 1 | 14.25 | 338 | Technology |
| 7 | 13.94 | 859 | 7 | 14.20 | 410 | 7 | 16.29 | 872 | 7 | 17.29 | 1,154 | Security |
| 8 | 13.60 | 2,005 | 14 | 8.57 | 1,354 | 13 | 10.08 | 3,084 | 13 | 7.62 | 12,216 | Transportation |
| 98 | | | 112 | | | 106 | | | 112 | | | Subtotal Other Vehicles |
| 353 | | | 383 | | | 407 | | | 428 | | | Total Stafford County Public Schools |
| | | | | | | | | | | | | County of Stafford: |
| 147 | 11.39 | 1,373 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | Fire & Rescue |
| 341 | 5.73 | 7,235 | 302 | 5.14 | 384 | 280 | 6.17 | 9,313 | 323 | 5.34 | 10,123 | Sheriff |
| 163 | 9.25 | 5,255 | 165 | N/A | 166 | 107 | 10.72 | 5,574 | 110 | 8.23 | 8,246 | Utilities |
| 160 | - | N/A | 191 | N/A | 189 | 165 | 11.41 | 4,252 | 185 | 11.49 | 5,284 | Other |
| 811 | | | 658 | | | 552 | | | 618 | | | Total County of Stafford |
| 1,164 | | | 1,041 | | | 959 | | | 1,046 | | | **Total Fleet Vehicles** |
| | | | | | | | | | | | | **Other Vehicles Serviced by Fleet Services:** |
| 1 | - | N/A | 1 | - | N/A | - | - | N/A | - | - | N/A | Vocational Foundation Fleet Vehicles |
| 1 | | | 1 | | | - | | | - | | | **Total Other Vehicles** |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Fleet Services Operating Indicators
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Fleet Operations** | | | | | |
| Work orders completed | 5,254 | 5,402 | 5,220 | 5,475 | 5,452 |
| Invoices processed | 4,593 | 4,532 | 4,443 | 4,266 | 4,055 |
| Parts transactions | 83,703 | 80,917 | 87,410 | 87,209 | 87,839 |
| **Fleet Fuel** | | | | | |
| Stafford County Public Schools | | | | | |
| Gallons Purchased | 519,600 | 541,287 | 556,154 | 562,598 | 560,577 |
| Cost | 1,171,087 | 777,308 | 921,522 | 1,171,800 | 1,203,317 |
| Stafford County | | | | | |
| Gallons Purchased | 392,871 | 478,829 | 487,511 | 503,230 | 512,084 |
| Cost | 884,457 | 733,776 | 785,667 | 971,072 | 1,017,771 |
| **Fleet Acquisitions** | | | | | |
| School Buses - Mainstream | | | | | |
| Replacement | 13 | - | 23 | 7 | - |
| Additional | - | 20 | - | - | - |
| School Buses- Special Needs | | | | | |
| Replacement | 3 | - | 3 | 3 | 7 |
| Additional | - | 5 | - | - | - |
| Other School Vehicles | | | | | |
| Replacement | 10 | 3 | 3 | 6 | - |
| Additional | - | - | - | - | - |
| **Fleet Shops** | | | | | |
| Vehicles per Technician by Shop | | | | | |
| Heavy Duty Shop | 35 | 25 | 36 | 36 | 26 |
| Light Duty Shop | 122 | 124 | 128 | 148 | 139 |

**Source: Fleet Services internal records**

Table S-12B

| Fiscal Year 2020 | 2021 | 2022 | 2023 | 2024 | |
|---|---|---|---|---|---|
| | | | | | **Fleet Operations** |
| 4,276 | 4,492 | 4,329 | 3,996 | 5,238 | Work orders completed |
| 3,222 | 2,804 | 3,745 | 3,900 | 3,800 | Invoices processed |
| 71,054 | 55,966 | 41,710 | 51,844 | 91,925 | Parts transactions |
| | | | | | **Fleet Fuel** |
| | | | | | Stafford County Public Schools |
| 438,096 | 498,532 | 589,067 | 668,942 | 675,802 | Gallons Purchased |
| 842,992 | 825,273 | 1,800,894 | 2,214,251 | 1,924,059 | Cost |
| | | | | | Stafford County |
| 500,696 | 304,905 | 513,816 | 511,260 | 514,430 | Gallons Purchased |
| 803,389 | 547,529 | 1,471,433 | 1,487,819 | 1,370,567 | Cost |
| | | | | | **Fleet Acquisitions** |
| | | | | | School Buses - Mainstream |
| 14 | 10 | 44 | 37 | 19 | Replacement |
| - | 2 | - | - | 2 | Additional |
| | | | | | School Buses- Special Needs |
| 5 | 20 | 15 | 6 | 9 | Replacement |
| - | - | - | - | - | Additional |
| | | | | | Other School Vehicles |
| 2 | - | - | 14 | - | Replacement |
| - | - | - | - | 5 | Additional |
| | | | | | **Fleet Shops** |
| | | | | | Vehicles per Technician by Shop |
| 35 | 42 | 132 | 202 | 205 | Heavy Duty Shop |
| 154 | 186 | 104 | 93 | 115 | Light Duty Shop |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Technology and Information Services
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Technology Statistics:** | | | | | |
| Number of Sites Serviced (Schools and Support Offices) | 34 | 34 | 34 | 35 | 36 |
| **Computer Statistics:** | | | | | |
| Total Desktop Computers | 7,326 | 7,457 | 7,449 | 7,534 | 6,668 |
| Desktop Computers over 5 years old | 174 | 5 | 993 | 554 | 442 |
| Percentage of Desktop Computers over 5 years old | 2% | 0% | 13% | 7% | 7% |
| Total MacBooks | 3,135 | 3,161 | 2,696 | 2,246 | 1,534 |
| MacBooks over 5 years old | 110 | 465 | 290 | 604 | 210 |
| Percentage of MacBooks over 5 years old | 4% | 15% | 11% | 27% | 14% |
| Total Chromebooks | 3,025 | 6,955 | 13,867 | 14,751 | 17,206 |
| Chromebooks Reaching EOL | - | - | 65 | 2,308 | 1,376 |
| Percentage of Chromebooks Reaching EOL | 0% | 0% | 0% | 16% | 8% |
| Total Windows Laptops | - | - | - | 1336 | 1,215 |
| Windows Laptops over 5 years old | - | - | - | 600 | 746 |
| Percentage of Windows Laptops over 5 years old | 0% | 0% | 0% | 45% | 61% |
| **Connectivity Statistics by Site** | | | | | |
| Number of Sites with Wireless LAN connection | 34 | 34 | 34 | 35 | 36 |
| Percentage of Sites with Wireless LAN connection | 100% | 100% | 100% | 100% | 100% |
| Number of Sites with Fiber WAN connection | 27 | 31 | 33 | 34 | 36 |
| Percentage of Sites with Fiber WAN connection | 79% | 91% | 97% | 97% | 100% |
| **Other Technology Statistics:** | | | | | |
| Number of Schools equipped with Projection Systems | 30 | 30 | 30 | 32 | 33 |
| Percentage of Schools equipped with Projection Systems | 100% | 100% | 100% | 100% | 100% |

**Source: Technology and Information Services Internal Records**

Table S-13

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Technology Statistics:** |
| 36 | 36 | 37 | 37 | 37 | Number of Sites Serviced (Schools and Support Offices) |
| | | | | | **Computer Statistics:** |
| 6,730 | 5,971 | 6,109 | 5,549 | 6,082 | Total Desktop Computers |
| 4,842 | 5,191 | 5,818 | 5,253 | 4,607 | Desktop Computers over 5 years old |
| 72% | 87% | 95% | 95% | 76% | Percentage of Desktop Computers over 5 years old |
| 1,534 | 412 | 114 | 59 | 53 | Total MacBooks |
| 1,474 | 402 | 93 | 6 | - | MacBooks over 5 years old |
| 96% | 98% | 82% | 10% | 0% | Percentage of MacBooks over 5 years old |
| 24,950 | 44,121 | 46,603 | 45,002 | 49,452 | Total Chromebooks |
| 120 | 2,466 | - | 23,621 | 26,335 | Chromebooks Reaching EOL |
| 0% | 6% | 0% | 52% | 53.25% | Percentage of Chromebooks Reaching EOL |
| 1,201 | 1,423 | 1,443 | 1,610 | 1,330 | Total Windows Laptops |
| 789 | 529 | 519 | 302 | 264 | Windows Laptops over 5 years old |
| 66% | 37% | 36% | 19% | 20% | Percentage of Windows Laptops over 5 years old |
| | | | | | **Connectivity Statistics by Site** |
| 36 | 36 | 37 | 37 | 37 | Number of Sites with Wireless LAN connection |
| 100% | 100% | 100% | 100% | 100% | Percentage of Sites with Wireless LAN connection |
| 36 | 36 | 37 | 37 | 37 | Number of Sites with Fiber WAN connection |
| 100% | 100% | 100% | 100% | 100% | Percentage of Sites with Fiber WAN connection |
| | | | | | **Other Technology Statistics:** |
| 33 | 33 | 33 | 33 | 33 | Number of Schools equipped with Projection Systems |
| 100% | 100% | 100% | 100% | 100% | Percentage of Schools equipped with Projection Systems |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Property Data
## June 30, 2024

Table S-14

| | Year of Construction | Year of Last Renovation | Building - Square Feet | Site - Acreage |
|---|---|---|---|---|
| **High School Data** | | | | |
| Brooke Point HS | 1993 | 2016 | 281,637 | 52.82 |
| Colonial Forge HS | 1999 | 2016 | 269,195 | 62.90 |
| Mountain View HS | 2005 | 2017 | 271,439 | 95.35 |
| North Stafford HS | 1981 | 2003 | 304,096 | 88.50 |
| Stafford Senior HS (1) | 2015 | - | 290,557 | 124.56 |
| **Middle School Data** | | | | |
| Edward Drew MS (2) | 1951 | 1998 | 98,913 | 15.31 |
| Dixon-Smith MS | 2006 | - | 145,700 | 48.04 |
| H. H. Poole MS | 1995 | 1998 | 145,140 | 36.62 |
| Rodney Thompson MS | 2000 | - | 138,199 | 44.55 |
| Stafford MS | 1991 | 2007 | 136,677 | 37.45 |
| Shirley Heim MS | 2008 | - | 146,770 | 22.00 |
| T.B. Gayle MS | 2002 | - | 148,221 | 39.98 |
| A.G. Wright MS and Garrisonville ES (combined campus) | 1981 | 2018 | 197,115 | 50.20 |
| **Elementary School Data** | | | | |
| Anthony Burns ES | 2006 | - | 88,300 | 38.57 |
| K. W. Barrett ES | 2002 | - | 91,440 | 20.51 |
| Conway ES | 2005 | - | 93,760 | 19.92 |
| Falmouth ES | 1967 | 2012 | 79,989 | 41.49 |
| Ferry Farm ES | 1957 | 2021 | 79,857 | 18.12 |
| Grafton Village ES | 1967 | 2014 | 81,384 | 12.16 |
| Hartwood ES | 1963 | 1993 | 64,548 | 29.60 |
| Hampton Oaks ES | 1992 | 1996 | 84,608 | 18.76 |
| Margaret Brent ES | 2004 | - | 87,800 | 22.80 |
| Moncure ES | 2019 | - | 105,900 | 27.00 |
| Park Ridge ES | 1990 | 1994 | 85,531 | 20.00 |
| Rockhill ES | 1989 | 1994 | 76,438 | 23.38 |
| Rocky Run ES | 2000 | - | 94,220 | 20.00 |
| Stafford ES | 1968 | 2013 | 81,597 | 15.87 |
| Widewater ES | 1988 | 1995 | 77,108 | 22.44 |
| Winding Creek ES | 1997 | - | 85,656 | 20.89 |
| **Other Property** | | | | |
| Alvin York Bandy Administration Building and Professional Development Center | 1998 | 2000 | 74,124 | 9.55 |
| Gari Melchers Complex | 1931 | 1990 | 156,934 | 29.87 |
| Pupil Transportation (Included in Fleet Acreage) | 2009 | - | 7,362 | - |
| Fleet Services | 1980 | - | 16,000 | 21.54 |
| Support Services Building (Included in Fleet Acreage) | 1998 | - | 25,650 | - |
| North Star Early Education Center | 2004 | 2019 | 45,794 | 21.15 |
| **Land** | | | | |
| Clift Farm Road | - | - | - | 172.00 |
| Armstrong Property | - | - | - | 151.45 |

*(1) Includes 2,304 square feet related to the Aimee Building and 6,600 square feet related to the Automotive Building.*

*(2) Includes 6,032 square feet related to the Heather Empfield Day School.*

**Source: Facility Planning, Design & Construction Internal Records**



Stafford County
Public Schools

*Inspire | Empower | Excel*

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Energy Management - Utilities Savings Data
## Calendar Years 2014 - 2023

| | Calendar Year | | | | |
|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| **Utilities Summary of All Schools (by Year):** | | | | | |
| Thousand British Thermal Units (KBTU) | 189,759,963 | 187,518,601 | 182,780,846 | 184,526,886 | 184,152,617 |
| Square Footage | 3,771,182 | 3,784,663 | 3,840,542 | 3,840,542 | 3,840,542 |
| KBTU/Square Footage | 50.32 | 49.55 | 47.59 | 48.05 | 47.95 |

| | 2023 | | |
|---|---|---|---|
| | Actual | Historical | Savings |
| **Utilities Summary by School Level (in KBTU):** | | | |
| **Elementary Schools:** | | | |
| Electric | 47,631,623 | 50,422,825 | 2,791,202 |
| Gas | 18,943,962 | 20,194,533 | 1,250,571 |
| Oil | - | 1,246,034 | 1,246,034 |
| Propane | 4,094 | 187,088 | 182,994 |
| Subtotal | 66,579,679 | 72,050,480 | 5,470,801 |
| **Middle Schools:** | | | |
| Electric | 30,384,348 | 31,964,405 | 1,580,057 |
| Gas | 12,930,370 | 10,092,708 | (2,837,662) |
| Oil | 2,883,786 | 2,923,642 | 39,856 |
| Propane | 13,156 | 54,290 | 41,134 |
| Subtotal | 46,211,660 | 45,035,045 | (1,176,615) |
| **High Schools:** | | | |
| Electric | 46,405,131 | 48,469,071 | 2,063,940 |
| Gas | 16,537,171 | 12,627,333 | (3,909,838) |
| Oil | 5,822,082 | 6,642,494 | 820,412 |
| Propane | 549,258 | 141,665 | (407,593) |
| Subtotal | 69,313,642 | 67,880,563 | (1,433,079) |
| Total | 182,104,981 | 184,966,088 | 2,861,107 |
| Percentage of Savings | | | 1.55% |
| Dollar Savings | | | $ 110,820 |

**Source: Facility Planning, Design & Construction Internal Records**

Table S-15

| Calendar Year | | | | | |
|---|---|---|---|---|---|
| 2019 | 2020 | 2021 | 2022 | 2023 | |
| | | | | | **Utilities Summary of All Schools (by Year):** |
| 154,602,113 | 164,136,091 | 174,212,162 | 161,949,907 | 182,104,981 | Thousand British Thermal Units (KBTU) |
| 3,870,344 | 3,946,658 | 3,870,560 | 3,889,507 | 3,935,435 | Square Footage |
| 39.95 | 41.58 | 45.01 | 41.64 | 46.27 | KBTU/Square Footage |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Average SAT Scores
## Fiscal Years 2015 - 2024

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Average SAT Scores:** | | | | | |
| Math | 519 | 513 | 521 | 541 | 546 |
| Writing | 492 | 486 | 542 | 560 | 564 |
| Critical Reading | 522 | 520 | NLG | NLG | NLG |

**Source: College Board (2020) SAT Suite Assessments Annual Report**

(1) The 2020 data represents the average scores for the Commonwealth of Virginia, not Stafford County.

NLG = No Longer Given

Table S-16

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2020[1] | 2021 | 2022 | 2023 | 2024 | |
| | | | | | **Average SAT Scores:** |
| 549 | 542 | 550 | 538 | 541 | Math |
| 567 | 565 | 529 | 563 | 564 | Writing |
| NLG | NLG | NLG | NLG | NLG | Critical Reading |

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Standards of Learning Test Passing Rates
## Fiscal Years 2015 - 2024

Table S-17A

| Grade | Location | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[1] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **Reading** | | | | | |
| 3 | Division | 76% | 75% | 74% | 73% | 70% | | 59% | 66% | 62% | 63% |
| | State | 75% | 76% | 75% | 72% | 71% | | 61% | 68% | 66% | 67% |
| 4 | Division | 82% | 77% | 78% | 77% | 76% | | 67% | 70% | 73% | 71% |
| | State | 77% | 77% | 79% | 76% | 75% | | 68% | 72% | 73% | 73% |
| 5 | Division | 83% | 83% | 83% | 80% | 81% | | 67% | 74% | 72% | 72% |
| | State | 79% | 81% | 81% | 80% | 78% | | 66% | 72% | 71% | 72% |
| 6 | Division | 78% | 80% | 83% | 83% | 78% | | 68% | 66% | 68% | 70% |
| | State | 76% | 77% | 78% | 80% | 77% | | 69% | 70% | 71% | 71% |
| 7 | Division | 86% | 85% | 85% | 84% | 82% | | 67% | 73% | 67% | 71% |
| | State | 81% | 82% | 82% | 81% | 79% | | 71% | 72% | 70% | 72% |
| 8 | Division | 81% | 81% | 79% | 81% | 78% | | 66% | 70% | 67% | 68% |
| | State | 75% | 75% | 76% | 77% | 76% | | 69% | 72% | 71% | 72% |
| High School | Division | 92% | 90% | 90% | 89% | 86% | | 83% | 87% | 86% | 85% |
| | State | 89% | 89% | 87% | 87% | 86% | | 81% | 85% | 85% | 84% |
| | | | | | | **Writing** | | | | | |
| 8 | Division | 76% | 75% | 74% | 69% | 64% | | NR | NR | NR | NR |
| | State | 72% | 71% | 73% | 73% | 70% | | NR | NR | NR | NR |
| High School | Division | 86% | 86% | 86% | 85% | 83% | | NR | NR | NR | NR |
| | State | 83% | 83% | 84% | 84% | 82% | | NR | NR | NR | NR |

**NLG = No longer given**

**NR = Not Reported (Only federally required subjects were reported this year)**

(1) Governor Northam's Executive Order Fifty-One (EO51), issued on March 12, 2020, declared a state of emergency in response to the COVID-19 pandemic and authorized heads of executive branch agencies to waive any state requirement or regulation on behalf of its regulatory board. Chapter 1283 of the 2020 Acts of Assembly (part of the Appropriation Act), as signed by Governor Northam on April 27, 2020, gave the Superintendent of Public Instruction the additional authority to grant temporary flexibility or waivers for certain deadlines and requirements as provided in the Title 22.1 of the Code of Virginia and Appropriation Act that could not be met for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021) due to the state of emergency and subsequent school closures. Per procedural requirements, any waiver or relief measure requested by the Superintendent of Public Instruction must also be reviewed and approved by the Secretary of Education before taking effect.

With the above authorities, the Superintendent of Public Instruction has provided a number of waivers and relief measures for state-level mandates that could not be resolved through existing pathways or flexibilities and where inaction would have caused irrevocable harm to students, families, and teachers.

**Source: Virginia Department of Education School State Policy Waivers**

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Standards of Learning Test Passing Rates
## Fiscal Years 2015 - 2024

**Table S-17B**

| Grade | Location | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[1] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | History and Social Science (Alternative Assessment) | | | | | |
| High School | Division | 90% | 90% | 85% | 74% | 82% | | NR | NR | NR | NR |
| | State | 78% | 85% | 80% | 83% | 78% | | NR | NR | NR | NR |
| | | | | | | Virginia and U.S. History | | | | | |
| High School | Division | 91% | 90% | 90% | 88% | 79% | | NR | NR | NR | 45% |
| | State | 87% | 86% | 86% | 84% | 68% | | NR | NR | NR | 35% |
| | | | | | | World History I | | | | | |
| High School | Division | 89% | 89% | 90% | 85% | 81% | | NR | NR | NR | 71% |
| | State | 85% | 84% | 85% | 82% | 80% | | NR | NR | NR | 66% |
| | | | | | | World History II | | | | | |
| High School | Division | 91% | 90% | 90% | 87% | 85% | | NR | NR | NR | 35% |
| | State | 87% | 86% | 87% | 84% | 82% | | NR | NR | NR | 31% |
| | | | | | | World Geography | | | | | |
| High School | Division | 100% | 99% | 95% | 99% | 92% | | NR | NR | NR | 71% |
| | State | 86% | 86% | 83% | 82% | 80% | | NR | NR | NR | 66% |
| | | | | | | Virginia Studies | | | | | |
| Content Specific | Division | 89% | 87% | 85% | 84% | 80% | | NR | NR | NR | 65% |
| | State | 87% | 87% | 87% | 85% | 81% | | NR | NR | NR | 69% |
| | | | | | | Civics and Econonmics | | | | | |
| Content Specific | Division | 86% | 87% | 84% | 83% | 77% | | NR | NR | NR | 68% |
| | State | 86% | 87% | 87% | 86% | 82% | | NR | NR | NR | 73% |

**NLG = No longer given**
**NR = Not Reported (Only federally required subjects were reported this year)**

(1) Governor Northam's Executive Order Fifty-One (EO51), issued on March 12, 2020, declared a state of emergency in response to the COVID-19 pandemic and authorized heads of executive branch agencies to waive any state requirement or regulation on behalf of its regulatory board. Chapter 1283 of the 2020 Acts of Assembly (part of the Appropriation Act), as signed by Governor Northam on April 27, 2020, gave the Superintendent of Public Instruction the additional authority to grant temporary flexibility or waivers for certain deadlines and requirements as provided in the Title 22.1 of the Code of Virginia and Appropriation Act that could not be met for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021) due to the state of emergency and subsequent school closures. Per procedural requirements, any waiver or relief measure requested by the Superintendent of Public Instruction must also be reviewed and approved by the Secretary of Education before taking effect.

With the above authorities, the Superintendent of Public Instruction has provided a number of waivers and relief measures for state-level mandates that could not be resolved through existing pathways or flexibilities and where inaction would have caused irrevocable harm to students, families, and teachers.

**Source: Virginia Department of Education School State Policy Waivers**

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Standards of Learning Test Passing Rates
## Fiscal Years 2015 - 2024

Table S-17C

| Grade | Location | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[1] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **Mathematics** | | | | | |
| 3 | Division | 78% | 77% | 74% | 75% | 81% | | 52% | 65% | 67% | 68% |
| | State | 74% | 77% | 75% | 73% | 82% | | 54% | 67% | 69% | 70% |
| 4 | Division | 85% | 83% | 81% | 79% | 85% | | 53% | 63% | 69% | 67% |
| | State | 84% | 83% | 81% | 79% | 83% | | 56% | 66% | 70% | 71% |
| 5 | Division | 84% | 81% | 83% | 79% | 85% | | 56% | 67% | 70% | 69% |
| | State | 79% | 79% | 79% | 77% | 81% | | 51% | 64% | 67% | 68% |
| 6 | Division | 90% | 90% | 88% | 84% | 78% | | 22% | 42% | 57% | 61% |
| | State | 83% | 82% | 82% | 79% | 78% | | 45% | 57% | 61% | 63% |
| 7 | Division | 79% | 81% | 79% | 78% | 86% | | 42% | 51% | 55% | 49% |
| | State | 72% | 72% | 71% | 69% | 78% | | 45% | 55% | 59% | 61% |
| 8 | Division | 79% | 77% | 76% | 70% | 73% | | 19% | 30% | 43% | 63% |
| | State | 74% | 73% | 74% | 71% | 77% | | 43% | 57% | 60% | 63% |
| | | | | | | **Algebra I** | | | | | |
| High School | Division | 85% | 84% | 84% | 81% | 87% | | 56% | 76% | 76% | 82% |
| | State | 82% | 83% | 82% | 81% | 86% | | 63% | 80% | 80% | 85% |
| | | | | | | **Geometry** | | | | | |
| High School | Division | 85% | 82% | 81% | 81% | 84% | | 79% | 80% | 72% | 71% |
| | State | 80% | 80% | 78% | 77% | 83% | | 73% | 80% | 78% | 80% |
| | | | | | | **Algebra II** | | | | | |
| High School | Division | 95% | 92% | 89% | 91% | 90% | | 76% | 88% | 87% | 87% |
| | State | 87% | 89% | 90% | 89% | 91% | | 78% | 86% | 86% | 86% |

(1) Governor Northam's Executive Order Fifty-One (EO51), issued on March 12, 2020, declared a state of emergency in response to the COVID-19 pandemic and authorized heads of executive branch agencies to waive any state requirement or regulation on behalf of its regulatory board. Chapter 1283 of the 2020 Acts of Assembly (part of the Appropriation Act), as signed by Governor Northam on April 27, 2020, gave the Superintendent of Public Instruction the additional authority to grant temporary flexibility or waivers for certain deadlines and requirements as provided in the Title 22.1 of the Code of Virginia and Appropriation Act that could not be met for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021) due to the state of emergency and subsequent school closures. Per procedural requirements, any waiver or relief measure requested by the Superintendent of Public Instruction must also be reviewed and approved by the Secretary of Education before taking effect.

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**Source: Virginia Department of Education School State Policy Waivers**

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Standards of Learning Test Passing Rates
## Fiscal Years 2015 - 2024

Table S-17D

| Grade | Location | 2015 | 2016 | 2017 | 2018 | 2019 | 2020[1] | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | **Science** | | | | | |
| 5 | Division | 82% | 81% | 79% | 78% | 77% | | 44% | 58% | 62% | 62% |
| | State | 79% | 81% | 79% | 79% | 79% | | 50% | 61% | 66% | 66% |
| 8 | Division | 83% | 83% | 82% | 77% | 79% | | 55% | 60% | 59% | 59% |
| | State | 78% | 79% | 79% | 78% | 78% | | 58% | 61% | 62% | 62% |
| | | | | | | **Biology** | | | | | |
| High School | Division | 91% | 90% | 88% | 86% | 86% | | 69% | 71% | 70% | 70% |
| | State | 84% | 84% | 82% | 82% | 83% | | 66% | 70% | 72% | 72% |
| | | | | | | **Chemistry** | | | | | |
| High School | Division | 91% | 87% | 87% | 86% | 86% | | 35% | 64% | 47% | 47% |
| | State | 88% | 88% | 89% | 89% | 88% | | 52% | 64% | 37% | 37% |
| | | | | | | **Earth Science** | | | | | |
| High School | Division | 87% | 87% | 86% | 83% | 83% | | 62% | 69% | 70% | 70% |
| | State | 83% | 84% | 82% | 81% | 81% | | 67% | 73% | 67% | 67% |

**NLG = No longer given**

**NR = Not Reported (Only federally required subjects were reported this year)**

(1) Governor Northam's Executive Order Fifty-One (EO51), issued on March 12, 2020, declared a state of emergency in response to the COVID-19 pandemic and authorized heads of executive branch agencies to waive any state requirement or regulation on behalf of its regulatory board. Chapter 1283 of the 2020 Acts of Assembly (part of the Appropriation Act), as signed by Governor Northam on April 27, 2020, gave the Superintendent of Public Instruction the additional authority to grant temporary flexibility or waivers for certain deadlines and requirements as provided in the Title 22.1 of the Code of Virginia and Appropriation Act that could not be met for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021) due to the state of emergency and subsequent school closures. Per procedural requirements, any waiver or relief measure requested by the Superintendent of Public Instruction must also be reviewed and approved by the Secretary of Education before taking effect.

With the above privileges, the Superintendent of Public Instruction has provided a number of waivers and relief measures for state-level mandates that could not be resolved through existing pathways or flexibilities and where inaction would have caused irrevocable harm to students, families, and teachers.

**Source: Virginia Department of Education School State Policy Waivers**

## Stafford County Public Schools
## Component Unit of Stafford County, Virginia
## Accreditation and Adequate Yearly Progress (AYP)
## Or Federal Annual Measurable Objectives (FAMOs)
## Fiscal Years 2015 - 2024

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| **Division-wide Status:** | | | | | |
| Schools Fully Accredited | 97% | 100% | 100% | 100% | 100% |
| Accreditation Waived | | | | | |
| Schools that Made AYP/AMO | 50% | 37% | * | * | * |
| Division AYP/AMO | Did not meet FAMO | Did not meet FAMO | * | * | * |
| Schools that Made FAMO | 50% | 37% | * | * | * |
| Division FAMO | Did not meet FAMO | Did not meet FAMO | * | * | * |

* FAMO/AYP/AMO were not calculated this year.

(1) Governor Northam's Executive Order Fifty-One (EO51), issued on March 12, 2020, declared a state of emergency in response to the COVID-19 pandemic and authorized heads of executive branch agencies to waive any state requirement or regulation on behalf of its regulatory board. Chapter 1283 of the 2020 Acts of Assembly (part of the Appropriation Act), as signed by Governor Northam on April 27, 2020, gave the Superintendent of Public Instruction the additional authority to grant temporary flexibility or waivers for certain deadlines and requirements as provided in the Title 22.1 of the Code of Virginia and Appropriation Act that could not be met for fiscal year 2020 (school year 2019-2020) or fiscal year 2021 (school year 2020-2021) due to the state of emergency and subsequent school closures. Per procedural requirements, any waiver or relief measure requested by the Superintendent of Public Instruction must also be reviewed and approved by the Secretary of Education before taking effect.

With the above authorities, the Superintendent of Public Instruction has provided a number of waivers and relief measures for state-level mandates that could not be resolved through existing pathways or flexibilities and where inaction would have caused irrevocable harm to students, families, and teachers.

**Source: Virginia Department of Education School State Policy Waivers**

**Table S-18**

| 2020[1] | 2021[1] | 2022 | 2023 | 2024 | |
|---|---|---|---|---|---|
| | | | | | **Division-wide Status:** |
| [1] | [1] | 100% | 100% | 91% | Schools Fully Accredited |
| 100% | 100% | 100% | | | Accreditation Waived |
| * | * | * | * | * | Schools that Made AYP/AMO |
| * | * | * | * | * | Division AYP/AMO |
| | | | | | |
| * | * | * | * | * | Schools that Made FAMO |
| * | * | * | * | * | Division FAMO |



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# Compliance



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

To the Honorable Members of the Stafford County School Board
Stafford County Public Schools
Stafford, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Stafford County Public Schools (Stafford Schools), a component unit of Stafford County, Virginia, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Stafford Schools' basic financial statements, and have issued our report thereon dated January 21, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Stafford Schools' 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 Stafford Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Stafford Schools' 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 a material misstatement of Stafford Schools' 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 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 Stafford Schools' 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 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 Stafford Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stafford Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
January 21, 2025

PBMares SM
CPAs and Consultants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Members of the Stafford County School Board
Stafford County Public Schools
Stafford, Virginia

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

***Opinion on Each Major Federal Programs***

We have audited Stafford County Public Schools (Stafford Schools), a component unit of Stafford County, Virginia, 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 Stafford Schools' major federal programs for the year ended June 30, 2024. Stafford Schools' major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

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

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

We are required to be independent of Stafford Schools 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 Stafford Schools' 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 Stafford Schools' federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Stafford Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than 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 Stafford Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Stafford Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Stafford Schools' 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 Stafford Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

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

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

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

PBMares, LLP

Harrisonburg, Virginia
January 21, 2025

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Expenditures of Federal Awards
## For the Fiscal Year Ended June 30, 2024

| Federal Grantor/State Pass - Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Subrecipient | 2024 Federal Expenditures |
|---|---|---|---|---|
| Department of Agriculture: | | | | |
| Direct Payments: | | | | |
| Child Nutrition Cluster: | | | | |
| National School Lunch Program | 10.555 | Not applicable | $ - | $ 1,223,834 |
| Pass Through Payments From Commonwealth of Virginia: | | | | |
| Department of Education: | | | | |
| Child Nutrition Cluster: | | | | |
| National School Lunch Program | 10.555 | 202020N85034 | - | 7,982,021 |
| National School Lunch Program COVID19 | 10.555 | 202020N85034 | - | 602,802 |
| Total National School Lunch Program | | | - | 9,808,657 |
| School Breakfast Program | 10.553 | 202020N85034 | - | 3,046,080 |
| Summer Food Service Program for Children | 10.559 | 202121N10994 | - | 53,644 |
| Total Child Nutrition Cluster | | | - | 12,908,381 |
| Child and Adult Care Food Program | 10.558 | 202020N10994 | - | 51,984 |
| Child Nutrition Discretionary Grants Limited Availability | 10.579 | Not provided | | 2,275 |
| Pandemic EBT Administrative Costs | 10.649 | Not provided | - | 6,180 |
| Total Department of Agriculture | | | - | 12,968,820 |
| Department of Defense: | | | | |
| Direct Payments: | | | | |
| JROTC | 12.000 | Not applicable | - | 465,480 |
| Total Department of Defense | | | - | 465,480 |
| United States Department of the Treasury | | | | |
| Pass Through Payments From Commonwealth of Virginia: | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | Not applicable | - | 754,386 |
| Total United States Department of the Treasury | | | - | 754,386 |
| Department of Education: | | | | |
| Direct Payments: | | | | |
| Impact Aid | 84.041 | Not applicable | - | 1,720,582 |
| Pass Through Payments From Commonwealth of Virginia: | | | | |
| Department of Education: | | | | |
| Special Education Cluster (IDEA): | | | | |
| Special Education Grants to States | 84.027A | H027A200107 | - | 6,157,416 |
| Special Education Grants to States COVID19 | 84.027A | H027A200107 | - | 249,496 |
| Special Education Preschool Grants | 84.173A | H193A180112 | - | 69,473 |
| Total Special Education Cluster (IDEA) | | | - | 6,476,385 |
| Title I Grants to Local Educational Agencies | 84.010 | S010A190046 | - | 2,906,772 |
| Career and Technical Education - Basic Grants to States | 84.048 | V048A200046 | - | 327,914 |
| Education for Homeless Children and Youth COVID19 | 84.196 | S196A200048 | - | 261,157 |
| Twenty-First Century Community Learning Center | 84.287 | S287C190047 | - | 338,877 |
| English Language Acquisition State Grants | 84.365 | S365A190046 | - | 335,165 |
| Supporting Effective Instruction State Grants | 84.367 | S367A180044 | - | 711,716 |

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

## Stafford County Public Schools
## A Component Unit of Stafford County, Virginia
## Schedule of Expenditures of Federal Awards
## For the Fiscal Year Ended June 30, 2024

| Federal Grantor/State Pass - Through Grantor/ Program Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Subrecipient | 2024 Federal Expenditures |
|---|---|---|---|---|
| Student Support and Academic Enrichment Program | 84.424 | S424A190048 | $ - | $ 200,801 |
| Education Stabilization Fund: Elementary and Secondary School Emergency Relief Fund COVID19 | 84.425D | S425D200008 | - | 4,846,649 |
| Total Department of Education | | | - | 18,126,018 |
| Department of Health and Human Services: | | | | |
| Direct Payments: | | | | |
| Head Start Cluster: | | | | |
| Head Start | 93.600 | Not applicable | - | 3,197,179 |
| Total Head Start Cluster | | | - | 3,197,179 |
| Pass Through Payments From Commonwealth of Virginia: | | | | |
| Department of Social Services: | | | | |
| Medicaid Cluster: | | | | |
| Medical Assistance Program | 93.778 | 93.778/2012 | - | 1,196,639 |
| Total Medicaid Cluster | | | - | 1,196,639 |
| Total Department of Health and Human Services | | | - | 4,393,818 |
| Total Expenditures of Federal Awards | | | $ - | $ 36,708,522 |

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

## Note 1 - Basis of Presentation

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

## Note 2 - Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Pass-through entity identifying numbers are presented where available.
3. The School Board has elected not to use the 10 percent de minimus indirect cost as allowed under the Uniform Guidance.

## Stafford County Public Schools
## Schedule of Findings and Questioned Costs
## Year Ended June 30, 2024

**Section I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

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

| | | |
|---|---|---|
| Internal control over financial reporting: | | |
| Material weakness(es) identified? | ☐ Yes | ☑ No |
| Significant deficiency(ies) identified? | ☐ Yes | ☑ None Reported |
| Noncompliance material to financial statements noted? | ☐ Yes | ☑ No |

*Federal Awards*

| | | |
|---|---|---|
| Internal control over the major federal programs: | | |
| Material weakness(es) identified? | ☐ Yes | ☑ No |
| Significant deficiency(ies) identified? | ☐ Yes | ☑ None Reported |

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

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

Identification of major federal programs:

| Federal Assisting Listing Number | Name of Federal Program or Cluster |
|---|---|
| 84.010 | Title I Grants to Local Education Agencies |
| | |
| Special Education Cluster: | |
| 84.027A | Special Education Grants to States |
| 84.027A | Special Education Grants to States COVID19 |
| 84.173A | Special Education Preschool Grants |
| | |
| 84.041 | Impact Aid |

| | | | |
|---|---|---|---|
| Dollar threshold used to distinguish between type A and type B programs | | | $1,101,256 |
| Auditee qualified as low-risk auditee? | ☑ Yes | ☐ No | |

**Section II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**Section III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

## Stafford County Public Schools
## Summary Schedule of Prior Audit Findings
## Year Ended June 30, 2024

There were no matters reported during the fiscal year ended June 30, 2023.



Stafford County
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# Stafford County
## Public Schools