

## **FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2022**



**COUNTY OF PRINCE EDWARD, VIRGINIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**



## COUNTY OF PRINCE EDWARD, VIRGINIA

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### Board of Supervisors

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J. David Emert, Chair  
Odessa H. Pride, Vice-Chair

Beverly M. Booth  
Robert M. Jones  
Jerry R. Townsend

Pattie Cooper-Jones  
Llew W. Gilliam, Jr.  
James R. Wilck

### Board of Social Services

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Ida Miley, Chair  
Karen Schinabeck, Vice-Chair

Pattie Cooper-Jones  
Carol Stiff  
Theresa Clark, Ph.D.

### School Board

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Lucy Carson, Chair  
Beulah M. Womack, Vice-Chair

James Duminger, Ed.D.  
Doug Farley  
Timothy W. Corbett, Sr M.D

Peter Y. Gur, Ph.D.  
Elzora Stiff  
Lawrence C. Varner, M.D.

### Other Officials

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Judge of Circuit Court  
Clerk of Circuit Court  
Judge of General District Court  
Judge of the Juvenile & Domestic Relations District Court  
Commonwealth's Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Social Services  
County Administrator

Donald C. Blessing  
D. Lynnette Coe  
Jody H. Fariss  
Marvin H. Dunkum, Jr.  
Megan L. Clark  
Edna T. Goldman  
Donna B. Nunnally  
L.A. "Tony" Epps  
Barbara A. Johnson, Ed.D.  
Kimberley Allen  
Douglas P. Stanley



# COUNTY OF PRINCE EDWARD, VIRGINIA

Financial Report  
For The Year Ended June 30, 2022

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**Independent Auditors' Report**

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**To the Honorable Members of  
Board of Supervisors  
County of Prince Edward, Virginia**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince Edward, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Prince Edward's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince Edward, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principle***

As described in Note 24 to the financial statements, in 2022, the County and School Board adopted new accounting guidance, GASB Statement Nos. 87, *Leases*. Our opinions are not modified with respect to this matter.

***Restatement of Beginning Balances***

As described in Note 25 to the financial statements, in 2022, the County restated beginning balances to reflect a prior year adjustments. Our opinions are not modified with respect to this matter.

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

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of County of Prince Edward, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Prince Edward, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Prince Edward, Virginia's internal control over financial reporting and compliance.

Charlottesville, Virginia  
December 20, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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To the Honorable Members of the Board of Supervisors  
To the Citizens of the County of Prince Edward, Virginia

The management of the County of Prince Edward, Virginia, presents this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2022. We encourage you to read this discussion and analysis in conjunction with the accompanying auditor's opinion on internal controls, the basic financial statements and the notes to the financial statements.

### Financial Highlights

#### Government-wide Financial Statements

- The assets and deferred outflows of resources of the County's Primary Government accounts exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$24,536,719 (total net position). This was an increase of \$5,721,326 or 30.41% compared to the restated ending amount of \$18,815,393 on June 30, 2021. \$18,111,983 of the net position is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- The Governmental activities net position was \$28,422,377 of the County's total, an increase of \$6,047,559 or 27.03% in comparison with restated net position of \$22,374,818 at June 30, 2021. Cash and cash equivalents for the Governmental Activities increased from \$21,886,768 in FY21 to \$25,245,089 at the end of FY22.
- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$8,571,325, an increase of \$4,330,603 when compared to the restated amount on June 30, 2021. \$10,397,799 of this amount reflects the School Board's net investment in capital assets. (\$18,969,124) of net assets are in unrestricted assets available to meet ongoing obligations. This is an increase of \$4,330,603 in the School Board's unrestricted net position for the fiscal year.
- In 2009, the County began operating its own utility system. The system consists of water and sewer lines and a sewer pump station purchased from the Town of Farmville. The County also started operating the landfill in 2018. Business-Type Activities net position was (\$3,885,658) which was a decrease of \$326,233. Unrestricted net position of Business-Type Activities increased \$1,275,301 during the year ending with a balance of (\$5,875,936) on June 30, 2022, compared to a restated balance of (\$7,151,237) on June 30, 2021.
- The combining long-term governmental obligations decreased \$3,712,130 during the current fiscal year. Details of this decrease can be found under the long-term debt section of the management discussion and analysis and in Note 7 of the report.

#### Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues exceeded expenditures by \$5,106,759 (Exhibit 5) before Other Financing Sources (Uses) and after making direct contributions totaling \$7,387,721 to the School Board.

- At the close of the current fiscal year, the County's Governmental funds reported ending fund balances of \$27,339,157 which is an increase of \$5,106,759 or 23% in comparison with the prior fiscal year.
- At the close of the current fiscal year, the unassigned fund balance for the General Fund was \$17,476,443 or 64% of total general fund expenditures excluding capital projects.

## Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the County's basic financial statements. These financial statements are comprised of three (3) components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to the financial statements.

This report also contains other information to supplement the basic financial statements. Local governmental accounting and financial reporting originally focused on funds which were designed to enhance and demonstrate fiscal accountability. Now to be accompanied by government-wide financial statements, the objective of operational accountability will also be met. These objectives will provide the public with both justification from the government that public monies have been used to comply with the desires of the elected officials and whether operating objectives have been met efficiently and effectively and can continue to be met in the future.

**Government-wide financial statements** - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. The statements include all assets and liabilities using the accrual basis of accounting. Both the financial overview and accrual accounting factors are used in the reporting of private-sector business. Government-wide financial reporting consists of two statements: (1) The Statement of Net position and (2) The Statement of Activities.

The Statement of Net Position (exhibit one) presents information on all of the County's assets and liabilities. The difference between assets and liabilities is reported as net position. Net position is presented in three categories: net investment in capital assets, restricted and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities (exhibit two) presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items which result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement is focused on the gross and net cost of various government functions which are supported by general tax and other revenues. The statement of activities presents expenses before revenues, emphasizing that in government revenues are generated for the express purpose of providing services to the public.

The Statement of Net Position and The Statement of Activities are both divided into two types of activities:

1. **Governmental Activities** - Most of the County's basic services are reported in this column to include: General Administration, Courts, Social Services, Economic Development, and Capital Projects. Governmental activities are supported primarily by taxes, state and federal grants.
2. **Business-Type Activities** - The County has three business-type activities: Water, Sewer, and Landfill. It is the intent of the County to recover all or a significant portion of the costs associated with providing these services through user fees and charges to customers receiving these services.
3. **Component Unit** - The County has two component units, the Prince Edward County Public Schools and the Industrial Development Authority. While the Component Units are legally separate entities, the County of Prince Edward is financially accountable for them. A primary government is accountable for an organization if the primary government appoints the majority of the organization's governing body. Financial information for the component units is reported separately from the financial information presented for the primary government.



## Overview of the Financial Statements: (Continued)

**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds can be placed in either of three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** - A *governmental fund* is used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. However, government-wide financial statements are prepared on the accrual basis of accounting while governmental fund financial statements are prepared on the modified accrual basis of accounting. Thus, governmental fund financial statements focus on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Such information is useful in evaluating the County's ability to satisfy near-term financing requirements. Since the focus of governmental funds is narrower than that of government-wide financial statements, reconciliation between the two methods is provided in exhibits 4 and 6, respectively. By comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements readers may better understand the long-term impact of the County's near-term financing decisions.

The County has three funds considered major governmental funds - the *General Fund*, *Landfill Construction Fund*, and *School Debt Service Fund*. In addition, the County has one fund considered non-major - the *Recreation Fund*. Information on these funds is contained in exhibits eleven and fourteen through seventeen. This data is then displayed in the governmental fund balance sheet (exhibit 3) and the governmental fund statement of revenues, expenditures, and changes in fund balance (exhibit 5).

**Proprietary funds** - *Proprietary funds* consist of enterprise funds which are established to account for the delivery of goods and services to the public. These funds use the accrual basis of accounting, similar to private businesses. The County has two proprietary funds (Water and Sewer) at this time.

Enterprise funds are used to report the same functions as the business-type activities in the government-wide financial statements. Water and Sewer Funds are presented on the statements as major funds (Exhibits 7 - 9). Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business. The intent of the governing body is to finance these services primarily through user charges and fees.

**Fiduciary funds** - *Fiduciary funds* account for assets held by the government as a trustee or agent for another organization. The County is responsible for ensuring the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide statements since the funds are not available to support County activities. Information on these funds is contained in exhibits eighteen and nineteen.

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

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

## Government-wide Financial Analysis

As stated earlier in this discussion, net position may serve as a useful indicator of a County's financial position over time. For the County in FY2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,422,377 at the close of the fiscal year as presented in the Table below. This was an increase of \$6,047,559 or 27% over the FY2021 restated ending amount of \$22,374,818.

### County of Prince Edward, Virginia

#### Schedule of Assets Liabilities and Net Position For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 40,041,046	\$ 35,119,729	\$ 202,256	\$ 31,852	\$ 40,243,302	\$ 35,151,581
Capital assets	15,957,945	17,586,736	4,605,246	5,215,647	20,563,191	22,802,383
Total assets	\$ 55,998,991	\$ 52,706,465	\$ 4,807,502	\$ 5,247,499	\$ 60,806,493	\$ 57,953,964
Deferred outflows of resources	\$ 1,721,846	\$ 1,855,591	\$ 69,357	\$ 90,437	\$ 1,791,203	\$ 1,946,028
Current liabilities	\$ 1,677,423	\$ 1,228,331	\$ 64,955	\$ 1,468,622	\$ 1,742,378	\$ 2,696,953
Long-term liabilities outstanding	16,191,704	19,903,834	8,546,759	8,670,161	24,738,463	28,573,995
Total liabilities	\$ 17,869,127	\$ 21,132,165	\$ 8,611,714	\$ 10,138,783	\$ 26,480,841	\$ 31,270,948
Deferred inflows of resources	\$ 11,429,333	\$ 8,428,336	\$ 150,803	\$ 20,974	\$ 11,580,136	\$ 8,449,310
Net position:						
Net investment in capital assets	\$ 2,342,665	\$ 4,043,524	\$ 1,952,932	\$ 2,329,416	\$ 4,295,597	\$ 6,372,940
Restricted	2,091,793	942,213	37,346	-	2,129,139	942,213
Unrestricted	23,987,919	20,015,818	(5,875,936)	(7,151,237)	18,111,983	12,864,581
Total net position	\$ 28,422,377	\$ 25,001,555	\$ (3,885,658)	\$ (4,821,821)	\$ 24,536,719	\$ 20,179,734

At the end of FY2022, the County's net investment in capital assets is \$4,295,597. These capital assets are used to deliver services to County residents and business; and accordingly, these assets are not available for future spending. Although the important and needed investment in capital assets is reported net of related debt, it should be noted that resources needed to repay such debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position represents resources subject to external restrictions on how they may be used. The County had restricted net position at the end of the fiscal year of \$2,129,139 for the use of Community Development Authority, pension assets, forfeited assets, and future debt service requirements. The remaining balance of net position in the amount of \$18,111,983 may be used to meet the government's ongoing obligations. While the unrestricted net position amount is \$18,111,983, Prince Edward County has more than \$25 million in cash and cash equivalents that are unrestricted and are available to meet current obligations. The difference between the two amounts is due to the inclusion of capital assets and long-term liabilities in the net position amount.

**Government-wide Financial Analysis: (Continued)**

**Governmental Activities** - Governmental activities increased Prince Edward County's net position by \$6,047,559. The key elements of this increase are found in exhibit 2 and 6 and the table below. Revenues increased from the previous year by \$1,883,999 and expenses decreased \$1,228,605. The net effect was an increase in net position of \$5,721,326.

County of Prince Edward, Virginia

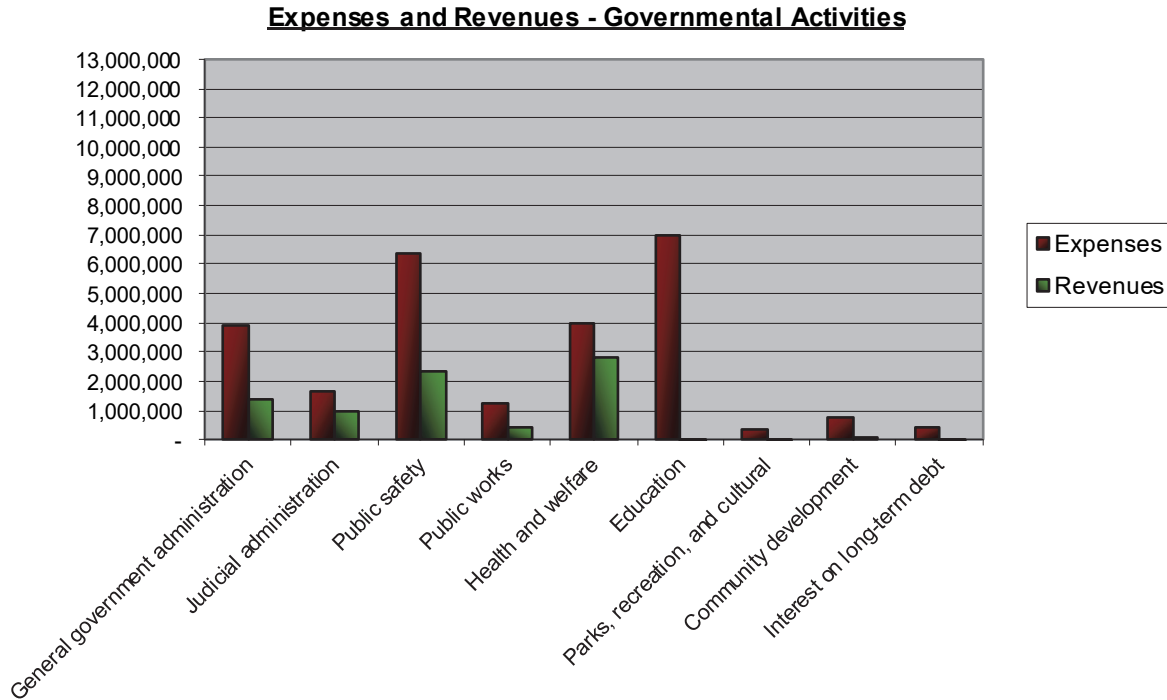
Changes in Net Position  
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 2,016,648	\$ 2,071,226	\$ 701,814	\$ 274,156	\$ 2,718,462	\$ 2,345,382
Operating grants and contributions	5,915,672	10,505,705	-	-	5,915,672	10,505,705
General revenues:						
General property taxes	15,865,574	14,774,168	-	-	15,865,574	14,774,168
Other local taxes	5,010,225	4,660,817	-	-	5,010,225	4,660,817
Commonwealth non-categorical aid	3,142,204	1,746,252	-	-	3,142,204	1,746,252
Other general revenues	798,842	874,996	-	-	798,842	874,996
Total revenues	\$ 32,749,165	\$ 34,633,164	\$ 701,814	\$ 274,156	\$ 33,450,979	\$ 34,907,320
Expenses:						
General government administration	\$ 3,935,124	\$ 4,521,214	\$ -	\$ -	\$ 3,935,124	\$ 4,521,214
Judicial administration	1,628,677	1,935,600	-	-	1,628,677	1,935,600
Public safety	6,394,093	7,511,966	-	-	6,394,093	7,511,966
Public works	1,235,951	1,076,927	-	-	1,235,951	1,076,927
Health and welfare	3,945,533	4,433,939	-	-	3,945,533	4,433,939
Education	6,969,938	5,455,100	-	-	6,969,938	5,455,100
Parks, recreation, and cultural	326,930	326,430	-	-	326,930	326,430
Community development	732,791	1,085,266	-	-	732,791	1,085,266
Interest on long-term debt	414,042	465,242	-	-	414,042	465,242
Water fund	-	-	126,068	144,849	126,068	144,849
Sewer fund	-	-	49,391	52,368	49,391	52,368
Landfill fund	-	-	1,971,115	1,449,227	1,971,115	1,449,227
Total expenses	\$ 25,583,079	\$ 26,811,684	\$ 2,146,574	\$ 1,646,444	\$ 27,729,653	\$ 28,458,128
Transfers	\$ (1,118,527)	\$ -	\$ 1,118,527	\$ -	\$ -	\$ -
Increase (decrease) in net position	\$ 6,047,559	\$ 7,821,480	\$ (326,233)	\$ (1,372,288)	\$ 5,721,326	\$ 6,449,192
Net position - beginning, as restated	22,374,818	17,180,075	(3,559,425)	(3,449,533)	18,815,393	13,730,542
Net position - ending	\$ 28,422,377	\$ 25,001,555	\$ (3,885,658)	\$ (4,821,821)	\$ 24,536,719	\$ 20,179,734

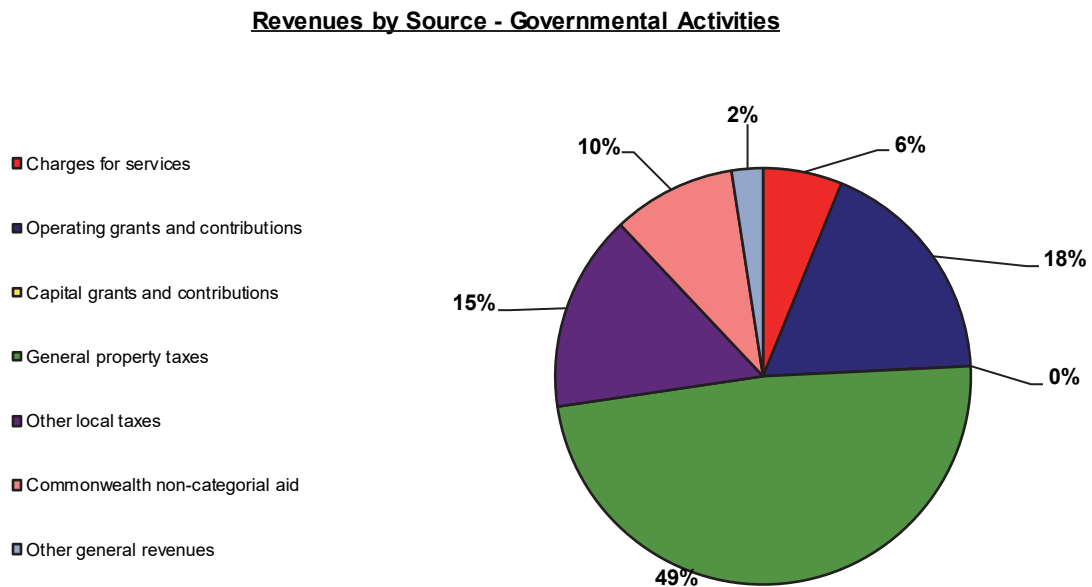
Revenues from governmental activities totaled \$32,749,165 with general property taxes (48%), operating grants and contributions (18%), and other local taxes (15%) comprising 81% of the County's revenues. Expenses for education (27%), health and welfare (15%), and public safety (25%) account for 67% of total governmental expenses of \$25,583,079.

**Government-wide Financial Analysis: (Continued)**

The chart below compares the revenues and expenses by program for governmental activities. In every category expenses outpace the revenues generated. This is common throughout the Commonwealth because most of the programs are not able to generate revenue. For those programs that can generate revenue (Recreation, Building Inspections etc.) the County has traditionally followed a policy of maintaining associated charges at a minimal level and funding the expenses from other revenue sources.



The Chart below portrays the Sources of Revenue for the Governmental Activities of the County.



## Financial Analysis of the County's Funds

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

**Governmental Funds** - The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balances at the end of the fiscal year can be used to measure net resources available for expenditure. Governmental Funds reported a combined ending fund balance of \$27,339,157, an increase of \$5,106,759 when compared to the prior year. Approximately 64 percent (\$17,476,443) of the combined governmental fund balance is unassigned. The remaining 36% (\$9,862,714) of the combined fund balance is nonspendable, restricted, committed or assigned to show it is not available for spending because it has been committed for future capital projects or debt service. Cash and cash equivalents in the amount of \$24,816,550 comprise 91% of the fund balance of the Governmental Funds. For the fiscal year cash and cash equivalents increased \$4,208,704 or 20%.

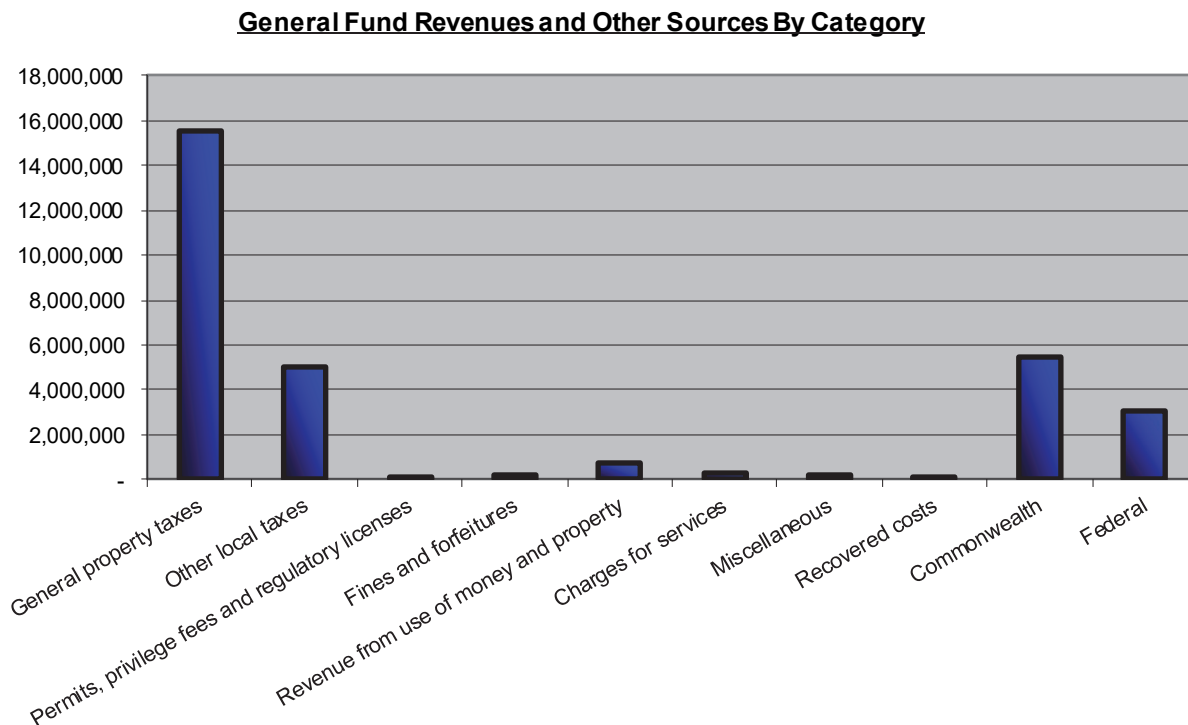
The General Fund is the primary operating fund of the County. The General Fund reports a fund balance at June 30, 2022 of \$18,063,841. This is a decrease from the prior year of \$32,150. The major component of the current year increase was the transfer to the special projects fund of \$4,417,265.

The Landfill Construction Fund is used to pay expenses associated with the opening and closing of landfill cells. On June 30, 2022 the Landfill Construction Fund had a fund balance of \$3,090,270, an increase of \$426,291. This increase was the result of a decrease of capital project expenditures in the fund.

As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 88% of General Fund expenditures excluding capital projects. Total fund balance represents approximately the same percentage due to the minimal amount of reserved fund balance reported.

### General Fund Revenues and Other Sources by Category

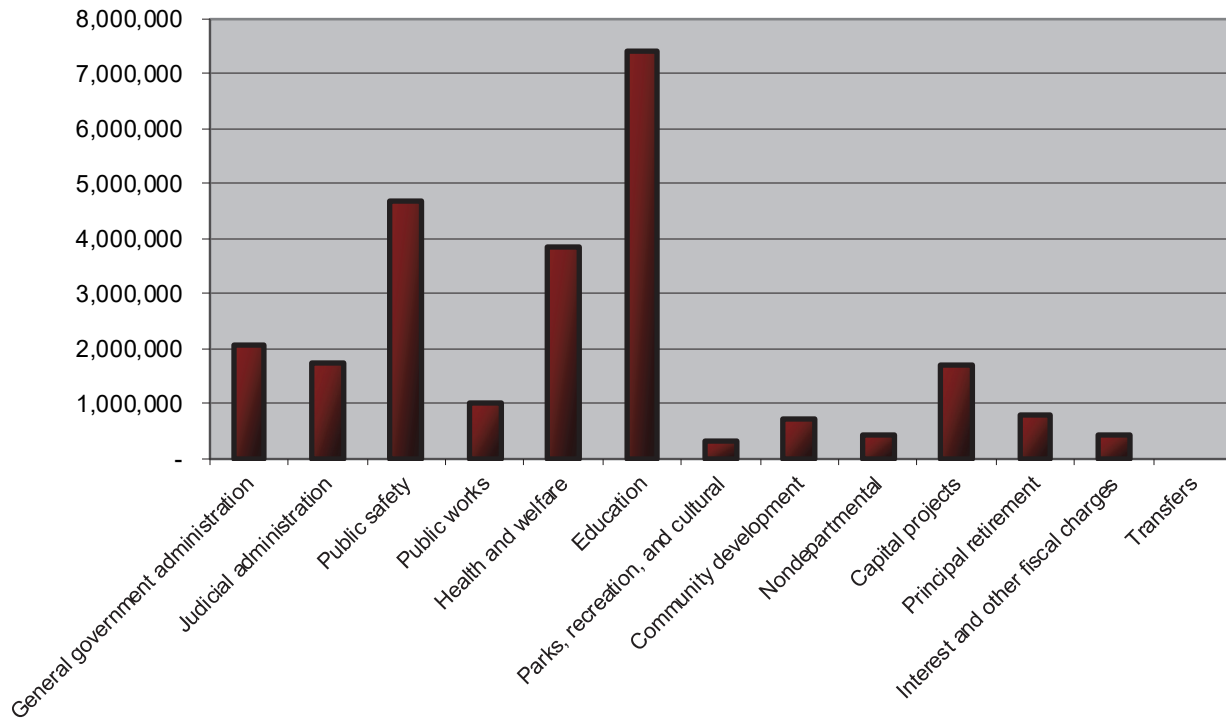
The following graph depicts General Fund revenues and other sources by categories. Total revenues and other sources are \$30,623,561.



## General Fund Expenditures and Other Sources by Category

The graph below displays General Fund expenditures and other uses by category. Total expenditures and uses are \$25,070,191 including transfers out of the fund of \$5,585,520.

**General Fund Expenditures and Other Sources By Category**



## General Fund Budgetary Highlights

The final amended General Fund budget saw revenues increased by \$263,553 over the original budgeted amount. The final expenditure budget reflected an increase of \$1,052,396 when compared to the original budget. The revenue increases (decreases) were as follows:

- \$ 83,339 in local revenues from miscellaneous
- \$ 283,045 in intergovernmental revenues from the Commonwealth of Virginia
- \$ 1,000,000 in intergovernmental revenues from the Federal government

The Expenditure amendments were as follows:

- \$ 169,822 increase in General administration
- \$ 212,302 increase in Public safety
- \$ 102,617 increase in Public works
- \$ 66,072 decrease in Health and welfare
- \$ 71,908 increase in Community development
- \$ 1,848,408 increase in Capital projects

As can be seen, the increase in Capital Projects accounted for the majority of the increase in the budgeted expenditures.

## Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental and enterprise operations as of June 30, 2022, is \$20,563,221 (net of accumulated depreciation) as listed below. This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

County of Prince Edward, Virginia  
Capital Assets  
June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,276,554	\$ 1,276,554	\$ 244,000	\$ 244,000	\$ 1,520,554	\$ 1,520,554
Buildings	13,439,664	15,460,646	-	-	13,439,664	15,460,646
Improvements other than buildings	26,973	44,953	500,153	1,162,656	527,126	1,207,609
Equipment	800,967	1,069,325	568,757	440,234	1,369,724	1,509,559
Utility plant in service	-	-	3,292,366	3,466,296	3,292,366	3,466,296
Construction in progress	413,787	8,370	-	-	413,787	8,370
Net capital assets	<u>\$ 15,957,945</u>	<u>\$ 17,859,848</u>	<u>\$ 4,605,276</u>	<u>\$ 5,313,186</u>	<u>\$ 20,563,221</u>	<u>\$ 23,173,034</u>

Additional information on Prince Edward County's capital assets can be found in Note 4 of this report.

Long-term debt - At the close of FY2022, Prince Edward County had total outstanding obligations of \$16,191,704. Of this amount, \$13,065,755 comprises note payable and bonds payable of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources, i.e., revenue bonds, retirement note obligation, compensated absences, net pension liability and net OPEB obligation.

During the fiscal year the County's long-term obligations decreased by \$3,712,130.

Additional information on the Prince Edward County's long-term obligations can be found in Note 7 of this report.

### Economic Factors Influencing FY2022 Budgets and Tax Rates

One of the priorities of the Board of Supervisors is to maintain low tax rates while providing for a high quality of life for our citizens. The County remains focused on expanding its tax base and creating jobs through collaboration with community partners to strengthen, enlarge, and diversify our economy.

In October 2021, the Board of Supervisors approved the County's first 5-year Capital Improvement Plan (CIP). The plan includes 14 projects totaling \$55,186,214 of proposed investment. Projects range from renovation of the Prince Edward County Elementary School, upgrade of the County's convenience sites, replacement of the chiller at the Courthouse, and upgrade of the County's public safety radio communication system. In 2022, the County completed a number of the projects and hired Moseley Architects to begin work on the Elementary School renovation.

Construction and home improvements show moderate increases in the County and continued steady growth is anticipated. Economic development will also continue to help generate additional tax revenues to offset expenditures stemming from growing service demands. Both of these factors will assist in mitigating tax increases that would create additional burdens to our citizens.

Population growth has been relatively flat since the 2010 Census, and the 2020 Census showed the population at 21,849. This reflects a decrease of 1,519 people (6.5%). Staff feels that the smaller student bodies at Hampden-Sydney and Longwood, and the potential that students were undercounted, reflects much the drop. Given that the count was taken in the spring of 2020 during the middle of the COVID-19 pandemic we know that many students had left campus by that point in time. This is particularly true given the increase in new home construction over the decade.

The County’s unemployment rate in September 2022 was 3.1% which was slightly lower than the 3.7% in September 2021. The decrease was due to the lessening impact of the COVID-19 pandemic, primarily on the service industry. The rate of 3.1% was slightly higher than the unemployment rate of 2.6% for Virginia, but significantly lower than the national average of 3.7%, and provides an indication that Prince Edward County is faring as well, or better than peer localities in the State and the Nation. Overall employment was at 10,806, up slightly from the 10,060 recorded in 2021.

Longwood University and Hampden Sydney College have a tremendous and sustainable impact on the local economy of Prince Edward County. This is felt through the creation of jobs as well as the spending of the students in the local community. The following is a breakdown of college enrollment and employment over the past five years:

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Longwood - Enrollment</b>	5,080	4,917	4,493	4,773	4,611	4,358
<b>Longwood - Employment</b>	798 FT - 158 PT	806 FT - 175 PT	792 FT - 152 PT	753 FT - 133 PT	709 FT - 132 PT	690 FT - 149 PT
<b>Hampden-Sydney - Enrollment</b>	1,046	1,072	993	881	851	851
<b>Hampden-Sydney - Employment</b>	-	-	-	-	299 FT - 24 PT	307 FT - 36 PT

Increasing the industrial/commercial tax base remains a priority for the County. To that end, the County has purchased and is working to develop and market a 280+ acre data center site. The site, the Heartland Innovative Technology Park, is located just northeast of the Town of Farmville. The County is working with Dominion Energy and Mid-Atlantic Broadband Communities Corporation to market to industry representatives. The Board of Supervisors, in partnership with the County Industrial Development Authority (IDA), requested \$1.6 million through the Virginia Business Ready Site Program to fund design work for water, sewer, and transportation improvements for the site. In January 2022, the Governor announced a grant of \$640,000 in approved funding that will cover the engineering costs for water and sewer improvements, and in May, the County received a grant award of \$530,100 from the Tobacco Commission for infrastructure improvements. These are a significant step forward for our efforts to improve the marketability of the site, and will help us on the path to raising it to Tier 4 status. The County will continue working to find the remaining funding to complete the project.

In addition, the County is working with VDOT on the completion of a 0.28-mile industrial access road project off Commerce Road (Route 628) to open up additional land in the Prince Edward County Industrial Park. The road is necessary to gain access to 100+ acres of land within the Business Park that are currently landlocked. Construction will include 1,500 feet of roadway built to state standards for acceptance into the VDOT road system. The project also includes the extension of a water line.

Projected to cost \$2.8 million, the project is being funded through a combination of grants from the VDOT Industrial Access program, the Tobacco Commission, and County contributions. Bid in the Summer of 2022, the County awarded a contract to J. R. Caskey, in the amount of \$1,998,682. The project is expected to be completed by October 2023.



Residential building permit activity continued to remain strong over the past year. The following table shows total new home and mobile home starts for that period:

		2015	2016	2017	2018	2019	2020	2021	2022*
County	One- & Two-Family Dwellings	36	37	24	33	38	45	49	42
	Mobile Homes	30	31	26	27	21	49	29	26
	Sub-Total	66	68	50	60	59	94	78	72
Town	Single-Family	46	35	62	50	12	18	14	7
	Duplex	0	0	8	8	3	1	1	0
	Multi-Family	4	3	1	1	0	4	9	0
	Mobile Homes	0	0	0	0	11	2	15	17
	Sub-Total	50	38	71	59	26	25	39	24
	Total	116	106	121	119	85	119	117	96

\*Through December 1, 2022

In summary, the Prince Edward County economy remained strong and vibrant through the COVID-19 Pandemic, in large part due to the stability provided by Longwood University and Hampden-Sydney College as well as its three State Parks, Green Front Furniture and its 900,000+ SF of shopping opportunities, and Centra Southside Community Hospital. The County continues to market itself for, and to invest in economic development opportunities to grow the tax base and provide job opportunities for its citizens.

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## Basic Financial Statements

## Government-wide Financial Statements

Statement of Net Position  
June 30, 2022

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 25,245,089	\$ 37,320	\$ 25,282,409	\$ 2,804,756	\$ 699,893
Receivables (net of allowance for uncollectibles):					
Taxes receivable	7,841,437	-	7,841,437	-	-
Accounts receivable	146,460	127,590	274,050	-	-
Loan receivable	-	-	-	-	524,071
Note receivable	441,686	-	441,686	-	-
Interest receivable	2,396	-	2,396	-	-
Leases receivable	1,507,292	-	1,507,292	-	-
Due from primary government	-	-	-	-	38,359
Due from component unit	1,705,925	-	1,705,925	-	-
Due from other governmental units	1,185,522	-	1,185,522	916,883	-
Prepaid items	1,529	-	1,529	-	-
Net pension asset	1,084,050	37,346	1,121,396	652,962	-
Industrial assets	-	-	-	-	2,558,215
Restricted assets:					
Cash and cash equivalents	879,660	-	879,660	-	-
Capital assets (net of accumulated depreciation):					
Land	1,276,554	244,000	1,520,554	99,952	-
Buildings and improvements	13,439,664	-	13,439,664	7,763,737	-
Improvements other than buildings	26,973	499,403	526,376	198,202	-
Equipment	800,967	569,477	1,370,444	2,335,908	-
Utility plant in service	-	3,292,366	3,292,366	-	-
Construction in progress	413,787	-	413,787	-	-
<b>Total assets</b>	<b>\$ 55,998,991</b>	<b>\$ 4,807,502</b>	<b>\$ 60,806,493</b>	<b>\$ 14,772,400</b>	<b>\$ 3,820,538</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ 1,143,641	\$ 53,264	\$ 1,196,905	\$ 3,697,963	\$ -
OPEB related items	234,639	16,093	250,732	642,637	-
Deferred amount on bond refunding	343,566	-	343,566	-	-
<b>Total deferred outflows of resources</b>	<b>\$ 1,721,846</b>	<b>\$ 69,357</b>	<b>\$ 1,791,203</b>	<b>\$ 4,340,600</b>	<b>\$ -</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 364,360	\$ 37,319	\$ 401,679	\$ 131,663	\$ -
Accrued liabilities	76,974	-	76,974	1,044,742	-
Accrued interest payable	105,991	27,636	133,627	-	-
Due to other governmental units	21,556	-	21,556	-	-
Due to primary government	-	-	-	1,705,925	-
Unearned revenue	1,108,542	-	1,108,542	-	-
Long-term liabilities:					
Due within one year	2,317,940	246,050	2,563,990	-	-
Due in more than one year	13,873,764	8,300,709	22,174,473	13,746,055	-
<b>Total liabilities</b>	<b>\$ 17,869,127</b>	<b>\$ 8,611,714</b>	<b>\$ 26,480,841</b>	<b>\$ 16,628,385</b>	<b>\$ -</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	\$ 3,174,766	\$ 141,590	\$ 3,316,356	\$ 9,335,688	\$ -
OPEB related items	134,329	9,213	143,542	1,720,252	-
Deferred revenue - property taxes	6,624,310	-	6,624,310	-	-
Lease related items	1,495,928	-	1,495,928	-	-
<b>Total deferred inflows of resources</b>	<b>\$ 11,429,333</b>	<b>\$ 150,803</b>	<b>\$ 11,580,136</b>	<b>\$ 11,055,940</b>	<b>\$ -</b>
<b>NET POSITION</b>					
Net investment in capital assets	\$ 2,342,665	\$ 1,952,932	\$ 4,295,597	\$ 10,397,799	\$ -
Restricted:					
Pension asset	1,084,050	37,346	1,121,396	652,962	-
Community Development Authority	88,508	-	88,508	-	-
Forfeited assets	39,575	-	39,575	-	-
Debt service	879,660	-	879,660	-	-
Unrestricted	23,987,919	(5,875,936)	18,111,983	(19,622,086)	3,820,538
<b>Total net position</b>	<b>\$ 28,422,377</b>	<b>\$ (3,885,658)</b>	<b>\$ 24,536,719</b>	<b>\$ (8,571,325)</b>	<b>\$ 3,820,538</b>

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Statement of Activities  
 For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 3,935,124	\$ 1,001,989	\$ 368,946	\$ -
Judicial administration	1,628,677	197,404	735,413	-
Public safety	6,394,093	353,416	2,009,377	-
Public works	1,235,951	437,373	-	-
Health and welfare	3,945,533	-	2,801,936	-
Education	6,969,938	-	-	-
Parks, recreation, and cultural	326,930	-	-	-
Community development	732,791	26,466	-	-
Interest on long-term debt	414,042	-	-	-
Total governmental activities	\$ 25,583,079	\$ 2,016,648	\$ 5,915,672	\$ -
Business-type activities:				
Water	\$ 126,068	\$ 244	\$ -	\$ -
Sewer	49,391	950	-	-
Landfill	1,971,115	700,620	-	-
Total business-type activities	\$ 2,146,574	\$ 701,814	\$ -	\$ -
Total primary government	\$ 27,729,653	\$ 2,718,462	\$ 5,915,672	\$ -
<b>COMPONENT UNITS:</b>				
School Board	\$ 24,840,538	\$ 288,657	\$ 21,696,136	\$ -
Industrial Development Authority	442,688	-	-	-
Total component units	\$ 25,283,226	\$ 288,657	\$ 21,696,136	\$ -
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use taxes				
Consumers' utility taxes				
Motor vehicle licenses				
Taxes on recordation and wills				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Contributions from the County of Prince Edward, Virginia				
Grants and contributions not restricted to specific programs				
Transfers				
Total general revenues				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
\$ (2,564,189)	\$ -	\$ (2,564,189)	\$ -	\$ -
(695,860)	-	(695,860)	-	-
(4,031,300)	-	(4,031,300)	-	-
(798,578)	-	(798,578)	-	-
(1,143,597)	-	(1,143,597)	-	-
(6,969,938)	-	(6,969,938)	-	-
(326,930)	-	(326,930)	-	-
(706,325)	-	(706,325)	-	-
(414,042)	-	(414,042)	-	-
<u>\$ (17,650,759)</u>	<u>\$ -</u>	<u>\$ (17,650,759)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (125,824)	\$ (125,824)	\$ -	\$ -
-	(48,441)	(48,441)	-	-
-	(1,270,495)	(1,270,495)	-	-
<u>\$ -</u>	<u>\$ (1,444,760)</u>	<u>\$ (1,444,760)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (17,650,759)</u>	<u>\$ (1,444,760)</u>	<u>\$ (19,095,519)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (2,855,745)	\$ -
-	-	-	-	(442,688)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,855,745)</u>	<u>\$ (442,688)</u>
\$ 15,865,574	\$ -	\$ 15,865,574	\$ -	\$ -
3,657,477	-	3,657,477	-	-
350,703	-	350,703	-	-
580,993	-	580,993	-	-
335,712	-	335,712	-	-
85,340	-	85,340	-	-
597,348	-	597,348	4,641	19,462
201,494	-	201,494	222,566	5,000
-	-	-	6,959,141	73,108
3,142,204	-	3,142,204	-	-
(1,118,527)	1,118,527	-	-	-
<u>\$ 23,698,318</u>	<u>\$ 1,118,527</u>	<u>\$ 24,816,845</u>	<u>\$ 7,186,348</u>	<u>\$ 97,570</u>
\$ 6,047,559	\$ (326,233)	\$ 5,721,326	\$ 4,330,603	\$ (345,118)
22,374,818	(3,559,425)	18,815,393	(12,901,928)	4,165,656
<u>\$ 28,422,377</u>	<u>\$ (3,885,658)</u>	<u>\$ 24,536,719</u>	<u>\$ (8,571,325)</u>	<u>\$ 3,820,538</u>

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## Fund Financial Statements

Balance Sheet  
Governmental Funds  
June 30, 2022

	General	Special Projects	School Debt Service	Landfill Construction	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 16,466,527	\$ 4,417,265	\$ -	\$ 3,038,489	\$ 894,269	\$ 24,816,550
Receivables (net of allowance for uncollectibles):						
Taxes receivable	7,841,437	-	-	-	-	7,841,437
Accounts receivable	94,679	-	-	51,781	-	146,460
Interest receivable	2,396	-	-	-	-	2,396
Leases receivable	1,507,292	-	-	-	-	1,507,292
Due from component unit	1,705,925	-	-	-	-	1,705,925
Due from other governmental units	1,185,522	-	-	-	-	1,185,522
Prepaid items	1,529	-	-	-	-	1,529
Restricted assets:						
Cash and cash equivalents	-	-	879,660	-	-	879,660
<b>Total assets</b>	<b>\$ 28,805,307</b>	<b>\$ 4,417,265</b>	<b>\$ 879,660</b>	<b>\$ 3,090,270</b>	<b>\$ 894,269</b>	<b>\$ 38,086,771</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 303,323	\$ -	\$ -	\$ -	\$ 6,148	\$ 309,471
Accrued liabilities	76,974	-	-	-	-	76,974
Due to component unit	21,556	-	-	-	-	21,556
Unearned revenues	1,108,542	-	-	-	-	1,108,542
<b>Total liabilities</b>	<b>\$ 1,510,395</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,148</b>	<b>\$ 1,516,543</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	\$ 7,735,143	\$ -	\$ -	\$ -	\$ -	\$ 7,735,143
Lease related items	1,495,928	-	-	-	-	1,495,928
<b>Total deferred inflows of resources</b>	<b>\$ 9,231,071</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,231,071</b>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	\$ 1,529	\$ -	\$ -	\$ -	\$ -	\$ 1,529
Restricted:						
Community Development Authority	88,508	-	-	-	-	88,508
Forfeited assets	39,575	-	-	-	-	39,575
Debt service	-	-	879,660	-	-	879,660
Committed:						
Economic Development	457,786	-	-	-	-	457,786
Special projects	-	4,417,265	-	-	-	4,417,265
Assigned:						
Landfill construction	-	-	-	3,090,270	-	3,090,270
Recreation capital projects	-	-	-	-	9,288	9,288
Special revenue	-	-	-	-	878,833	878,833
Unassigned	17,476,443	-	-	-	-	17,476,443
<b>Total fund balances</b>	<b>\$ 18,063,841</b>	<b>\$ 4,417,265</b>	<b>\$ 879,660</b>	<b>\$ 3,090,270</b>	<b>\$ 888,121</b>	<b>\$ 27,339,157</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 28,805,307</b>	<b>\$ 4,417,265</b>	<b>\$ 879,660</b>	<b>\$ 3,090,270</b>	<b>\$ 894,269</b>	<b>\$ 38,086,771</b>

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

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 June 30, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 27,339,157

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 25,810,732	
Accumulated depreciation	<u>(9,852,787)</u>	15,957,945

Internal services funds are used by the County to charge the cost of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. The internal service fund net position is:

373,657

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Unavailable property taxes	\$ 1,110,826	
Net pension asset	1,084,050	
Notes receivable	<u>441,686</u>	2,636,562

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 1,143,641	
OPEB related items	234,639	
Deferred amount on bond refunding	<u>343,566</u>	1,721,846

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and loans payable, including premium on bonds	\$ (14,615,280)	
Accrued interest payable	(105,991)	
Compensated absences	(589,394)	
Net OPEB liabilities	<u>(987,030)</u>	(16,297,695)

Deferred inflows of resources are not due in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (3,174,766)	
OPEB related items	<u>(134,329)</u>	<u>(3,309,095)</u>

Net position of governmental activities \$ 28,422,377

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2022

	General	Special Projects	School Debt Service	Landfill Construction Fund	Other Governmental Funds	Total
<b>REVENUES</b>						
General property taxes	\$ 15,560,842	\$ -	\$ -	\$ -	338,723	\$ 15,899,565
Other local taxes	5,010,225	-	-	-	-	5,010,225
Permits, privilege fees, and regulatory licenses	122,539	-	-	-	-	122,539
Fines and forfeitures	171,718	-	-	-	-	171,718
Revenue from the use of money and property	725,374	-	9,383	4,438	529	739,724
Charges for services	267,146	-	-	421,853	31,597	720,596
Miscellaneous	174,981	-	-	-	32	175,013
Recovered costs	96,164	-	-	-	-	96,164
Intergovernmental:						
Commonwealth	5,430,979	-	-	-	564,112	5,995,091
Federal	3,063,593	-	-	-	-	3,063,593
<b>Total revenues</b>	<b>\$ 30,623,561</b>	<b>\$ -</b>	<b>\$ 9,383</b>	<b>\$ 426,291</b>	<b>\$ 934,993</b>	<b>\$ 31,994,228</b>
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 2,069,352	\$ -	\$ -	\$ -	-	\$ 2,069,352
Judicial administration	1,733,643	-	-	-	-	1,733,643
Public safety	4,669,412	-	-	-	698,751	5,368,163
Public works	1,002,192	-	-	-	-	1,002,192
Health and welfare	3,848,593	-	-	-	-	3,848,593
Education	7,398,518	-	-	-	-	7,398,518
Parks, recreation, and cultural	326,930	-	-	-	-	326,930
Community development	718,653	-	-	-	-	718,653
Nondepartmental	433,318	-	-	-	-	433,318
Capital projects	1,676,929	-	-	-	-	1,676,929
Debt service:						
Principal retirement	784,418	-	-	-	-	784,418
Interest and other fiscal charges	408,233	-	-	-	-	408,233
<b>Total expenditures</b>	<b>\$ 25,070,191</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 698,751</b>	<b>\$ 25,768,942</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 5,553,370	\$ -	\$ 9,383	\$ 426,291	\$ 236,242	\$ 6,225,286
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ 4,417,265	\$ 49,728	\$ -	\$ -	\$ 4,466,993
Transfers out	(5,585,520)	-	-	-	-	(5,585,520)
<b>Total other financing sources (uses)</b>	<b>\$ (5,585,520)</b>	<b>\$ 4,417,265</b>	<b>\$ 49,728</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,118,527)</b>
Net change in fund balances	\$ (32,150)	\$ 4,417,265	\$ 59,111	\$ 426,291	\$ 236,242	\$ 5,106,759
Fund balances - beginning, as restated	18,095,991	-	820,549	2,663,979	651,879	22,232,398
Fund balances - ending	<u>\$ 18,063,841</u>	<u>\$ 4,417,265</u>	<u>\$ 879,660</u>	<u>\$ 3,090,270</u>	<u>\$ 888,121</u>	<u>\$ 27,339,157</u>

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

Reconciliation of Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2022

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

Net change in fund balances - total governmental funds \$ 5,106,759

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

Capital asset additions	\$	462,737	
Net transfer of joint tenancy assets		(71,057)	
Depreciation expense		<u>(878,795)</u>	(487,115)

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

Unavailable property tax revenue			(32,565)
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The issuance of long-term notes receivable consumes the current financial resources of governmental funds, while the receipt of repayment of the principal of long-term notes receivable provides current financial resources to governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term notes receivable.

(82,564)

Internal service funds are used by the County to charge the costs of health and dental insurance benefits to individual funds. The change in net position of the internal service fund is reported with governmental activities.

(158,201)

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

Principal payments and premium amortization			1,307,034
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

(Increase) decrease in accrued interest payable	\$	5,568	
(Increase) decrease in compensated absences		(35,363)	
Increase (decrease) in deferred amount on refunding		(34,356)	
Pension expense		393,228	
OPEB expense		<u>65,134</u>	<u>394,211</u>

Change in net position of governmental activities	\$		<u>6,047,559</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position  
 Proprietary Funds  
 June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Landfill	Total	Activities Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 41	\$ -	\$ 37,279	\$ 37,320	\$ 428,541
Accounts receivables	-	-	127,590	127,590	-
Total current assets	\$ 41	\$ -	\$ 164,869	\$ 164,910	\$ 428,541
Noncurrent assets:					
Net pension asset	\$ -	\$ -	\$ 37,346	\$ 37,346	\$ -
Capital assets:					
Land	-	-	244,000	244,000	-
Utility plant in service	3,107,261	1,241,000	1,787,921	6,136,182	-
Machinery and equipment	-	-	1,302,431	1,302,431	-
Accumulated depreciation	(733,235)	(322,660)	(2,021,472)	(3,077,367)	-
Total capital assets	\$ 2,374,026	\$ 918,340	\$ 1,312,880	\$ 4,605,246	\$ -
Total noncurrent assets	\$ 2,374,026	\$ 918,340	\$ 1,350,226	\$ 4,642,592	\$ -
Total assets	\$ 2,374,067	\$ 918,340	\$ 1,515,095	\$ 4,807,502	\$ 428,541
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related items	\$ -	\$ -	\$ 53,264	\$ 53,264	\$ -
OPEB related items	-	-	16,093	16,093	-
Total deferred outflows of resources	\$ -	\$ -	\$ 69,357	\$ 69,357	\$ -
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 41	\$ -	\$ 37,278	\$ 37,319	\$ 54,884
Accrued interest payable	20,125	7,511	-	27,636	-
Compensated absences - current portion	-	-	3,116	3,116	-
Bonds payable - current portion	173,557	69,377	-	242,934	-
Total current liabilities	\$ 193,723	\$ 76,888	\$ 40,394	\$ 311,005	\$ 54,884
Noncurrent liabilities:					
Bonds payable - net of current portion	\$ 1,759,208	\$ 650,172	\$ -	\$ 2,409,380	\$ -
Landfill closure liability	-	-	5,780,065	5,780,065	-
Net OPEB liability	-	-	83,223	83,223	-
Compensated absences - net of current portion	-	-	28,041	28,041	-
Total noncurrent liabilities	\$ 1,759,208	\$ 650,172	\$ 5,891,329	\$ 8,300,709	\$ -
Total liabilities	\$ 1,952,931	\$ 727,060	\$ 5,931,723	\$ 8,611,714	\$ 54,884
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related items	\$ -	\$ -	\$ 141,590	\$ 141,590	\$ -
OPEB related items	-	-	9,213	9,213	-
Total deferred inflows of resources	\$ -	\$ -	\$ 150,803	\$ 150,803	\$ -
<b>NET POSITION</b>					
Net investment in capital assets	\$ 441,261	\$ 198,791	\$ 1,312,880	\$ 1,952,932	\$ -
Restricted for net pension asset	-	-	37,346	37,346	-
Unrestricted	(20,125)	(7,511)	(5,848,300)	(5,875,936)	373,657
Total net position	\$ 421,136	\$ 191,280	\$ (4,498,074)	\$ (3,885,658)	\$ 373,657

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

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Landfill	Total	Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for services:					
Water revenues	\$ 244	\$ -	\$ -	\$ 244	\$ -
Sewer revenues	-	950	-	950	-
Landfill revenues	-	-	700,620	700,620	-
Insurance premiums	-	-	-	-	1,001,989
Total operating revenues	\$ 244	\$ 950	\$ 700,620	\$ 701,814	\$ 1,001,989
<b>OPERATING EXPENSES</b>					
Supplies	\$ 891	\$ -	\$ -	\$ 891	\$ -
Utilities	-	553	-	553	-
Insurance	796	796	-	1,592	1,160,190
Collections	-	-	914,398	914,398	-
Landfill operations	-	-	719,394	719,394	-
Depreciation	62,145	24,820	337,323	424,288	-
Total operating expenses	\$ 63,832	\$ 26,169	\$ 1,971,115	\$ 2,061,116	\$ 1,160,190
Operating income (loss)	\$ (63,588)	\$ (25,219)	\$ (1,270,495)	\$ (1,359,302)	\$ (158,201)
Interest expense	\$ (62,236)	\$ (23,222)	\$ -	\$ (85,458)	\$ -
Total nonoperating revenues (expenses)	\$ (62,236)	\$ (23,222)	\$ -	\$ (85,458)	\$ -
Income before transfers	\$ (125,824)	\$ (48,441)	\$ (1,270,495)	\$ (1,444,760)	\$ (158,201)
Transfers in	\$ 236,036	\$ 87,930	\$ 794,561	\$ 1,118,527	\$ -
Change in net position	\$ 110,212	\$ 39,489	\$ (475,934)	\$ (326,233)	\$ (158,201)
Total net position - beginning, as restated	310,924	151,791	(4,022,140)	(3,559,425)	531,858
Total net position - ending	\$ 421,136	\$ 191,280	\$ (4,498,074)	\$ (3,885,658)	\$ 373,657

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

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Landfill	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 244	\$ 950	\$ 910,232	\$ 911,426	\$ 1,001,989
Payments to suppliers	(1,702)	(1,397)	(1,677,374)	(1,680,473)	(1,105,306)
Net cash provided by (used for) operating activities	\$ (1,458)	\$ (447)	\$ (767,142)	\$ (769,047)	\$ (103,317)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advances from other funds	\$ 236,036	\$ 87,930	\$ 794,561	\$ 1,118,527	\$ 73,485
Net cash provided by (used for) noncapital financing activities	\$ 236,036	\$ 87,930	\$ 794,561	\$ 1,118,527	\$ 73,485
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Additions to capital assets	\$ -	\$ -	\$ (244,330)	\$ (244,330)	\$ -
Principal payments on bonds	(170,373)	(63,544)	-	(233,917)	-
Additions to landfill closure liability	-	-	254,190	254,190	-
Interest payments	(64,164)	(23,939)	-	(88,103)	-
Net cash provided by (used for) capital and related financing activities	\$ (234,537)	\$ (87,483)	\$ 9,860	\$ (312,160)	\$ -
Net increase (decrease) in cash and cash equivalents	\$ 41	\$ -	\$ 37,279	\$ 37,320	\$ (29,832)
Cash and cash equivalents - beginning	-	-	-	-	458,373
Cash and cash equivalents - ending	\$ 41	\$ -	\$ 37,279	\$ 37,320	\$ 428,541
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>					
Operating income (loss)	\$ (63,588)	\$ (25,219)	\$ (1,270,495)	\$ (1,359,302)	\$ (158,201)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	\$ 62,145	\$ 24,820	\$ 337,323	\$ 424,288	\$ -
(Increase) decrease in accounts receivable	-	-	209,612	209,612	-
(Increase) decrease in net pension asset	-	-	(37,346)	(37,346)	-
(Increase) decrease in deferred outflows - pension	-	-	25,159	25,159	-
(Increase) decrease in deferred outflows - OPEB	-	-	(4,079)	(4,079)	-
Increase (decrease) in due to other funds	-	-	(8,872)	(8,872)	-
Increase (decrease) in accounts payable	(15)	(48)	(4,598)	(4,661)	54,884
Increase (decrease) in compensated absences	-	-	11,449	11,449	-
Increase (decrease) in deferred inflows - pension	-	-	123,731	123,731	-
Increase (decrease) in deferred inflows - OPEB	-	-	6,098	6,098	-
Increase (decrease) in net pension liability	-	-	(143,592)	(143,592)	-
Increase (decrease) in net OPEB liability	-	-	(11,532)	(11,532)	-
Total adjustments	\$ 62,130	\$ 24,772	\$ 503,353	\$ 590,255	\$ 54,884
Net cash provided by (used for) operating activities	\$ (1,458)	\$ (447)	\$ (767,142)	\$ (769,047)	\$ (103,317)

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



## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022

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### Note 1—Summary of Significant Accounting Policies:

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#### Financial Statement Presentation

Management’s Discussion and Analysis - The financial statements are accompanied by a narrative introduction and analytical overview of the government’s financial activities in the form of “management’s discussion and analysis” (MD&A).

#### Government-wide and Fund Financial Statements

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

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

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

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

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

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

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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

#### A. Financial Reporting Entity

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

#### B. Individual Component Unit Disclosures

Blended Component Units - The County has no blended component units.

Discretely Presented Component Units - The component unit columns in the combined financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Prince Edward County School Board operates the elementary and secondary public schools in the County. School Board members are elected by the citizens of the County of Prince Edward, Virginia. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The Prince Edward County School Board does not issue separate financial statements.

The Prince Edward County Industrial Development Authority was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Board of Supervisors of Prince Edward County on October 21, 1971 pursuant to the provisions of the Industrial Development and Revenue Bond Act (Chapter 33, Section 15.2-4900), et. seq., of the Code of Virginia (1950), as amended. The Authority is authorized to issue revenue bonds; acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade inducing enterprise to locate and remain in Virginia. The Authority is governed by seven directors appointed by the Board of Supervisors of Prince Edward County. The Authority is fiscally dependent on the County. Complete financial statements of the Authority may be obtained at the Authority's administrative office.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### C. Jointly Governed Organizations

The County, in conjunction with other localities, has created the Central Virginia Regional Library, the Piedmont Regional Jail, the Piedmont Regional Juvenile Detention Center, and Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$260,430 to the regional library, \$15,925 to the juvenile detention center, and \$60,000 to the Crossroads Community Services Board.

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

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

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

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

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

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

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

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Fund

The CARES Act Fund accounts for and reports the financial resources that are restricted to revenues and expenditures of the federal CARES Act. The CARES Act Fund is considered a major fund. The Piedmont Court Services Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for the Piedmont Court. The Piedmont Court Services Fund is considered a nonmajor fund. The EMS District Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for the EMS tax district. The EMS District Fund is considered a nonmajor fund.

c. Capital Projects Fund

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

d. Debt Service Fund

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

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

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

2. Fiduciary Funds (Trust and Custodial Funds)

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

3. Proprietary Funds

Proprietary Funds account for activities similar to those found in the private business sector. The measurement focus is upon determination of net income. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that the cost of providing services to the general public be financed or recovered through user charges. Currently the County's Water, Sewer and Landfill Funds are accounted for as enterprise funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees and facility fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. Budgets and Budgetary Accounting:**

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### E. Budgets and Budgetary Accounting: (Continued)

4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The total appropriation can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments and between County departments (excluding the Constitutional Officers); however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Recreation Fund, Landfill Construction Fund, Piedmont Court Service Fund and the Water Sewer and Landfill Funds of the primary government and the School Operating Fund, School Cafeteria Fund and School Capital Projects Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all county units.
8. Budgetary data presented in the accompanying financial statements includes the original and legally amended budgets at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Excess of expenditures over appropriations:  
For the year ended June 30, expenditures exceeded appropriations in the protective inspection department (the legal level of budgetary control) within the public safety function of the general fund by \$21,747. While overspending of this appropriation is authorized by law up to \$100,000 if related to cases involving imminent public endangerment (e.g., the need to inspect properties with damage from collision, natural disaster, fire, or water to determine their inherent stability), which was the case this year, it is nevertheless considered a budgetary violation. Further, the overspending comes with a consequence for the subsequent year's budget. In accordance with the requirements of the law, there was a decrease of \$21,747 in the protective inspection appropriation for routinely scheduled inspections that was legally adopted for the subsequent year's budget.

#### F. Cash and Cash Equivalents

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

The County maintains a pool of cash and investments in which each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average monthly balances. The majority of funds in the County's accounts are invested at all times.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$736,713 at June 30, 2022 and is comprised solely of property taxes. Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable December 5th. The County bills and collects its own property taxes.

#### H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the County and Component Unit School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

#### I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. It is also comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

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**I. Deferred Outflows/Inflows of Resources: (Continued)**

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

**J. Compensated Absences**

Vested or accumulated vacation leave are reported as an expense in the statement of activities and a long-term obligation in the statement of net position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

**K. Long-term Obligations**

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

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

**L. Fund Balance**

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



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

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**L. Fund Balance: (Continued)**

- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

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

**M. Use of Estimates**

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

**N. Restricted Assets**

The County reports restricted assets of \$879,660, which is to be used for debt service on QZAB bonds.

**O. Net Position**

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

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### O. Net Position: (Continued)

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

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

#### P. Pensions

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

#### Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net VRS related OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the VRS GLI, HIC, and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' 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.

#### R. Leases

The County leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### R. Leases: (Continued)

##### *Lessor*

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

##### Key Estimates and Judgments

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

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

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

### Note 2—Deposits and Investments:

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#### Deposits

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 2—Deposits and Investments: (Continued)**

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**Investments**

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

The County has no formal investment policy addressing the various risks related to investments.

**Note 3—Due From Other Governmental Units:**

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Amounts due from other governments are detailed as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia		
State sales taxes	\$ -	\$ 617,881
Local sales tax	592,551	-
Communication tax	35,587	-
Shared expenses	180,009	-
Social services funds	82,084	-
Comprehensive services	46,061	-
State forest in lieu of taxes	59,460	-
Other	45,044	-
Federal Government:		
School funds	-	299,002
Social services funds	133,581	-
Other	11,145	-
	<u>\$ 1,185,522</u>	<u>\$ 916,883</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 4—Capital Assets:**

The following is a summary of changes in the capital assets for the fiscal year ended June 30, 2022:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Beginning</u> <u>Balance</u> <u>Restatement</u>	<u>Restated</u> <u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
<b>Primary Government:</b>						
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 1,276,554	\$ -	\$ 1,276,554	\$ -	\$ -	\$ 1,276,554
Construction in progress	171,506	-	171,506	298,284	56,003	413,787
Total capital assets not being depreciated	<u>\$ 1,448,060</u>	<u>\$ -</u>	<u>\$ 1,448,060</u>	<u>\$ 298,284</u>	<u>\$ 56,003</u>	<u>\$ 1,690,341</u>
Capital assets, being depreciated:						
Buildings and improvements	\$ 21,248,232	\$ (666,266)	\$ 20,581,966	\$ 56,003	\$ 135,346	\$ 20,502,623
Improvements other than buildings	595,762	-	595,762	-	-	595,762
Equipment	3,755,864	-	3,755,864	164,453	898,311	3,022,006
Total capital assets being depreciated	<u>\$ 25,599,858</u>	<u>\$ (666,266)</u>	<u>\$ 24,933,592</u>	<u>\$ 220,456</u>	<u>\$ 1,033,657</u>	<u>\$ 24,120,391</u>
Accumulated depreciation:						
Buildings and improvements	\$ 6,164,051	\$ 399,586	\$ 6,563,637	\$ 563,611	\$ 64,289	\$ 7,062,959
Improvements other than buildings	559,799	-	559,799	8,990	-	568,789
Equipment	2,737,332	75,824	2,813,156	306,194	898,311	2,221,039
Total accumulated depreciation	<u>\$ 9,461,182</u>	<u>\$ 475,410</u>	<u>\$ 9,936,592</u>	<u>\$ 878,795</u>	<u>\$ 962,600</u>	<u>\$ 9,852,787</u>
Total capital assets being depreciated, net	<u>\$ 16,138,676</u>	<u>\$ (1,141,676)</u>	<u>\$ 14,997,000</u>	<u>\$ (658,339)</u>	<u>\$ 71,057</u>	<u>\$ 14,267,604</u>
Governmental activities capital assets, net	<u>\$ 17,586,736</u>	<u>\$ (1,141,676)</u>	<u>\$ 16,445,060</u>	<u>\$ (360,055)</u>	<u>\$ 127,060</u>	<u>\$ 15,957,945</u>
	<u>Balance</u> <u>July 1, 2021</u>	<u>Beginning</u> <u>Balance</u> <u>Restatement</u>	<u>Restated</u> <u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
<b>Primary Government: (Continued)</b>						
<b>Business-type Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 244,000	\$ -	\$ 244,000	\$ -	\$ -	\$ 244,000
Totals	<u>\$ 244,000</u>	<u>\$ -</u>	<u>\$ 244,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,000</u>
Capital assets, being depreciated:						
Machinery and equipment	\$ 1,058,101	\$ -	\$ 1,058,101	244,330	\$ -	\$ 1,302,431
Buildings and improvements	1,787,921	-	1,787,921	-	-	1,787,921
Utility plant in service	4,348,261	-	4,348,261	-	-	4,348,261
Total capital assets being depreciated	<u>\$ 7,194,283</u>	<u>\$ -</u>	<u>\$ 7,194,283</u>	<u>\$ 244,330</u>	<u>\$ -</u>	<u>\$ 7,438,613</u>
Accumulated depreciation:						
Machinery and equipment	\$ 573,076	\$ -	\$ 573,076	159,878	\$ -	\$ 732,954
Buildings and improvements	680,630	430,443	1,111,073	177,445	-	1,288,518
Utility plant in service	968,930	-	968,930	86,965	-	1,055,895
Total accumulated depreciation	<u>\$ 2,222,636</u>	<u>\$ 430,443</u>	<u>\$ 2,653,079</u>	<u>\$ 424,288</u>	<u>\$ -</u>	<u>\$ 3,077,367</u>
Total capital assets being depreciated, net	<u>\$ 4,971,647</u>	<u>\$ (430,443)</u>	<u>\$ 4,541,204</u>	<u>\$ (179,958)</u>	<u>\$ -</u>	<u>\$ 4,361,246</u>
Business-type activities capital assets, net	<u>\$ 5,215,647</u>	<u>\$ (430,443)</u>	<u>\$ 4,785,204</u>	<u>\$ (179,958)</u>	<u>\$ -</u>	<u>\$ 4,605,246</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 4—Capital Assets: (Continued)

	Balance July 1, 2021	Beginning Balance Restatement	Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
<b>Component Unit-School Board:</b>						
<b>Governmental Activities:</b>						
Capital assets, not being depreciated:						
Land	\$ 99,952	\$ -	\$ 99,952	\$ -	\$ -	\$ 99,952
Capital assets, being depreciated:						
Buildings and improvements	\$ 23,973,457	\$ 666,266	\$ 24,639,723	\$ 135,346	\$ -	\$ 24,775,069
Improvements other than buildings	730,558	-	730,558	-	-	730,558
Equipment	6,958,961	-	6,958,961	1,469,597	2,304,769	6,123,789
Total capital assets being depreciated	<u>\$ 31,662,976</u>	<u>\$ 666,266</u>	<u>\$ 32,329,242</u>	<u>\$ 1,604,943</u>	<u>\$ 2,304,769</u>	<u>\$ 31,629,416</u>
Accumulated depreciation:						
Buildings and improvements	\$ 16,649,275	\$ (214,307)	\$ 16,434,968	\$ 576,364	\$ -	\$ 17,011,332
Improvements other than buildings	519,331	-	519,331	13,025	-	532,356
Equipment	5,858,543	-	5,858,543	234,107	2,304,769	3,787,881
Total accumulated depreciation	<u>\$ 23,027,149</u>	<u>\$ (214,307)</u>	<u>\$ 22,812,842</u>	<u>\$ 823,496</u>	<u>\$ 2,304,769</u>	<u>\$ 21,331,569</u>
Total capital assets being depreciated, net	<u>\$ 8,635,827</u>	<u>\$ 880,573</u>	<u>\$ 9,516,400</u>	<u>\$ 781,447</u>	<u>\$ -</u>	<u>\$ 10,297,847</u>
Governmental activities capital assets, net	<u>\$ 8,735,779</u>	<u>\$ 880,573</u>	<u>\$ 9,616,352</u>	<u>\$ 781,447</u>	<u>\$ -</u>	<u>\$ 10,397,799</u>

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

Primary Government

Governmental activities:

General government administration	\$ 312,103
Judicial administration	178,496
Public safety	189,184
Public works	13,156
Health and Welfare	183,473
Community development	<u>2,383</u>
Total Governmental Activities	<u>\$ 878,795</u>
Business type activities	<u>\$ 424,288</u>
Total Primary Government	<u>\$ 1,303,083</u>
Component Unit-School Board	<u>\$ 823,496</u>

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### Note 5—Pension Plan:

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#### *Plan Description*

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

#### *Benefit Structures*

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

***Average Final Compensation and Service Retirement Multiplier***

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee’s average final compensation multiplied by the employee’s total service credit. Under Plan 1, average final compensation is the average of the employee’s 36 consecutive months of highest compensation and the multiplier is 1.7% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee’s 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

***Employees Covered by Benefit Terms***

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	97	40
Inactive members:		
Vested inactive members	22	7
Non-vested inactive members	39	10
Inactive members active elsewhere in VRS	70	13
Total inactive members	131	30
Active members	121	34
Total covered employees	349	104



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 5—Pension Plan: (Continued)**

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***Contributions***

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

The County’s contractually required employer contribution rate for the year ended June 30, 2022 was 8.56% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$483,902 and \$445,233 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 4.39% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$23,749 and \$23,856 for the years ended June 30, 2022 and June 30, 2021, respectively.

***Net Pension Liability (Asset)***

The net pension liability (asset) (NPA) is calculated separately for each employer and represents that particular employer’s total pension liability determined in accordance with GASB Statement No. 68, less that employer’s fiduciary net position. The County’s and Component Unit School Board’s (nonprofessional) net pension liabilities were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

**Actuarial Assumptions - General Employees: (Continued)**

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 2020 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 the VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 5—Pension Plan: (Continued)**

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***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits***

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.39%</u>

\*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 5—Pension Plan: (Continued)

*Long-Term Expected Rate of Return: (Continued)*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, 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, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Net Pension Liability (Asset)*

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 25,663,594	\$ 23,202,011	\$ 2,461,583
Changes for the year:			
Service cost	\$ 624,573	\$ -	\$ 624,573
Interest	1,687,706	-	1,687,706
Changes of assumptions	987,652	-	987,652
Differences between expected and actual experience	114,953	-	114,953
Contributions - employer	-	445,232	(445,232)
Contributions - employee	-	259,911	(259,911)
Net investment income	-	6,308,002	(6,308,002)
Benefit payments, including refunds of employee contributions	(1,321,077)	(1,321,077)	-
Administrative expenses	-	(15,875)	15,875
Other changes	-	593	(593)
Net changes	\$ 2,093,807	\$ 5,676,786	\$ (3,582,979)
Balances at June 30, 2021	\$ 27,757,401	\$ 28,878,797	\$ (1,121,396)

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 5—Pension Plan: (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 4,200,236	\$ 4,012,165	\$ 188,071
Changes for the year:			
Service cost	\$ 56,620	\$ -	\$ 56,620
Interest	274,966	-	274,966
Changes of assumptions	159,320	-	159,320
Differences between expected and actual experience	(206,460)	-	(206,460)
Contributions - employer	-	23,808	(23,808)
Contributions - employee	-	29,579	(29,579)
Net investment income	-	1,074,788	(1,074,788)
Benefit payments, including refunds of employee contributions	(253,323)	(253,323)	-
Administrative expenses	-	(2,796)	2,796
Other changes	-	100	(100)
Net changes	\$ 31,123	\$ 872,156	\$ (841,033)
Balances at June 30, 2021	\$ 4,231,359	\$ 4,884,321	\$ (652,962)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's Net Pension Liability (Asset)	\$ 2,383,733	\$ (1,121,396)	\$ (4,021,852)
Component Unit School Board's (nonprofessional) Net Pension Liability (Asset)	\$ (192,854)	\$ (652,962)	\$ (1,042,750)

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$58,627 and (\$162,837) respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,517	\$ 131,211	\$ -	\$ 99,486
Change in assumptions	597,276	-	76,771	-
Net difference between projected and actual earnings on pension plan investments	-	3,138,934	-	530,712
Proportionate share	46,210	46,210	-	-
Employer contributions subsequent to the measurement date	483,902	-	23,749	-

\$483,902 and \$23,749 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2023	\$ (432,309)	\$ (146,911)
2024	(486,838)	(120,834)
2025	(731,571)	(123,520)
2026	(952,634)	(162,162)
Thereafter	-	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 5—Pension Plan: (Continued)**

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***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Component Unit School Board (professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,811,417 and \$1,817,171 for the years ended June 30, 2022 and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2022, the school division reported a liability of \$9,971,698 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .12845% as compared to .13340% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$(552,878). 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.



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 5—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 849,329
Net difference between projected and actual earnings on pension plan investments	-	6,283,898
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,010	1,572,263
Changes in assumptions	1,747,016	-
Employer contributions subsequent to the measurement date	<u>1,811,417</u>	<u>-</u>
Total	<u>\$ 3,597,443</u>	<u>\$ 8,705,490</u>

\$1,811,417 was reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ (1,811,118)
2024	(1,562,225)
2025	(1,617,697)
2026	(1,928,819)
2027	395

**Actuarial Assumptions**

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

**Component Unit School Board (professional) (Continued)**

***Actuarial Assumptions (Continued)***

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 5—Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

*Net Pension Liability*

The net pension liability (NPL) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB Statement No. 67, less that system’s fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		<u>Teacher Employee Retirement Plan</u>
Total Pension Liability	\$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	\$	<u>7,763,263</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

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

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

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

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

	<u>Rate</u>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 19,244,838	\$ 9,971,698	\$ 2,343,302

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 5—Pension Plan: (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan’s Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	VRS Pension Plans			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
<b>Primary Government</b>				
Primary Government	\$ 1,196,905	\$ 3,316,355	\$ (1,121,396)	\$ 58,627
Totals	<u>\$ 1,196,905</u>	<u>\$ 3,316,355</u>	<u>\$ (1,121,396)</u>	<u>\$ 58,627</u>
<b>Component Unit School Board</b>				
School Board Nonprofessional	\$ 100,520	\$ 630,198	\$ (652,962)	\$ (162,837)
School Board Professional	3,597,443	8,705,490	9,971,698	(552,878)
Totals	<u>\$ 3,697,963</u>	<u>\$ 9,335,688</u>	<u>\$ 9,318,736</u>	<u>\$ (715,715)</u>

**Note 6—Compensated Absences:**

The County has accrued the liability arising from compensated absences.

County employees earn vacation and sick leave at various rates. The County had outstanding compensated absences as follows:

Primary Government	\$ <u>620,551</u>
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COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 7—Long-Term Obligations:**

Primary Government:

Governmental Activities:

The following is a summary of long-term obligations transactions of the County for the year ended June 30, 2022:

	Balance at July 1, 2021	Issuances/ Additions	Retirements/ Deletions	Balance at June 30, 2022	Due Within One Year
Governmental Activities:					
Direct Borrowings or Placements:					
Revenue bond	\$ 108,989	-	\$ 108,989	-	-
General obligation bonds (VPSA)	270,000	-	45,000	225,000	45,000
General obligation bonds	6,336,181	-	560,609	5,775,572	509,925
Qualified zone academy bonds	1,000,000	-	-	1,000,000	1,000,000
Notes payable	100,000	-	100,000	-	-
General lease purchase	6,425,740	-	360,557	6,065,183	572,040
Premium on bond issuance	1,681,404	-	131,879	1,549,525	132,036
Net pension liability	2,317,991	3,378,117	5,696,108	-	-
Net OPEB liabilities	1,109,498	161,821	284,289	987,030	-
Compensated absences	554,031	38,070	2,707	589,394	58,939
<b>Total Governmental Activities</b>	<b>\$ 19,903,834</b>	<b>\$ 3,578,008</b>	<b>\$ 7,290,138</b>	<b>\$ 16,191,704</b>	<b>\$ 2,317,940</b>

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

Year	Bonds and Notes Payable (1)	
	Principal	Interest
2023	\$ 1,126,965	\$ 470,453
2024	1,177,243	423,856
2025	999,321	380,068
2026	1,050,237	339,999
2027	1,101,901	297,723
2028-2032	5,070,088	823,428
2033-2035	1,540,000	106,794
	<b>\$ 12,065,755</b>	<b>\$ 2,842,321</b>

Excludes annual payment to debt service sinking fund for the Qualified Zone Academy Bonds.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 7—Long-Term Obligations: (Continued)**

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Primary Government: (Continued)

Governmental Activities: (Continued)

Details of long-term obligations:

General obligation bonds:

\$1,000,000 Virginia Public School Authority Bonds issued May 11, 2006, maturing annually through July 15, 2026 with interest payable semi-annually at rates from 4.1% to 5.1%.	\$ 225,000
\$5,123,382 Series 2015 Lease purchase issued June 17, 2015, maturing annually through June 17, 2030 with interest payable annually at a rate of 2.35%	3,769,671
Plus: Premium on issuance	1,964
\$2,080,820 general obligation bond issued June 13, 2012, maturing annually through June 30, 2024 with interest payable semi-annually at varying interest rates of 2.125 to 5.125%.	430,571
Plus: Premium on issuance	164,236
\$2,391,777 lease purchase dated August 2, 2017, maturing annually through November 1, 2031 with interest payable semi-annually at a variable rate.	2,295,513
Plus: Premium on issuance	360,109
\$5,900,000 general obligation bond issued July 24, 2019, maturing annually through April 2035 with interest payable semi-annually at varying interest rates of 4.513% to 5.125%.	5,345,000
Plus: Premium on issuance	<u>1,023,216</u>
Total general obligation bonds	<u>\$ 13,615,280</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

Primary Government: (Continued)

Governmental Activities: (Continued)

Details of long-term obligations: (Continued)

Qualified zone academy bonds:

\$1,000,000 Qualified Zone Academy Bonds, issued December 13, 2006, maturing December 13, 2022. Annual payments of \$49,728 are required to be placed in a sinking fund that will be used to pay the debt in 2022.

	\$	1,000,000
Total qualified zone academy bonds	\$	<u>1,000,000</u>

Other long-term obligations:

Compensated absences	\$	589,394
Net OPEB liabilities		<u>987,030</u>
Total other long-term obligations	\$	<u>1,576,424</u>
Total Governmental Activities long-term obligations	\$	<u><u>16,191,704</u></u>

Business-type Activities:

The following is a summary of long-term obligations transactions of the Business-type Activities for the year ended June 30, 2022:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Issuances/</u> <u>Additions</u>	<u>Retirements/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Business-type Activities:					
Lease revenue bonds	\$ 2,560,673	\$ -	\$ 206,177	\$ 2,354,496	\$ 215,195
Premium on bond issuance	325,558	-	27,740	297,818	27,739
Landfill closure and postclosure care liability	5,133,762	236,153	-	5,369,915	-
Landfill corrective action plan	392,113	18,037	-	410,150	-
Compensated Absences	19,708	11,449	-	31,157	3,116
Net pension liability	143,592	114,255	257,847	-	-
Net OPEB liabilities	94,755	10,597	22,129	83,223	-
Total Business-type Activities	<u>\$ 8,670,161</u>	<u>\$ 390,491</u>	<u>\$ 513,893</u>	<u>\$ 8,546,759</u>	<u>\$ 246,050</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

Primary Government: (Continued)

Business-type Activities: (Continued)

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

Year	Lease Revenue Bond	
	Principal	Interest
2023	\$ 215,195	\$ 89,018
2024	222,790	80,781
2025	232,917	71,607
2026	245,575	61,899
2027	258,234	51,644
2028-2032	1,179,785	91,807
	<u>\$ 2,354,496</u>	<u>\$ 446,756</u>

Revenue bonds (payable from Enterprise Fund):

\$2,407,652 lease revenue bond dated August 2, 2017, maturing annually through November 1, 2031 with interest payable semi-annually at a variable rate.	\$ 2,354,496
Plus: Premium on issuance	297,818
Total revenue bonds	<u>\$ 2,652,314</u>
Other long-term obligations:	
Landfill closure and postclosure care liability	\$ 5,369,915
Landfill corrective action plan liability	410,150
Compensated absences	31,157
Net OPEB liabilities	83,223
Total other long-term obligations	<u>\$ 5,894,445</u>
Total business-type activities long-term obligations	<u>\$ 8,546,759</u>



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 7—Long-Term Obligations: (Continued)**

Component Unit - School Board:

The following is a summary of long-term obligations transactions of the Component Unit- School Board for the year ended June 30, 2022:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Payable</u> <u>Due Within</u> <u>One Year</u>
Net OPEB liabilities	\$ 4,234,775	\$ 804,111	\$ 1,264,529	\$ 3,774,357	\$ -
Net pension liability	19,599,819	4,522,877	14,150,998	9,971,698	-
Total	<u>\$ 23,834,594</u>	<u>\$ 5,326,988</u>	<u>\$ 15,415,527</u>	<u>\$ 13,746,055</u>	<u>\$ -</u>

**Note 8—Litigation:**

At June 30, 2022, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

**Note 9—Contingent Liabilities:**

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

**Note 10—Surety Bonds:**

	<u>Amount</u>
Fidelity and Deposit Company of Maryland - Surety	
D. Lynnette Coe, Clerk of the Circuit Court	\$ 360,000
Donna B. Nunnally, Treasurer	400,000
Edna T. Goldman, Commissioner of the Revenue	3,000
L.A. "Tony" Epps, Sheriff	30,000
United State Fidelity and Guaranty Company - Surety	
Clerk and Deputy Clerk of the School Board	50,000
Aetna Casualty and Surety Company - Surety	
Kimberley Allen, Director of Social Services	100,000
Fidelity and Deposit Company of Maryland - Surety	
County Administrator	2,000

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 11—Landfill Closure and Postclosure Care Cost:**

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State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County records a portion of this closure and postclosure care liability in each period based on landfill capacity as of each balance sheet date. The County opened a new cell in 2008. The amounts reported as closure and postclosure care liabilities at June 30, 2022 were \$2,841,409 and \$2,528,506, respectively. Furthermore, the County reports \$410,150 as corrective action liability. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. Actual cost may be higher due to inflation, changes in technology or changes in regulation. During fiscal year 2017 the County started construction on a new cell.

The County has demonstrated financial assurance requirements for closure, postclosure and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code. The County intends to fund these costs from accumulated funds held in the general fund.

**Note 12—Risk Management:**

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The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and natural disasters. The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage.

**Note 13—Interfund Transfers:**

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Interfund transfers for the year ended June 30, 2022 consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,585,520
Special Projects Fund	4,417,265	-
School Debt Service Fund	49,728	-
Water Fund	236,036	-
Sewer Fund	87,930	-
Landfill Fund	794,561	-
Total	<u>\$ 5,585,520</u>	<u>\$ 5,585,520</u>

Transfers were made for operational expenditures.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### Note 14—Notes Receivable:

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The County provided an equipment loan to Prince Edward County Rescue Squad in March 2017 in the amount of \$120,000. The loan bears simple interest at 3% and is payable over 5 years. At June 30, 2020, this note had an outstanding balance of \$72,000.

The County provided an equipment loan to Hampden-Sydney Volunteer Fire Department in January 2019 in the amount of \$90,000. The loan bears simple interest at 3% and is payable over 5 years. At June 30, 2020, this note had an outstanding balance of \$36,000.

The County provided an equipment loan to Prince Edward Volunteer Rescue Squad in April 2020 in the amount of \$371,000. The loan bears simple interest at 1% and is payable over 5 years. At June 30, 2020, this note had an outstanding balance of \$210,233.

The County provided an equipment loan to Darlington Heights Volunteer Fire Department in June 2020 in the amount of \$150,000. The loan bears simple interest at 3% and is payable over 5 years. At June 30, 2020, this note had an outstanding balance of \$90,000.

The County provided an equipment loan to Hampden-Sydney Volunteer Fire Department in 2021 in the amount of \$60,000. The loan bears simple interest at 3% and is payable over 5 years. At June 30, 2022, this note had an outstanding balance of \$33,453.

### Note 15—Unavailable/Deferred Revenue:

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

Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$7,649,836 (including 2<sup>nd</sup> half billings of \$6,561,621 not due until December 5) at June 30, 2022.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2022 but paid in advance by the taxpayers totaled \$85,307 at June 30, 2022.

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

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#### *Plan Description*

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

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### **Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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

#### ***Eligible Employees***

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

#### ***Benefit Amounts***

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

#### ***HIC Plan Notes***

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

#### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$136,859 and \$137,853 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of \$1,653,493 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC Program OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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

for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division’s proportion of the VRS Teacher Employee HIC Plan was .12882% as compared to .13385% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$88,250. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 28,853
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	21,782
Change in assumptions	44,697	6,645
Change in proportionate share	8,139	211,226
Employer contributions subsequent to the measurement date	<u>136,859</u>	<u>-</u>
Total	<u>\$ 189,695</u>	<u>\$ 268,506</u>

\$136,859 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (48,437)
2024	(48,685)
2025	(43,133)
2026	(35,956)
2027	(25,286)
Thereafter	(14,173)

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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***Actuarial Assumptions***

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Teachers: (Continued)**

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

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

**Net Teacher Employee HIC OPEB Liability**

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,283,569</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

***Long-Term Expected Rate of Return***

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

***Discount Rate***

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,861,375	\$ 1,653,493	\$ 1,477,576

***Teacher Employee HIC OPEB Fiduciary Net Position***

Detailed information about the VRS Teacher Employee HIC Program’s Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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### Note 17—Group Life Insurance (GLI) Plan (OPEB Plan):

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#### *Plan Description*

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

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

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

#### *Eligible Employees*

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

#### *Benefit Amounts*

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

## COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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#### *Contributions*

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$32,949 and \$30,101 for the years ended June 30, 2022 and June 30, 2021, respectively, for the County; \$3,465 and \$3,601 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (nonprofessional); \$61,457 and \$61,537 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (professional).

#### ***GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB***

At June 30, 2022, the entity reported a liability of \$314,353 for the County; \$36,208 for the School Board (nonprofessional); and \$642,562 for the School Board (professional) for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 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, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was .02700% as compared to .02700% at June 30, 2020 for the County. At June 30, 2021, the participating employer's proportion was .00310% as compared to .00340% at June 30, 2020 for the School Board (nonprofessional). At June 30, 2021, the participating employer's proportion was .05520% as compared to .05720% at June 30, 2020 for the School Board (professional).

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$10,187 (County), \$954 (School Board - nonprofessional), and (\$1,323) (School Board - professional). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Primary Government</b>		
Differences between expected and actual experience	\$ 35,853	\$ 2,395
Net difference between projected and actual earnings on GLI OPEB program investments	-	75,029
Change in assumptions	17,330	43,010
Changes in proportionate share	-	6,108
Employer contributions subsequent to the measurement date	32,949	-
Total	<u>\$ 86,132</u>	<u>\$ 126,542</u>
<b>Component Unit School Board (nonprofessional)</b>		
Differences between expected and actual experience	\$ 4,130	\$ 276
Net difference between projected and actual earnings on GLI OPEB program investments	-	8,642
Change in assumptions	1,996	4,954
Changes in proportionate share	2,333	4,350
Employer contributions subsequent to the measurement date	3,465	-
Total	<u>\$ 11,924</u>	<u>\$ 18,222</u>
<b>Component Unit School Board (professional)</b>		
Differences between expected and actual experience	\$ 73,286	\$ 4,896
Net difference between projected and actual earnings on GLI OPEB program investments	-	153,366
Change in assumptions	35,424	87,916
Changes in proportionate share	2,213	94,276
Employer contributions subsequent to the measurement date	61,457	-
Total	<u>\$ 172,380</u>	<u>\$ 340,454</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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

\$32,949 (County); \$3,465 (School Board nonprofessional), and \$61,457 (School Board professional) were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2023	\$ (18,178)	\$ (2,313)	\$ (59,303)
2024	(13,824)	(1,666)	(47,847)
2025	(12,961)	(1,444)	(44,564)
2026	(23,872)	(3,193)	(62,259)
2027	(4,524)	(1,147)	(15,558)
Thereafter	-	-	-

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

**Actuarial Assumptions: (Continued)**

**Mortality Rates - Teachers**

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

**Mortality Improvement Scale:**

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

**Actuarial Assumptions: (Continued)**

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

**Pre-Retirement:**

Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 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, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

**Actuarial Assumptions: (Continued)**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

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

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



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

**NET GLI OPEB Liability**

The net OPEB liability (NOL) for the GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

	<b>GLI OPEB Plan</b>
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	<u>\$ 1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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

**Long-Term Expected Rate of Return**

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

<b>Asset Class (Strategy)</b>	<b>Long-Term Target Asset Allocation</b>	<b>Arithmetic Long-term Expected Rate of Return</b>	<b>Weighted Average Long-term Expected Rate of Return*</b>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	2.50%
		*Expected arithmetic nominal return	<u>7.39%</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

***Long-Term Expected Rate of Return: (Continued)***

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

***Discount Rate***

The discount rate used to measure the total 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, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 459,281	\$ 314,353	\$ 197,317
School Board (nonprofessional)’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 52,902	\$ 36,208	\$ 22,728
School Board (professional)’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 938,806	\$ 642,562	\$ 403,331

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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

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***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan’s Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan):**

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**County**

***Plan Description***

In addition to the pension benefits described in Note 5, the County administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Vision insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the County provides a fixed basic death benefit for all retirees.

***Plan Membership***

At July 1, 2021 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	118
Total retirees with coverage	<u>3</u>
Total	<u><u>121</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2022 was \$77,400.

***Total OPEB Liability***

The County’s total OPEB liability was measured as of July 1, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

**County: (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of July 1, 2021
Salary Increases	2.50% per year for general salary inflations as of July 1, 2021
Discount Rate	1.92% for accounting and funding disclosures as of June 30, 2021
Healthcare Cost Trend Rates	6.50% for fiscal year ending June 30, 2022

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

**Discount Rate**

The discount rate has been set equal to 1.92% and represents GO AA 20-year yield curve rate as of June 30, 2021.

**Changes in Total OPEB Liability**

		<b>Primary Government</b>
		<b>Total OPEB Liability</b>
		<u>                    </u>
Balances at June 30, 2021	\$	753,500
Changes for the year:		
Service cost		25,800
Interest		18,200
Changes in experience		(6,600)
Contributions - employer		(77,400)
Assumption changes		42,400
Net changes		<u>2,400</u>
Balances at June 30, 2022	\$	<u><u>755,900</u></u>

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.92%) or one percentage point higher (2.92%) than the current discount rate:

	<b>Rate</b>		
	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
	<u>(.92%)</u>	<u>Rate (1.92%)</u>	<u>(2.92%)</u>
\$	841,500	\$ 755,900	\$ 677,900

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

**County: (Continued)**

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing by 0.25% annually to an ultimate rate of 4.00%) or one percentage point higher (7.50% decreasing by 0.25% annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,200	\$ 17,000
Changes in assumptions	65,000	-
Employer contributions subsequent to the measurement date	<u>77,400</u>	<u>-</u>
Total	<u>\$ 164,600</u>	<u>\$ 17,000</u>

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

For the year ended June 30, 2022, the County recognized OPEB expense in the amount of \$69,200.

At June 30, 2022 the County had deferred outflows of resources of \$164,600; deferred inflows of resources related to the OPEB plan were \$17,000.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 22,200	\$ 17,000
Changes in assumptions	65,000	-
Employer contributions subsequent to the measurement date	<u>77,400</u>	<u>-</u>
Total	<u>\$ 164,600</u>	<u>\$ 17,000</u>

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

\$77,400 was reported as deferred outflows of resources related to OPEB resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 30,800
2024	31,500
2025	7,900
2026	-
2027	-
Thereafter	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

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**School Board**

***Plan Description***

In addition to the pension benefits described in Note 5, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Vision insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the School Board provides a fixed basic death benefit for all retirees.

***Plan Membership***

At July 1, 2021 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	269
Total retirees with coverage	<u>14</u>
Total	<u><u>283</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2022 was \$88,000.

***Total OPEB Liability***

The School Board’s total OPEB liability was measured as of July 1, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

***Actuarial Assumptions***

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of July 1, 2021
Salary Increases	2.50% per year for general salary inflations as of July 1, 2021
Discount Rate	1.92% for accounting and funding disclosures as of July 1, 2021
Healthcare Cost Trend Rates	6.50% for fiscal year ending June 30, 2022

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

**School Board: (Continued)**

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

***Discount Rate***

The discount rate has been set equal to 1.92% and represents the Municipal GO-AA 20-year yield curve rate as of June 30, 2021.

***Changes in Total OPEB Liability***

	<u>School Board</u>
	<u>Total OPEB Liability</u>
Balances at June 30, 2021	\$ 1,387,200
Changes for the year:	
Service cost	92,800
Interest	35,200
Changes in experience	(133,700)
Contributions - employer	(88,000)
Assumption changes	56,200
Net changes	<u>(37,500)</u>
Balances at June 30, 2022	<u>\$ 1,349,700</u>

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.92%) or one percentage point higher (2.92%) than the current discount rate:

<u>Rate</u>		
<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
<u>(.92%)</u>	<u>Rate (1.92%)</u>	<u>(2.92%)</u>
\$ 1,459,900	\$ 1,349,700	\$ 1,246,400

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

**School Board: (Continued)**

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing by 0.25% annually to an ultimate rate of 4.00%) or one percentage point higher (7.50% decreasing by 0.25% annually to an ultimate rate of 6.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
\$ 1,191,500	\$ 1,349,700	\$ 1,538,300

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

For the year ended June 30, 2022, the School Board recognized OPEB expense in the amount of (\$209,600). At June 30, 2022, the School Board had deferred outflows of resources of \$259,300; deferred inflows of resources related to the OPEB plan were \$1,092,500.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,062,300
Changes in assumptions	171,300	30,200
Employer contributions subsequent to the measurement date	88,000	-
Total	\$ 259,300	\$ 1,092,500



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 18—Medical, Dental, and Vision Insurance - Pay-as-you-Go (OPEB Plan): (Continued)**

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**School Board: (Continued)**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)***

\$88,000 was reported as deferred outflows of resources related to OPEB resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (342,600)
2024	(324,800)
2025	(156,200)
2026	(86,600)
2027	(11,000)
Thereafter	-

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

**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan):**

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***Plan Description***

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

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

***Eligible Employees***

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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***Benefit Amounts***

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

***HIC Plan Notes***

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

***Employees Covered by Benefit Terms***

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	15
Inactive members:	
Vested inactive members	<u>2</u>
Total inactive members	17
Active members	34
Total covered employees	<u><u>51</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2022 was 1.13% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$7,252 and \$7,207 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY 2021.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

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***Net HIC OPEB Liability***

The School Board’s net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

***Actuarial Assumptions***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement Scale:**

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

*Actuarial Assumptions: (Continued)*

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

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

*Long-Term Expected Rate of Return*

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Long-Term Expected Rate of Return: (Continued)***

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

***Changes in Net HIC OPEB Liability***

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 90,498	\$ -	\$ 90,498
Changes for the year:			
Service cost	\$ 1,122	\$ -	\$ 1,122
Interest	6,109	-	6,109
Differences between expected and actual experience	1	-	1
Assumption changes	2,792	-	2,792
Contributions - employer	-	7,206	(7,206)
Net investment income	-	954	(954)
Administrative expenses	-	(32)	32
Net changes	\$ 10,024	\$ 8,128	\$ 1,896
Balances at June 30, 2021	\$ 100,522	\$ 8,128	\$ 92,394

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

***Sensitivity of the School Board’s HIC Net OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's Net HIC OPEB Liability	\$ 101,691	\$ 92,394	\$ 84,369

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

For the year ended June 30, 2022, the School Board recognized HIC Plan OPEB expense of \$7,586. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	570
Change in assumptions	2,085	-
Employer contributions subsequent to the measurement date	\$ 7,252	\$ -
Total	\$ 9,338	\$ 570

\$7,252 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	\$ 565
2024	565
2025	530
2026	(144)
2027	-
Thereafter	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 19—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**

**HIC Plan Data**

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 20—Summary of Net OPEB Liabilities, Deferred Outflows and Deferred Inflows of Resources:**

	OPEB PLANS			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
<b>Primary Government</b>				
VRS OPEB Plans:				
Group Life Insurance Program (Note 17):				
County	\$ 86,132	\$ 126,542	\$ 314,353	\$ 10,187
County Stand-Alone Plan (Note 18)	164,600	17,000	755,900	69,200
Totals	<u>\$ 250,732</u>	<u>\$ 143,542</u>	<u>\$ 1,070,253</u>	<u>\$ 79,387</u>
<b>Component Unit School Board</b>				
VRS OPEB Plans:				
Group Life Insurance Program (Note 17):				
School Board Nonprofessional	\$ 11,924	\$ 18,222	\$ 36,208	\$ 954
School Board Professional	172,380	340,454	642,562	(1,323)
Teacher Health Insurance Credit Program (Note 16)	189,695	268,506	1,653,493	88,250
School Board Health Insurance Plan (Note 19)	9,338	570	92,394	7,856
School Stand-Alone Plan (Note 18)	259,300	1,092,500	1,349,700	(209,600)
Totals	<u>\$ 642,637</u>	<u>\$ 1,720,252</u>	<u>\$ 3,774,357</u>	<u>\$ (113,863)</u>

**Note 21—Leases**

Lessor

The County owns three parcels of real estate in Prince Edward County. The County leases portions of the sites and structures under three separate leases. The first lease is to STEPS, Inc, with an initial term of ten year, beginning in March 2018, with monthly rent charge is \$2,900. The second lease is with USDA Rural Development with an initial term of three years, with monthly rent due of \$9,216. The third lease is with YakAttack for an initial term of five years, with monthly rent due of \$11,179.

On July 1, 2021, the County recorded an initial lease receivable and deferred inflow of resources of \$1,640,018, as the present value of the future minimum rent payments expected to be received during the lease term. In fiscal year 2022, the Authority recognized \$132,726 of lease revenue and \$12,667 of interest revenue under these leases.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 22— Committed Fund Balance-Special Projects Fund:**

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	<u>Amount</u>
Construction projects	\$ 419,213
Assessor	40,905
Regional Jail	400,000
Animal Control	52,793
CSA reserves	300,000
County recreation	20,000
Worsham Clerk	10,600
Economic Development	20,000
Tourism	17,872
Registrar	36,100
PECPS capital improvements	2,779,282
Juvenile Detention	50,000
Vehicles	22,000
Mary E. Branch Community Center	8,500
Sandy River Project	200,000
Regional Development	5,000
Rescue Squad capital equipment	35,000
Total Special Projects Fund	<u>\$ 4,417,265</u>

**Note 23—Upcoming Pronouncements:**

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Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to for fiscal years beginning after June 15, 2023.



COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

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**Note 23—Upcoming Pronouncements: (Continued)**

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

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

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

**Note 24—Adoption of Accounting Principle:**

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The County implemented the provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation, the following balances were recognized as of July 1, 2021 related to the leases:

	<u>Governmental Activities</u>	
	Primary	
	<u>Government</u>	
Lessor activity:		
Lease receivable	\$	1,640,018
Deferred inflows of resources	\$	1,640,018

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements  
As of June 30, 2022 (Continued)

**Note 25—Restatement of Beginning Balances:**

The County restated beginning balances to reflect changes in prior year balances. The changes resulted in the following restatements of net position and fund balance:

	<u>Primary Government</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>School Board</u>	<u>Industrial Development Authority</u>
Net Position, as reported at July 1, 2021	\$ 25,001,555	\$ (4,821,821)	\$ (13,558,237)	\$ 4,054,529
Transfer of Solid Waste from General	(305,350)	305,350	-	-
Prior year transfer from General to Enterprise	(1,317,134)	1,317,134	-	-
Prior year transfer from General to IDA	(111,127)	-	-	111,127
Unbilled receivables from prior year	24,286	70,355	-	-
Prior year capital assets adjustment	(1,141,676)	(430,443)	880,573	-
Transfer of CARES Fund to School Board	224,264	-	(224,264)	-
Net Position, as restated at July 1, 2021	<u>\$ 22,374,818</u>	<u>\$ (3,559,425)</u>	<u>\$ (12,901,928)</u>	<u>\$ 4,165,656</u>

	<u>Governmental Funds</u>	
	<u>General Fund</u>	<u>Landfill Construction Fund</u>
Fund balance, as reported at July 1, 2021	\$ 19,829,603	\$ 2,639,693
Transfer of Solid Waste from General	(305,350)	-
Prior year transfer from General to Enterprise	(1,428,262)	-
Unbilled receivables from prior year	-	24,286
Fund balance, as restated at July 1, 2021	<u>\$ 18,095,991</u>	<u>\$ 2,663,979</u>

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Landfill Fund</u>
Fund balance, as reported at July 1, 2021	\$ 65,660	\$ 64,343	\$ (4,951,824)
Transfer of Solid Waste from General	-	-	305,350
Prior year transfer from General to Enterprise	245,264	87,448	984,422
Unbilled receivables from prior year	-	-	70,355
Prior year capital assets adjustment	-	-	(430,443)
Fund balance, as restated at July 1, 2021	<u>\$ 310,924</u>	<u>\$ 151,791</u>	<u>\$ (4,022,140)</u>

**Required Supplementary Information**

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General Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 15,526,286	\$ 15,526,286	\$ 15,560,842	\$ 34,556
Other local taxes	4,128,000	4,128,000	5,010,225	882,225
Permits, privilege fees, and regulatory licenses	78,500	78,500	122,539	44,039
Fines and forfeitures	193,000	193,000	171,718	(21,282)
Revenue from the use of money and property	698,456	698,456	725,374	26,918
Charges for services	100,721	100,721	267,146	166,425
Miscellaneous	26,900	110,239	174,981	64,742
Recovered costs	118,978	118,978	96,164	(22,814)
Intergovernmental:				
Commonwealth	5,907,021	6,190,066	5,430,979	(759,087)
Federal	1,930,887	2,930,887	3,063,593	132,706
Total revenues	\$ 28,708,749	\$ 30,075,133	\$ 30,623,561	\$ 548,428
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,101,061	\$ 2,270,883	\$ 2,069,352	\$ 201,531
Judicial administration	1,923,084	1,927,632	1,733,643	193,989
Public safety	5,025,969	5,238,271	4,669,412	568,859
Public works	921,229	1,023,846	1,002,192	21,654
Health and welfare	4,638,378	4,572,306	3,848,593	723,713
Education	9,266,371	9,266,371	7,398,518	1,867,853
Parks, recreation, and cultural	350,730	326,930	326,930	-
Community development	757,271	829,179	718,653	110,526
Nondepartmental	120,565	428,345	433,318	(4,973)
Capital projects	1,128,000	2,976,408	1,676,929	1,299,479
Debt service:				
Principal retirement	746,837	746,837	784,418	(37,581)
Interest and other fiscal charges	446,227	446,227	408,233	37,994
Total expenditures	\$ 27,425,722	\$ 30,053,235	\$ 25,070,191	\$ 4,983,044
Excess (deficiency) of revenues over (under) expenditures	\$ 1,283,027	\$ 21,898	\$ 5,553,370	\$ 5,531,472
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 609,290	\$ 609,290	\$ -	\$ (609,290)
Transfers out	(1,899,203)	(1,839,203)	(5,585,520)	(3,746,317)
Total other financing sources (uses)	\$ (1,289,913)	\$ (1,229,913)	\$ (5,585,520)	\$ (4,355,607)
Net change in fund balances	\$ (6,886)	\$ (1,208,015)	\$ (32,150)	\$ 1,175,865
Fund balances - beginning, as restated	6,886	1,208,015	18,095,991	16,887,976
Fund balances - ending	\$ -	\$ -	\$ 18,063,841	\$ 18,063,841

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>		
Service cost	\$ 624,573	\$ 605,485
Interest	1,687,706	1,659,609
Differences between expected and actual experience	114,953	(481,105)
Changes in assumptions	987,652	-
Benefit payments, including refunds of employee contributions	(1,321,077)	(1,414,393)
<b>Net change in total pension liability</b>	<u>\$ 2,093,807</u>	<u>\$ 369,596</u>
<b>Total pension liability - beginning</b>	25,663,594	25,293,998
<b>Total pension liability - ending (a)</b>	<u><u>\$ 27,757,401</u></u>	<u><u>\$ 25,663,594</u></u>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 445,232	\$ 427,990
Contributions - employee	259,911	262,435
Net investment income	6,308,002	455,083
Benefit payments, including refunds of employee contributions	(1,321,077)	(1,414,393)
Administrative expense	(15,875)	(15,557)
Other	593	(523)
<b>Net change in plan fiduciary net position</b>	<u>\$ 5,676,786</u>	<u>\$ (284,965)</u>
<b>Plan fiduciary net position - beginning</b>	23,202,011	23,486,976
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 28,878,797</u></u>	<u><u>\$ 23,202,011</u></u>
 <b>County's net pension liability (asset) - ending (a) - (b)</b>	 \$ (1,121,396)	 \$ 2,461,583
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 104.04%	 90.41%
 <b>Covered payroll</b>	 \$ 5,539,722	 \$ 5,514,677
 <b>County's net pension liability (asset) as a percentage of covered payroll</b>	 -20.24%	 44.64%

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

	2019	2018	2017	2016	2015	2014
\$	568,188	\$ 586,171	\$ 608,923	\$ 583,283	\$ 545,827	\$ 555,966
	1,607,590	1,581,656	1,517,955	1,509,879	1,462,131	1,383,489
	46,873	(693,470)	(219,828)	(1,025,111)	(446,242)	-
	703,479	-	7,334	-	-	-
	(1,195,417)	(1,012,324)	(996,413)	(908,946)	(850,241)	(781,769)
\$	<u>1,730,713</u>	<u>\$ 462,033</u>	<u>\$ 917,971</u>	<u>\$ 159,105</u>	<u>\$ 711,475</u>	<u>\$ 1,157,686</u>
	23,563,285	23,101,252	22,183,281	22,024,176	21,312,701	20,155,015
\$	<u><u>25,293,998</u></u>	<u><u>\$ 23,563,285</u></u>	<u><u>\$ 23,101,252</u></u>	<u><u>\$ 22,183,281</u></u>	<u><u>\$ 22,024,176</u></u>	<u><u>\$ 21,312,701</u></u>
\$	406,538	\$ 446,611	\$ 437,632	\$ 555,222	\$ 567,774	\$ 604,584
	250,656	250,026	265,479	241,585	248,130	246,898
	1,490,390	1,575,307	2,341,406	333,781	841,567	2,496,224
	(1,195,417)	(1,012,324)	(996,413)	(908,946)	(850,241)	(781,769)
	(14,960)	(13,613)	(13,544)	(11,833)	(11,394)	(13,259)
	(938)	(1,400)	(2,082)	(141)	(176)	132
\$	<u>936,269</u>	<u>\$ 1,244,607</u>	<u>\$ 2,032,478</u>	<u>\$ 209,668</u>	<u>\$ 795,660</u>	<u>\$ 2,552,810</u>
	22,550,707	21,306,100	19,273,622	19,063,954	18,268,294	15,715,484
\$	<u><u>23,486,976</u></u>	<u><u>\$ 22,550,707</u></u>	<u><u>\$ 21,306,100</u></u>	<u><u>\$ 19,273,622</u></u>	<u><u>\$ 19,063,954</u></u>	<u><u>\$ 18,268,294</u></u>
\$	1,807,022	\$ 1,012,578	\$ 1,795,152	\$ 2,909,659	\$ 2,960,222	\$ 3,044,407
	92.86%	95.70%	92.23%	86.88%	86.56%	85.72%
\$	5,327,164	\$ 5,191,889	\$ 5,030,792	\$ 5,034,064	\$ 4,994,453	\$ 4,941,586
	33.92%	19.50%	35.68%	57.80%	59.27%	61.61%

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
 Component Unit School Board (nonprofessional)  
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Total pension liability</b>		
Service cost	\$ 56,620	\$ 54,566
Interest	274,966	272,080
Differences between expected and actual experience	(206,460)	(42,813)
Changes in assumptions	159,320	-
Benefit payments, including refunds of employee contributions	(253,323)	(228,817)
<b>Net change in total pension liability</b>	<u>\$ 31,123</u>	<u>\$ 55,016</u>
<b>Total pension liability - beginning</b>	<u>4,200,236</u>	<u>4,145,220</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 4,231,359</u></u>	<u><u>\$ 4,200,236</u></u>
 <b>Plan fiduciary net position</b>		
Contributions - employer	\$ 23,808	\$ 27,106
Contributions - employee	29,579	32,202
Net investment income	1,074,788	78,153
Benefit payments, including refunds of employee contributions	(253,323)	(228,817)
Administrative expense	(2,796)	(2,734)
Other	100	(90)
<b>Net change in plan fiduciary net position</b>	<u>\$ 872,156</u>	<u>\$ (94,180)</u>
<b>Plan fiduciary net position - beginning</b>	<u>4,012,165</u>	<u>4,106,345</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 4,884,321</u></u>	<u><u>\$ 4,012,165</u></u>
 <b>School Division's net pension liability (asset) - ending (a) - (b)</b>	 \$ (652,962)	 \$ 188,071
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	 115.43%	 95.52%
 <b>Covered payroll</b>	 \$ 637,762	 \$ 692,516
 <b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	 -102.38%	 27.16%

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



	2019	2018	2017	2016	2015	2014
\$	51,726	\$ 54,086	\$ 54,550	\$ 53,998	\$ 50,122	\$ 74,756
	265,030	270,765	279,919	266,348	266,930	257,300
	51,402	(196,710)	(251,147)	74,389	(119,719)	-
	100,471	-	(14,912)	-	-	-
	(219,090)	(201,063)	(197,298)	(204,429)	(206,875)	(182,074)
\$	249,539	\$ (72,922)	\$ (128,888)	\$ 190,306	\$ (9,542)	\$ 149,982
	3,895,681	3,968,603	4,097,491	3,907,185	3,916,727	3,766,745
\$	<u>4,145,220</u>	<u>\$ 3,895,681</u>	<u>\$ 3,968,603</u>	<u>\$ 4,097,491</u>	<u>\$ 3,907,185</u>	<u>\$ 3,916,727</u>
\$	27,199	\$ 54,735	\$ 52,589	\$ 55,387	\$ 56,512	\$ 50,281
	31,466	29,348	27,717	30,165	30,842	29,439
	261,426	281,847	425,863	60,144	160,116	493,037
	(219,090)	(201,063)	(197,298)	(204,429)	(206,875)	(182,074)
	(2,697)	(2,481)	(2,524)	(2,277)	(2,280)	(2,719)
	(164)	(249)	(376)	(26)	(33)	26
\$	98,140	\$ 162,137	\$ 305,971	\$ (61,036)	\$ 38,282	\$ 387,990
	4,008,205	3,846,068	3,540,097	3,601,133	3,562,851	3,174,861
\$	<u>4,106,345</u>	<u>\$ 4,008,205</u>	<u>\$ 3,846,068</u>	<u>\$ 3,540,097</u>	<u>\$ 3,601,133</u>	<u>\$ 3,562,851</u>
\$	38,875	\$ (112,524)	\$ 122,535	\$ 557,394	\$ 306,052	\$ 353,876
	99.06%	102.89%	96.91%	86.40%	92.17%	90.97%
\$	670,157	\$ 590,719	\$ 582,130	\$ 607,723	\$ 602,654	\$ 599,266
	5.80%	-19.05%	21.05%	91.72%	50.78%	59.05%

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan  
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13%	0.13%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,971,698	\$ 19,411,748
Employer's Covered Payroll	11,392,850	11,734,702
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	87.53%	165.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%

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

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<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
0.14%	0.15%	0.14%	0.15%	0.16%	0.17%
\$ 18,335,303	\$ 17,294,000	\$ 17,958,000	\$ 21,669,000	\$ 20,311,000	\$ 20,970,000
11,697,847	11,995,057	11,604,550	11,760,526	11,745,639	12,499,030
156.74%	144.18%	154.75%	184.25%	172.92%	167.77%
73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plan  
For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2022	\$ 483,902	\$ 483,902	\$ -	\$ 6,098,407	7.93%
2021	445,233	445,233	-	5,539,722	8.04%
2020	419,937	419,937	-	5,514,677	7.61%
2019	414,591	414,591	-	5,327,164	7.78%
2018	475,366	475,366	-	5,191,889	9.16%
2017	448,244	448,244	-	5,030,792	8.91%
2016	573,883	573,883	-	5,034,064	11.40%
2015	569,368	569,368	-	4,994,453	11.40%
2014	605,344	605,344	-	4,941,586	12.25%
2013	603,669	603,669	-	4,927,907	12.25%
<b>Component Unit School Board (nonprofessional)</b>					
2022	\$ 23,749	\$ 23,749	\$ -	\$ 641,745	3.70%
2021	23,856	23,856	-	637,762	3.74%
2020	27,150	27,150	-	692,516	3.92%
2019	27,198	27,198	-	670,157	4.06%
2018	56,736	56,736	-	590,719	9.60%
2017	55,128	55,128	-	582,130	9.47%
2016	55,607	55,607	-	607,723	9.15%
2015	55,143	55,143	-	602,654	9.15%
2014	51,178	51,178	-	599,266	8.54%
2013	68,018	68,018	-	796,467	8.54%
<b>Component Unit School Board (professional)</b>					
2022	\$ 1,811,417	\$ 1,811,417	\$ -	\$ 11,310,624	16.02%
2021	1,817,171	1,817,171	-	11,392,850	15.95%
2020	1,772,572	1,772,572	-	11,734,702	15.11%
2019	1,785,470	1,785,470	-	11,697,847	15.26%
2018	1,879,993	1,879,993	-	11,995,057	15.67%
2017	1,657,572	1,657,572	-	11,604,550	14.28%
2016	1,728,178	1,728,178	-	11,760,526	14.69%
2015	1,660,376	1,660,376	-	11,745,639	14.14%
2014	1,444,425	1,444,425	-	12,499,030	11.56%
2013	1,498,019	1,498,019	-	12,847,504	11.66%

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

Notes to Required Supplementary Information - Pension Plan  
 For the Year Ended June 30, 2022

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of School Board's Share of Net OPEB Liability  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.12882% \$	1,653,493 \$	11,392,850	14.51%	13.15%
2020	0.13385%	1,746,095	11,734,702	14.88%	9.95%
2019	0.13987%	1,831,034	11,731,764	15.61%	8.97%
2018	0.14829%	1,882,000	11,992,549	15.69%	8.08%
2017	0.14698%	1,865,000	11,599,639	16.08%	7.04%

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

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 136,859	\$ 136,859	\$ -	\$ 11,310,624	1.21%
2021	137,853	137,853	-	11,392,850	1.21%
2020	140,816	140,816	-	11,734,702	1.20%
2019	140,781	140,781	-	11,731,764	1.20%
2018	146,208	146,208	-	11,992,549	1.22%
2017	128,756	128,756	-	11,599,639	1.11%
2016	124,966	124,966	-	11,789,274	1.06%
2015	127,172	127,172	-	11,997,401	1.06%
2014	140,852	140,852	-	12,689,326	1.11%
2013	148,825	148,825	-	13,407,623	1.11%

Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2022

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

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

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



Schedule of County and School Board's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Plan  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
<b>Primary Government</b>					
2021	0.02700% \$	314,353 \$	5,574,178	5.64%	67.45%
2020	0.02700%	450,753	5,558,999	8.11%	52.64%
2019	0.02728%	443,918	5,347,838	8.30%	52.00%
2018	0.02739%	416,000	5,207,704	7.99%	51.22%
2017	0.02738%	412,000	5,051,155	8.16%	48.86%
<b>Component Unit School Board (nonprofessional)</b>					
2021	0.00310% \$	36,208 \$	642,691	5.63%	67.45%
2020	0.00340%	56,073	692,516	8.10%	52.64%
2019	0.00342%	55,652	670,157	8.30%	52.00%
2018	0.00314%	48,000	598,180	8.02%	51.22%
2017	0.00316%	48,000	582,130	8.25%	48.86%
<b>Component Unit School Board (professional)</b>					
2021	0.05520% \$	642,562 \$	11,395,795	5.64%	67.45%
2020	0.05720%	954,909	11,775,151	8.11%	52.64%
2019	0.06026%	980,591	11,813,390	8.30%	52.00%
2018	0.06344%	963,000	12,063,055	7.98%	51.22%
2017	0.06312%	950,000	11,642,450	8.16%	48.86%

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

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Plan  
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<b>Primary Government</b>					
2022	\$ 32,949	\$ 32,949	\$ -	\$ 6,101,721	0.54%
2021	30,101	30,101	-	5,574,178	0.54%
2020	28,907	28,907	-	5,558,999	0.52%
2019	27,809	27,809	-	5,347,838	0.52%
2018	27,288	27,288	-	5,207,704	0.52%
2017	26,266	26,266	-	5,051,155	0.52%
2016	24,175	24,175	-	5,036,405	0.48%
2015	23,986	23,986	-	4,997,028	0.48%
2014	23,720	23,720	-	4,941,586	0.48%
2013	23,701	23,701	-	4,937,736	0.48%
<b>Component Unit School Board (nonprofessional)</b>					
2022	\$ 3,465	\$ 3,465	\$ -	\$ 641,745	0.54%
2021	3,471	3,471	-	642,691	0.54%
2020	3,601	3,601	-	692,516	0.52%
2019	3,485	3,485	-	670,157	0.52%
2018	3,112	3,112	-	598,180	0.52%
2017	3,027	3,027	-	582,130	0.52%
2016	2,917	2,917	-	607,723	0.48%
2015	2,893	2,893	-	602,654	0.48%
2014	2,882	2,882	-	600,508	0.48%
2013	3,940	3,940	-	799,900	0.49%
<b>Component Unit School Board (professional)</b>					
2022	\$ 61,457	\$ 61,457	\$ -	\$ 11,380,993	0.54%
2021	61,537	61,537	-	11,395,795	0.54%
2020	61,231	61,231	-	11,775,151	0.52%
2019	61,430	61,430	-	11,813,390	0.52%
2018	63,014	63,014	-	12,063,055	0.52%
2017	60,541	60,541	-	11,642,450	0.52%
2016	56,945	56,945	-	11,863,594	0.48%
2015	57,789	57,789	-	12,039,575	0.48%
2014	60,969	60,969	-	12,701,952	0.48%
2013	61,127	61,127	-	12,734,854	0.48%

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2022

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

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

**Teachers**

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

**Non-Largest Ten Locality Employers - General Employees**

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

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

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

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 25,800	\$ 22,200	\$ 20,500	\$ 22,800	\$ 22,200
Interest	18,200	20,400	23,500	23,600	22,400
Differences between expected and actual experience	(6,600)	46,000	(49,300)	(14,900)	-
Benefit payments	(77,400)	(38,900)	(12,500)	(9,700)	(14,500)
Changes in assumptions	42,400	53,600	32,100	(30,000)	-
Net change in total OPEB liability	\$ 2,400	\$ 103,300	\$ 14,300	\$ (8,200)	\$ 30,100
Total OPEB liability - beginning	753,500	650,200	635,900	644,100	614,000
Total OPEB liability - ending	<u>\$ 755,900</u>	<u>\$ 753,500</u>	<u>\$ 650,200</u>	<u>\$ 635,900</u>	<u>\$ 644,100</u>
Covered-employee payroll	\$ 5,427,100	\$ 5,427,100	\$ 5,103,500	\$ 5,103,500	\$ 4,870,600
County's total OPEB liability (asset) as a percentage of covered-employee payroll	13.93%	13.88%	12.74%	12.46%	13.22%

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

Notes to Required Supplementary Information - County OPEB  
 For the Year Ended June 30, 2022

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Valuation Date: 7/1/2020  
 Measurement Date: 7/1/2021

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92% as of July 1, 2021
Salary Scale	2.50% as of July 1, 2021
Healthcare Trend Rate	6.50% for fiscal year 2022, decreasing .25% per year to an ultimate rate of 5.00%
Retirement Age	At least age 60 with at least 30 years of service
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020

Schedule of Changes in Total OPEB Liability and Related Ratios  
 Component Unit - School Board  
 For the Measurement Dates of June 30, 2017 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 92,800	\$ 102,100	\$ 103,000	\$ 127,600	\$ 124,500
Interest	35,200	57,600	73,900	103,500	98,000
Differences between expected and actual experience	(133,700)	(578,500)	(526,700)	(968,800)	-
Benefit payments	(88,000)	(7,500)	(9,300)	(9,400)	(129,900)
Other charges	56,200	73,200	155,700	(93,400)	-
<b>Net change in total OPEB liability</b>	\$ (37,500)	\$ (353,100)	\$ (203,400)	\$ (840,500)	\$ 92,600
<b>Total OPEB liability - beginning</b>	<u>1,387,200</u>	<u>1,740,300</u>	<u>1,943,700</u>	<u>2,784,200</u>	<u>2,691,600</u>
<b>Total OPEB liability - ending</b>	<u>\$ 1,349,700</u>	<u>\$ 1,387,200</u>	<u>\$ 1,740,300</u>	<u>\$ 1,943,700</u>	<u>\$ 2,784,200</u>
<b>Covered-employee payroll</b>	\$ 11,666,900	\$ 11,666,900	\$ 12,388,700	\$ 12,388,700	\$ 10,339,900
<b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	11.57%	11.89%	14.05%	15.69%	26.93%

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

Notes to Required Supplementary Information - School Board OPEB  
 For the Year Ended June 30, 2022

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Valuation Date: 7/1/2020  
 Measurement Date: 7/1/2021

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92% as of July 1, 2021
Salary Scale	2.50% as of July 1, 2021
Healthcare Trend Rate	6.50% for fiscal year 2022, decreasing .25% per year to an ultimate rate of 5.00%
Retirement Age	At least age 60 with at least 30 years of service
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios  
 Health Insurance Credit (HIC) Plan  
 For the Measurement Dates of June 30, 2020 through June 30, 2021

	<u>2021</u>	<u>2020</u>
<b>Total HIC OPEB Liability</b>		
Service cost	\$ 1,122	\$ -
Interest	6,109	-
Changes in benefit terms	-	90,498
Differences between expected and actual experience	1	-
Changes of assumptions	2,792	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ 10,024</b>	<b>\$ 90,498</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>90,498</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 100,522</b>	<b>\$ 90,498</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 7,206	\$ -
Net investment income	954	-
Administrator charges	(32)	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 8,128</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 8,128</b>	<b>\$ -</b>
<b>School Board's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 92,394</b>	<b>\$ 90,498</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>8.09%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 637,762</b>	<b>\$ 692,516</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>14.49%</b>	<b>13.07%</b>

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



Schedule of Employer Contributions  
 Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2021 through June 30, 2022

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Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$ 7,252	\$ 7,252	\$ -	\$ 641,745	1.13%
2021	7,207	7,207	-	637,762	1.13%

Schedule is intended to show information for 10 years. Plan was not active before 2021. However, additional years will be included as they become available.

Notes to Required Supplementary Information  
 Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2022

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

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

**Non-Largest Ten Locality Employers - General Employees**

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

## Other Supplementary Information

## Combining and Individual Fund Financial Statements and Schedules

Capital Projects Fund - Landfill Construction Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 13,000	\$ 13,000	\$ 4,438	\$ (8,562)
Charges for services	350,000	350,000	421,853	71,853
Total revenues	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ 426,291</u>	<u>\$ 63,291</u>
<b>EXPENDITURES</b>				
Current:				
Capital projects	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ -</u>	<u>\$ 363,000</u>
Total expenditures	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ -</u>	<u>\$ 363,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,291</u>	<u>\$ 426,291</u>
Net change in fund balances	\$ -	\$ -	\$ 426,291	\$ 426,291
Fund balances - beginning, restated	<u>-</u>	<u>-</u>	<u>2,663,979</u>	<u>2,663,979</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,090,270</u></u>	<u><u>\$ 3,090,270</u></u>

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2022

	Special Revenue Funds		Capital Projects	Total
	Piedmont Court Services	EMS District	Recreation Fund	Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 358,771	\$ 526,210	\$ 9,288	\$ 894,269
Total assets	<u>\$ 358,771</u>	<u>\$ 526,210</u>	<u>\$ 9,288</u>	<u>\$ 894,269</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,148	\$ -	\$ -	\$ 6,148
Total liabilities	<u>\$ 6,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,148</u>
<b>FUND BALANCES</b>				
Assigned:				
Recreation capital projects	\$ -	\$ -	\$ 9,288	\$ 9,288
Special revenue	<u>352,623</u>	<u>526,210</u>	<u>-</u>	<u>878,833</u>
Total fund balances	<u>\$ 352,623</u>	<u>\$ 526,210</u>	<u>\$ 9,288</u>	<u>\$ 888,121</u>
Total liabilities and fund balances	<u>\$ 358,771</u>	<u>\$ 526,210</u>	<u>\$ 9,288</u>	<u>\$ 894,269</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2022

	Special Revenue Funds		Capital Projects Funds	Total
	Piedmont Court Services	EMS District	Recreation Fund	Nonmajor Governmental Funds
<b>REVENUES</b>				
General property taxes	\$ -	\$ 338,723	\$ -	\$ 338,723
Revenue from the use of money and property	513	-	16	529
Charges for services	31,597	-	-	31,597
Miscellaneous	32	-	-	32
Intergovernmental:				
Commonwealth	564,112	-	-	564,112
<b>Total revenues</b>	<b>\$ 596,254</b>	<b>\$ 338,723</b>	<b>\$ 16</b>	<b>\$ 934,993</b>
<b>EXPENDITURES</b>				
Public Safety	\$ 678,812	\$ 19,939	\$ -	\$ 698,751
<b>Total expenditures</b>	<b>\$ 678,812</b>	<b>\$ 19,939</b>	<b>\$ -</b>	<b>\$ 698,751</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (82,558)	\$ 318,784	\$ 16	\$ 236,242
Net change in fund balances	\$ (82,558)	\$ 318,784	\$ 16	\$ 236,242
Fund balances - beginning	435,181	207,426	9,272	651,879
Fund balances - ending	<u>\$ 352,623</u>	<u>\$ 526,210</u>	<u>\$ 9,288</u>	<u>\$ 888,121</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2022

	<b>Capital Projects Funds</b>			
	<b>Recreation Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
<b>Original</b>	<b>Final</b>			
<b>REVENUES</b>				
General property taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	16	16
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental: Commonwealth	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>
<b>EXPENDITURES</b>				
Public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 16</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 16	\$ 16
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>9,272</u>	<u>9,272</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,288</u></u>	<u><u>\$ 9,288</u></u>



Special Revenue Funds Piedmont Court Services				Special Revenue Funds EMS District			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 320,800	\$ 320,800	\$ 338,723	\$ 17,923
1,000	1,000	513	(487)	-	-	-	-
75,586	75,586	31,597	(43,989)	-	-	-	-
500	500	32	(468)	-	-	-	-
<u>637,604</u>	<u>637,604</u>	<u>564,112</u>	<u>(73,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>714,690</u>	\$ <u>714,690</u>	\$ <u>596,254</u>	\$ <u>(118,436)</u>	\$ <u>320,800</u>	\$ <u>320,800</u>	\$ <u>338,723</u>	\$ <u>17,923</u>
\$ <u>714,690</u>	\$ <u>714,690</u>	\$ <u>678,812</u>	\$ <u>35,878</u>	\$ <u>320,800</u>	\$ <u>320,800</u>	\$ <u>19,939</u>	\$ <u>300,861</u>
\$ <u>714,690</u>	\$ <u>714,690</u>	\$ <u>678,812</u>	\$ <u>35,878</u>	\$ <u>320,800</u>	\$ <u>320,800</u>	\$ <u>19,939</u>	\$ <u>300,861</u>
\$ -	\$ -	\$ (82,558)	\$ (82,558)	\$ -	\$ -	\$ 318,784	\$ 318,784
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (82,558)	\$ (82,558)	\$ -	\$ -	\$ 318,784	\$ 318,784
-	-	435,181	435,181	-	-	207,426	207,426
\$ <u>-</u>	\$ <u>-</u>	\$ <u>352,623</u>	\$ <u>352,623</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>526,210</u>	\$ <u>526,210</u>

Combining Balance Sheet  
 Discretely Presented Component Unit - School Board  
 June 30, 2022

	School Operating Fund	School Cafeteria Fund	School CARES Fund	Underground Storage Tank Fund	School Activity Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,953,850	\$ 524,149	\$ -	\$ 22,870	\$ 303,887	\$ 2,804,756
Receivables (net of allowance for uncollectibles):						
Due from other governmental units	<u>781,321</u>	<u>31,740</u>	<u>103,822</u>	<u>-</u>	<u>-</u>	<u>916,883</u>
Total assets	<u>\$ 2,735,171</u>	<u>\$ 555,889</u>	<u>\$ 103,822</u>	<u>\$ 22,870</u>	<u>\$ 303,887</u>	<u>\$ 3,721,639</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 131,187	\$ 473	\$ -	\$ -	\$ -	\$ 131,660
Accrued liabilities	1,001,881	42,861	-	-	-	1,044,742
Due to primary government	<u>1,602,103</u>	<u>-</u>	<u>103,822</u>	<u>-</u>	<u>-</u>	<u>1,705,925</u>
Total liabilities	<u>\$ 2,735,171</u>	<u>\$ 43,334</u>	<u>\$ 103,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,882,327</u>
<b>FUND BALANCES</b>						
Assigned:						
Cafeteria	\$ -	\$ 512,555	\$ -	\$ -	\$ -	\$ 512,555
Underground storage	-	-	-	22,870	-	22,870
School activity	-	-	-	-	303,887	303,887
Total fund balances	<u>\$ -</u>	<u>\$ 512,555</u>	<u>\$ -</u>	<u>\$ 22,870</u>	<u>\$ 303,887</u>	<u>\$ 839,312</u>
Total liabilities and fund balances	<u>\$ 2,735,171</u>	<u>\$ 555,889</u>	<u>\$ 103,822</u>	<u>\$ 22,870</u>	<u>\$ 303,887</u>	<u>\$ 3,721,639</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:						
Total fund balances per above						\$ 839,312
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						
Capital assets					31,729,368	
Accumulated depreciation					<u>(21,331,569)</u>	10,397,799
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.						
Pension related items					3,697,963	
OPEB related items					<u>642,637</u>	4,340,600
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						
Net pension liability					(9,318,739)	
Net OPEB liability					<u>(3,774,357)</u>	(13,093,096)
Deferred inflows of resources are not not due and payable in the current-period and, therefore, are not reported in the funds.						
Pension related items					(9,335,688)	
OPEB related items					<u>(1,720,252)</u>	(11,055,940)
Net position of governmental activities						<u>\$ (8,571,325)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2022

	School Operating Fund	School Cafeteria Fund	School CARES Fund	Underground Storage Tank Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>						
Revenue from the use of money and property	\$ 3,202	\$ 508	\$ -	\$ 931	\$ -	\$ 4,641
Charges for services	218,604	70,053	-	-	-	288,657
Miscellaneous	11,844	-	-	-	210,722	222,566
Recovered costs	7,825	-	-	-	-	7,825
Intergovernmental:						
Local government	7,387,721	-	-	-	-	7,387,721
Commonwealth	15,949,169	50,449	-	-	-	15,999,618
Federal	1,799,823	1,591,061	2,305,635	-	-	5,696,519
Total revenues	\$ 25,378,188	\$ 1,712,071	\$ 2,305,635	\$ 931	\$ 210,722	\$ 29,607,547
<b>EXPENDITURES</b>						
Current:						
Education	\$ 24,380,166	\$ 1,456,972	\$ 2,664,096	\$ -	\$ 186,046	\$ 28,687,280
Debt service:						
Principal retirement	381,435	-	-	-	-	381,435
Interest and other fiscal charges	118,201	-	-	-	-	118,201
Total expenditures	\$ 24,879,802	\$ 1,456,972	\$ 2,664,096	\$ -	\$ 186,046	\$ 29,186,916
Excess (deficiency) of revenues over (under) expenditures	\$ 498,386	\$ 255,099	\$ (358,461)	\$ 931	\$ 24,676	\$ 420,631
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ 84,339	\$ -	\$ 582,725	\$ -	\$ -	\$ 667,064
Transfers out	(582,725)	(84,339)	-	-	-	(667,064)
Total other financing sources (uses)	\$ (498,386)	\$ (84,339)	\$ 582,725	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ 170,760	\$ 224,264	\$ 931	\$ 24,676	\$ 420,631
Fund balances - beginning, as restated	-	341,795	(224,264)	21,939	279,211	418,681
Fund balances - ending	\$ -	\$ 512,555	\$ -	\$ 22,870	\$ 303,887	\$ 839,312

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

Net change in fund balances - total governmental funds - per above	\$ 420,631
--------------------------------------------------------------------	------------

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

Capital asset additions	1,469,597	
Net transfer of joint tenancy assets	71,057	
Depreciation expense	(759,207)	781,447

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

Pension expense	2,631,483	
OPEB expense	497,042	3,128,525
Change in net position of governmental activities	\$ 4,330,603	

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2022

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 10,000	\$ 10,000	\$ 3,202	\$ (6,798)
Charges for services	148,323	148,323	218,604	70,281
Miscellaneous	62,000	62,000	11,844	(50,156)
Recovered costs	120,000	120,000	7,825	(112,175)
Intergovernmental:				
Local government	9,255,574	9,255,574	7,387,721	(1,867,853)
Commonwealth	15,940,211	16,108,448	15,949,169	(159,279)
Federal	2,019,035	8,468,127	1,799,823	(6,668,304)
Total revenues	<u>\$ 27,555,143</u>	<u>\$ 34,172,472</u>	<u>\$ 25,378,188</u>	<u>\$ (8,794,284)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 27,002,884	\$ 33,620,213	\$ 24,380,166	\$ 9,240,047
Debt service:				
Principal retirement	423,634	423,634	381,435	42,199
Interest and other fiscal charges	128,625	128,625	118,201	10,424
Total expenditures	<u>\$ 27,555,143</u>	<u>\$ 34,172,472</u>	<u>\$ 24,879,802</u>	<u>\$ 9,292,670</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,386</u>	<u>\$ 498,386</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 84,339	\$ 84,339
Transfers out	-	-	(582,725)	(582,725)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (498,386)</u>	<u>\$ (498,386)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

School CARES Fund				School Cafeteria Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508	\$ 508
-	-	-	-	108,500	108,500	70,053	(38,447)
-	-	-	-	-	-	-	-
-	-	-	-	35,314	35,314	-	(35,314)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	50,449	50,449
-	-	2,305,635	2,305,635	1,284,760	1,334,760	1,591,061	256,301
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,305,635</u>	<u>\$ 2,305,635</u>	<u>\$ 1,428,574</u>	<u>\$ 1,478,574</u>	<u>\$ 1,712,071</u>	<u>\$ 233,497</u>
\$ -	\$ -	\$ 2,664,096	\$ (2,664,096)	\$ 1,428,574	\$ 1,478,574	\$ 1,456,972	\$ 21,602
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,664,096</u>	<u>\$ (2,664,096)</u>	<u>\$ 1,428,574</u>	<u>\$ 1,478,574</u>	<u>\$ 1,456,972</u>	<u>\$ 21,602</u>
\$ -	\$ -	\$ (358,461)	\$ (358,461)	\$ -	\$ -	\$ 255,099	\$ 255,099
\$ -	\$ -	\$ 582,725	\$ 582,725	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	(84,339)	(84,339)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582,725</u>	<u>\$ 582,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,339)</u>	<u>\$ (84,339)</u>
\$ -	\$ -	\$ 224,264	\$ 224,264	\$ -	\$ -	\$ 170,760	\$ 170,760
-	-	(224,264)	(224,264)	-	-	341,795	341,795
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,555</u>	<u>\$ 512,555</u>

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## Supporting Schedules

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,813,698	\$ 8,813,698	\$ 8,658,956	\$ (154,742)
Real and personal public service corporation taxes	580,588	580,588	630,342	49,754
Personal property taxes	5,250,000	5,250,000	5,414,311	164,311
Mobile home taxes	42,000	42,000	46,476	4,476
Machinery and tools taxes	60,000	60,000	58,580	(1,420)
Merchants' capital taxes	430,000	430,000	396,111	(33,889)
Penalties	175,000	175,000	203,621	28,621
Interest	175,000	175,000	152,445	(22,555)
Total general property taxes	<u>\$ 15,526,286</u>	<u>\$ 15,526,286</u>	<u>\$ 15,560,842</u>	<u>\$ 34,556</u>
Other local taxes:				
Local sales and use taxes	\$ 3,050,000	\$ 3,050,000	\$ 3,657,477	\$ 607,477
Moped and ATV sales and use taxes	13,000	13,000	12,735	(265)
Consumers' utility taxes	300,000	300,000	350,703	50,703
Gross receipts tax	60,000	60,000	56,823	(3,177)
Lodging taxes	-	-	15,782	15,782
Motor vehicle licenses	550,000	550,000	580,993	30,993
Taxes on recordation and wills	155,000	155,000	335,712	180,712
Total other local taxes	<u>\$ 4,128,000</u>	<u>\$ 4,128,000</u>	<u>\$ 5,010,225</u>	<u>\$ 882,225</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 4,968	\$ (2,532)
Permits and other licenses	71,000	71,000	117,571	46,571
Total permits, privilege fees, and regulatory licenses	<u>\$ 78,500</u>	<u>\$ 78,500</u>	<u>\$ 122,539</u>	<u>\$ 44,039</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 193,000	\$ 193,000	\$ 171,718	\$ (21,282)
Revenue from use of money and property:				
Revenue from use of money	\$ 179,552	\$ 179,552	\$ 282,726	\$ 103,174
Revenue from use of property	518,904	518,904	442,648	(76,256)
Total revenue from use of money and property	<u>\$ 698,456</u>	<u>\$ 698,456</u>	<u>\$ 725,374</u>	<u>\$ 26,918</u>
Charges for services:				
Court costs	\$ 1,221	\$ 1,221	\$ 103,743	\$ 102,522
Charges for law library	7,000	7,000	4,897	(2,103)
Charges for courthouse maintenance	10,000	10,000	9,592	(408)
Miscellaneous fees	5,000	5,000	5,654	654
Charges for cannery	15,000	15,000	20,365	5,365
Charges for other protection	62,500	62,500	122,895	60,395
Total charges for services	<u>\$ 100,721</u>	<u>\$ 100,721</u>	<u>\$ 267,146</u>	<u>\$ 166,425</u>
Miscellaneous:				
Expenditure refunds	\$ 4,000	\$ 4,000	\$ 3,489	\$ (511)
Insurance recoveries	-	14,989	14,989	-
Miscellaneous	22,900	91,250	156,503	65,253
Total miscellaneous	<u>\$ 26,900</u>	<u>\$ 110,239</u>	<u>\$ 174,981</u>	<u>\$ 64,742</u>



Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Recovered costs:				
Other recovered costs	\$ 93,000	\$ 93,000	\$ 63,258	\$ (29,742)
Circuit court judge	25,978	25,978	32,906	6,928
Total recovered costs	<u>\$ 118,978</u>	<u>\$ 118,978</u>	<u>\$ 96,164</u>	<u>\$ (22,814)</u>
Total revenue from local sources	<u>\$ 20,870,841</u>	<u>\$ 20,954,180</u>	<u>\$ 22,128,989</u>	<u>\$ 1,174,809</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 60,000	\$ 60,000	\$ 61,687	\$ 1,687
Mobile home titling tax	40,000	40,000	107,932	67,932
Motor vehicle rental tax	-	-	440	440
State recordation tax	40,000	40,000	-	(40,000)
Communications tax	270,000	270,000	222,475	(47,525)
Personal property tax relief funds	1,305,350	1,305,350	1,305,350	-
Total noncategorical aid	<u>\$ 1,715,350</u>	<u>\$ 1,715,350</u>	<u>\$ 1,697,884</u>	<u>\$ (17,466)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 463,112	\$ 463,112	\$ 373,223	\$ (89,889)
Sheriff	1,181,829	1,249,649	1,168,784	(80,865)
Commissioner of revenue	105,180	105,180	108,313	3,133
Treasurer	122,064	122,064	121,134	(930)
Registrar/electoral board	40,780	40,780	68,772	27,992
Clerk of the Circuit Court	323,569	328,117	341,392	13,275
Total shared expenses	<u>\$ 2,236,534</u>	<u>\$ 2,308,902</u>	<u>\$ 2,181,618</u>	<u>\$ (127,284)</u>
Other categorical aid:				
Emergency medical services	\$ -	\$ 36,262	\$ 18,263	\$ (17,999)
Welfare administration and assistance	1,031,137	1,061,628	938,985	(122,643)
Litter control grant	7,000	7,000	9,419	2,419
Sheriff - jails	-	23,153	26,282	3,129
Comprehensive services act	830,000	830,000	246,345	(583,655)
Victim-witness grant	35,000	35,000	21,608	(13,392)
Fire program funds	50,000	169,072	61,328	(107,744)
Other categorical	2,000	3,699	63,488	59,789
Total other categorical aid	<u>\$ 1,955,137</u>	<u>\$ 2,165,814</u>	<u>\$ 1,551,477</u>	<u>\$ (614,337)</u>
Total categorical aid	<u>\$ 4,191,671</u>	<u>\$ 4,474,716</u>	<u>\$ 3,733,095</u>	<u>\$ (741,621)</u>
Total revenue from the Commonwealth	<u>\$ 5,907,021</u>	<u>\$ 6,190,066</u>	<u>\$ 5,430,979</u>	<u>\$ (759,087)</u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Payments in lieu of taxes	\$ -	\$ -	\$ 112,411	\$ 112,411
Categorical aid:				
Welfare administration and assistance	\$ 1,758,363	\$ 1,758,363	\$ 1,602,735	\$ (155,628)
FEMA grant	100,000	100,000	49,584	(50,416)
Emergency management performance grant	-	-	46,861	46,861
Bulletproof vest partnership program	-	-	3,594	3,594
ARPA funds	-	1,000,000	1,140,154	140,154
Other federal revenue	72,524	72,524	108,254	35,730
Total categorical aid	\$ 1,930,887	\$ 2,930,887	\$ 2,951,182	\$ 20,295
Total revenue from the federal government	\$ 1,930,887	\$ 2,930,887	\$ 3,063,593	\$ 132,706
Total General Fund	\$ 28,708,749	\$ 30,075,133	\$ 30,623,561	\$ 548,428
<b>Capital Projects Funds:</b>				
<b>Landfill Construction Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 13,000	\$ 13,000	\$ 4,438	\$ (8,562)
Charges for services:				
Tipping fees - non-county users	\$ 350,000	\$ 350,000	\$ 421,853	\$ 71,853
Total revenue from local sources	\$ 363,000	\$ 363,000	\$ 426,291	\$ 63,291
Total Landfill Construction Fund	\$ 363,000	\$ 363,000	\$ 426,291	\$ 63,291
<b>Recreation Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 16	\$ 16
Total revenue from local sources	\$ -	\$ -	\$ 16	\$ 16
Total Recreation Fund	\$ -	\$ -	\$ 16	\$ 16

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Piedmont Court Services Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 1,000	\$ 513	\$ (487)
Total revenue from use of money and property	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 513</u>	<u>\$ (487)</u>
Charges for services:				
Other charges for services	\$ 75,586	\$ 75,586	\$ 31,597	\$ (43,989)
Total charges for services	<u>\$ 75,586</u>	<u>\$ 75,586</u>	<u>\$ 31,597</u>	<u>\$ (43,989)</u>
Miscellaneous:				
Other miscellaneous	\$ 500	\$ 500	\$ 32	\$ (468)
Total miscellaneous	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 32</u>	<u>\$ (468)</u>
Total revenue from local sources	<u>\$ 77,086</u>	<u>\$ 77,086</u>	<u>\$ 32,142</u>	<u>\$ (44,944)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid				
DCJS - community corrections	\$ 637,604	\$ 637,604	\$ 564,112	\$ (73,492)
Total categorical aid	<u>\$ 637,604</u>	<u>\$ 637,604</u>	<u>\$ 564,112</u>	<u>\$ (73,492)</u>
Total revenue from the Commonwealth	<u>\$ 637,604</u>	<u>\$ 637,604</u>	<u>\$ 564,112</u>	<u>\$ (73,492)</u>
Total Piedmont Court Services Fund	<u><u>\$ 714,690</u></u>	<u><u>\$ 714,690</u></u>	<u><u>\$ 596,254</u></u>	<u><u>\$ (118,436)</u></u>
<b>EMS District Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 180,000	\$ 180,000	\$ 185,981	\$ 5,981
Personal property taxes	140,000	140,000	145,205	5,205
Mobile home taxes	800	800	94	(706)
Penalties	-	-	4,657	4,657
Interest	-	-	2,786	2,786
Total general property taxes	<u>\$ 320,800</u>	<u>\$ 320,800</u>	<u>\$ 338,723</u>	<u>\$ 17,923</u>
Total revenue from local sources	<u>\$ 320,800</u>	<u>\$ 320,800</u>	<u>\$ 338,723</u>	<u>\$ 17,923</u>
Total EMS District Fund	<u><u>\$ 320,800</u></u>	<u><u>\$ 320,800</u></u>	<u><u>\$ 338,723</u></u>	<u><u>\$ 17,923</u></u>

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Debt Service Fund:</b>				
<b>School Debt Service</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 9,383	\$ 9,383
Total revenue from local sources	\$ -	\$ -	\$ 9,383	\$ 9,383
Total School Debt Service Fund	\$ -	\$ -	\$ 9,383	\$ 9,383
Total Primary Government	\$ 30,107,239	\$ 31,473,623	\$ 31,994,228	\$ 520,605
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 10,000	\$ 10,000	\$ 3,202	\$ (6,798)
Total revenue from use of money and property	\$ 10,000	\$ 10,000	\$ 3,202	\$ (6,798)
Charges for services:				
Charges for education	\$ 148,323	\$ 148,323	\$ 218,604	\$ 70,281
Miscellaneous:				
Other miscellaneous	\$ 62,000	\$ 62,000	\$ 11,844	\$ (50,156)
Recovered costs:				
Other recovered costs	\$ 120,000	\$ 120,000	\$ 7,825	\$ (112,175)
Total revenue from local sources	\$ 340,323	\$ 340,323	\$ 241,475	\$ (98,848)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Prince Edward, Virginia	\$ 9,255,574	\$ 9,255,574	\$ 7,387,721	\$ (1,867,853)
Total revenues from local governments	\$ 9,255,574	\$ 9,255,574	\$ 7,387,721	\$ (1,867,853)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,103,342	\$ 3,103,342	\$ 3,866,572	\$ 763,230
Basic school aid	6,115,319	6,115,319	5,475,670	(639,649)
Other state funds	6,721,550	6,889,787	6,606,927	(282,860)
Total categorical aid	\$ 15,940,211	\$ 16,108,448	\$ 15,949,169	\$ (159,279)
Total revenue from the Commonwealth	\$ 15,940,211	\$ 16,108,448	\$ 15,949,169	\$ (159,279)
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 1,034,557	\$ 1,529,670	\$ 1,072,090	\$ (457,580)
Title I, neglected and delinquent children	-	14,379	19,897	5,518
Title II	137,827	183,400	107,672	(75,728)
Title VI-B, special education flow-through	637,788	666,829	396,106	(270,723)
Title VI-B, pre-school	19,904	19,904	25,475	5,571
Title IV, Part A	73,105	136,453	49,169	(87,284)
Title V-A	-	43,792	12,500	(31,292)
21st Century	-	-	694	694
Vocational education	71,389	76,189	60,781	(15,408)
CARES and ARPA	-	5,525,507	-	(5,525,507)
Other federal funds	44,465	272,004	55,439	(216,565)
Total categorical aid	\$ 2,019,035	\$ 8,468,127	\$ 1,799,823	\$ (6,668,304)
Total School Operating Fund	\$ 27,555,143	\$ 34,172,472	\$ 25,378,188	\$ (8,794,284)

Schedule of Revenues - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Fund:</b>				
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 508	\$ 508
Charges for services:				
Cafeteria sales	\$ 108,500	\$ 108,500	\$ 70,053	\$ (38,447)
Total revenue from local sources	<u>\$ 143,814</u>	<u>\$ 143,814</u>	<u>\$ 70,561</u>	<u>\$ (73,253)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ -	\$ -	\$ 50,449	\$ 50,449
Total categorical aid	\$ -	\$ -	\$ 50,449	\$ 50,449
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,449</u>	<u>\$ 50,449</u>
Revenue from the federal government:				
Categorical aid:				
School nutrition program	\$ 1,284,760	\$ 1,334,760	\$ 1,591,061	\$ 256,301
Total categorical aid	<u>\$ 1,284,760</u>	<u>\$ 1,334,760</u>	<u>\$ 1,591,061</u>	<u>\$ 256,301</u>
Total School Cafeteria Fund	<u><u>\$ 1,428,574</u></u>	<u><u>\$ 1,478,574</u></u>	<u><u>\$ 1,712,071</u></u>	<u><u>\$ 233,497</u></u>
<b>Special Revenue Funds:</b>				
<b>CARES Act Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
CARES Act	\$ -	\$ -	\$ 2,305,635	\$ 2,305,635
Total revenue from the federal government	\$ -	\$ -	\$ 2,305,635	\$ 2,305,635
Total CARES Act Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,305,635</u></u>	<u><u>\$ 2,305,635</u></u>
<b>Special Revenue Fund:</b>				
<b>Underground Storage Tank Fund</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 931	\$ 931
Total revenue from use of money and property	\$ -	\$ -	\$ 931	\$ 931
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 931</u>	<u>\$ 931</u>
Total School Debt Service Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 931</u></u>	<u><u>\$ 931</u></u>

Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 146,594	\$ 168,298	\$ 168,102	\$ 196
General and financial administration:				
County administrator	\$ 585,740	\$ 673,020	\$ 663,401	\$ 9,619
Legal services	52,225	52,225	43,085	9,140
Commissioner of revenue	330,841	330,841	313,723	17,118
Treasurer	442,803	442,803	426,287	16,516
Independent Auditor	85,000	105,000	104,985	15
Assessor	50,000	50,000	9,095	40,905
Other general and financial administration	128,000	128,000	120,476	7,524
Total general and financial administration	\$ 1,674,609	\$ 1,781,889	\$ 1,681,052	\$ 100,837
Board of elections:				
Electoral board and officials	\$ 115,473	\$ 115,805	\$ 44,850	\$ 70,955
Registrar	164,385	204,891	175,348	29,543
Total board of elections	\$ 279,858	\$ 320,696	\$ 220,198	\$ 100,498
Total general government administration	\$ 2,101,061	\$ 2,270,883	\$ 2,069,352	\$ 201,531
Judicial administration:				
Courts:				
Circuit court	\$ 63,403	\$ 63,403	\$ 55,128	\$ 8,275
General district court	10,100	10,100	7,481	2,619
Office of the magistrates	2,925	2,925	1,633	1,292
Juvenile and domestic court	6,740	6,740	5,064	1,676
Clerk of the circuit court	559,120	563,668	536,122	27,546
Law library	7,600	7,600	4,392	3,208
Sheriff - courts	520,449	520,449	484,910	35,539
Victim and witness assistance	77,423	54,857	54,857	-
Total courts	\$ 1,247,760	\$ 1,229,742	\$ 1,149,587	\$ 80,155
Commonwealth's attorney:				
Commonwealth's attorney	\$ 675,324	\$ 697,890	\$ 584,056	\$ 113,834
Total judicial administration	\$ 1,923,084	\$ 1,927,632	\$ 1,733,643	\$ 193,989
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,561,034	\$ 2,643,381	\$ 2,427,179	\$ 216,202
Emergency services	-	-	34,025	(34,025)
Line of Duty Act payments	4,250	4,250	105,179	(100,929)
Total law enforcement and traffic control	\$ 2,565,284	\$ 2,647,631	\$ 2,566,383	\$ 81,248
Fire and rescue services:				
Fire department	\$ 536,600	\$ 988,554	\$ 565,877	\$ 422,677
Ambulance and rescue services	134,800	169,062	133,262	35,800
Forestry service	11,800	11,800	11,716	84
Total fire and rescue services	\$ 683,200	\$ 1,169,416	\$ 710,855	\$ 458,561

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Correction and detention:				
Regional jail and juvenile detention	\$ 1,527,121	\$ 1,099,841	\$ 1,092,942	\$ 6,899
Inspections:				
Building	\$ 70,187	\$ 98,413	\$ 95,461	\$ 2,952
Other protection:				
Animal control	\$ 179,677	\$ 222,470	\$ 195,531	\$ 26,939
Other protection	-	-	7,880	(7,880)
Medical examiner (coroner)	500	500	360	140
Total other protection	\$ 180,177	\$ 222,970	\$ 203,771	\$ 19,199
Total public safety	\$ 5,025,969	\$ 5,238,271	\$ 4,669,412	\$ 568,859
Public works:				
Sanitation and waste removal:				
Litter control	\$ 7,000	\$ 7,000	-	\$ 7,000
Total sanitation and waste removal	\$ 7,000	\$ 7,000	-	\$ 7,000
Maintenance of general buildings and grounds:				
General properties	\$ 914,229	\$ 1,016,846	\$ 1,002,192	\$ 14,654
Total public works	\$ 921,229	\$ 1,023,846	\$ 1,002,192	\$ 21,654
Health and welfare:				
Health:				
Supplement of local health department	\$ 195,000	\$ 207,882	\$ 195,000	\$ 12,882
Mental health and mental retardation:				
Chapter X board	\$ 60,000	\$ 60,000	\$ 60,000	-
Welfare:				
Welfare administration and assistance	\$ 3,276,051	\$ 3,371,336	\$ 3,129,128	\$ 242,208
Tax relief for the elderly	-	-	25,171	(25,171)
Comprehensive services act	1,001,000	821,000	329,908	491,092
Other welfare programs	106,327	112,088	109,386	2,702
Total welfare	\$ 4,383,378	\$ 4,304,424	\$ 3,593,593	\$ 710,831
Total health and welfare	\$ 4,638,378	\$ 4,572,306	\$ 3,848,593	\$ 723,713
Education:				
Other instructional costs:				
Contributions to community college	\$ 10,797	\$ 10,797	\$ 10,797	-
Contribution to County School Board	9,255,574	9,255,574	7,387,721	1,867,853
Total education	\$ 9,266,371	\$ 9,266,371	\$ 7,398,518	\$ 1,867,853

Schedule of Expenditures - Budget and Actual  
Governmental Funds  
For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 76,500	\$ 58,000	\$ 58,000	\$ -
Cultural enrichment:				
Museums	\$ 13,800	\$ 8,500	\$ 8,500	\$ -
Contribution to regional library	\$ 260,430	\$ 260,430	\$ 260,430	\$ -
Total parks, recreation, and cultural	\$ 350,730	\$ 326,930	\$ 326,930	\$ -
Community development:				
Planning and community development:				
Planning	\$ 217,327	\$ 217,327	\$ 208,417	\$ 8,910
Community development	48,850	49,150	49,150	-
Contribution to Industrial Development Auth.	-	73,108	73,108	-
Economic development	217,810	217,810	177,068	40,742
Tourism	79,290	79,290	68,010	11,280
Total planning and community development	\$ 563,277	\$ 636,685	\$ 575,753	\$ 60,932
Environmental management:				
Soil and water conservation	\$ 17,840	\$ 17,840	\$ 14,710	\$ 3,130
Cooperative extension program:				
Cooperative extension program	\$ 51,331	\$ 51,331	\$ 38,948	\$ 12,383
Cannery	124,823	123,323	89,242	34,081
Total cooperative extension program	\$ 176,154	\$ 174,654	\$ 128,190	\$ 46,464
Total community development	\$ 757,271	\$ 829,179	\$ 718,653	\$ 110,526
Nondepartmental:				
Other nondepartmental	\$ 120,565	\$ 428,345	\$ 433,318	\$ (4,973)
Total nondepartmental	\$ 120,565	\$ 428,345	\$ 433,318	\$ (4,973)
Capital projects:				
Landfill construction	-	-	-	-
Computer system	-	-	-	-
Sandy River reservoir project	\$ 395,000	\$ 161,883	\$ 95,296	\$ 66,587
Courthouse renovation	608,708	573,468	154,249	419,219
Other capital projects	124,292	2,241,057	1,427,384	813,673
Total capital projects	\$ 1,128,000	\$ 2,976,408	\$ 1,676,929	\$ 1,299,479
Debt service:				
Principal retirement	\$ 746,837	\$ 746,837	\$ 784,418	\$ (37,581)
Interest and other fiscal charges	446,227	446,227	408,233	37,994
Total debt service	\$ 1,193,064	\$ 1,193,064	\$ 1,192,651	\$ 413
Total General Fund	\$ 27,425,722	\$ 30,053,235	\$ 25,070,191	\$ 4,983,044



Schedule of Expenditures - Budget and Actual  
 Governmental Funds  
 For the Year Ended June 30, 2022 (Continued)

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Fund:</b>				
<b>Piedmont Court Services Fund:</b>				
Public safety:				
Correction and detention:				
Piedmont Court Services	\$ 714,690	\$ 714,690	\$ 678,812	\$ 35,878
Total other protection	<u>\$ 714,690</u>	<u>\$ 714,690</u>	<u>\$ 678,812</u>	<u>\$ 35,878</u>
Total public safety	<u>\$ 714,690</u>	<u>\$ 714,690</u>	<u>\$ 678,812</u>	<u>\$ 35,878</u>
Total Piedmont Court Services Fund	<u><u>\$ 714,690</u></u>	<u><u>\$ 714,690</u></u>	<u><u>\$ 678,812</u></u>	<u><u>\$ 35,878</u></u>
<b>EMS District Fund:</b>				
Public safety:				
Fire and rescue:				
EMS District fire and rescue	\$ 320,800	\$ 320,800	\$ 19,939	\$ 300,861
Total public safety	<u>\$ 320,800</u>	<u>\$ 320,800</u>	<u>\$ 19,939</u>	<u>\$ 300,861</u>
Total EMS District Fund	<u><u>\$ 320,800</u></u>	<u><u>\$ 320,800</u></u>	<u><u>\$ 19,939</u></u>	<u><u>\$ 300,861</u></u>
<b>Capital Projects Fund:</b>				
<b>Landfill Construction Fund</b>				
Capital projects expenditures:				
Landfill construction	\$ 363,000	\$ 363,000	\$ -	\$ 363,000
Total Landfill Construction Fund	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ -</u>	<u>\$ 363,000</u>
Total Capital Projects Fund	<u><u>\$ 363,000</u></u>	<u><u>\$ 363,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 363,000</u></u>
<b>Discretely Presented Component Unit - School Board</b>				
<b>School Operating Fund:</b>				
Education:				
Instruction	\$ 20,303,819	\$ 26,398,988	\$ 19,245,034	\$ 7,153,954
Administration, attendance, and health	1,702,607	1,704,107	1,336,380	367,727
Pupil transportation services	1,825,479	1,825,479	1,284,208	541,271
Operation and maintenance services	1,764,782	2,191,816	1,403,661	788,155
Technology	1,256,197	1,256,197	965,388	290,809
Facilities	150,000	243,626	145,495	98,131
Total education	<u>\$ 27,002,884</u>	<u>\$ 33,620,213</u>	<u>\$ 24,380,166</u>	<u>\$ 9,240,047</u>
Debt service:				
Principal retirement	\$ 423,634	\$ 423,634	\$ 381,435	\$ 42,199
Interest and other fiscal charges	128,625	128,625	118,201	10,424
Total debt service	<u>\$ 552,259</u>	<u>\$ 552,259</u>	<u>\$ 499,636</u>	<u>\$ 52,623</u>
Total School Operating Fund	<u><u>\$ 27,555,143</u></u>	<u><u>\$ 34,172,472</u></u>	<u><u>\$ 24,879,802</u></u>	<u><u>\$ 9,292,670</u></u>
<b>Special Revenue Funds:</b>				
<b>School CARES Fund:</b>				
Education:				
School food services:				
Instruction	\$ -	\$ -	\$ 2,664,096	\$ (2,664,096)
Total School Cafeteria Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,664,096</u>	<u>\$ (2,664,096)</u>
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,428,574	\$ 1,478,574	\$ 1,456,972	\$ 21,602
Total School Cafeteria Fund	<u>\$ 1,428,574</u>	<u>\$ 1,478,574</u>	<u>\$ 1,456,972</u>	<u>\$ 21,602</u>

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## Statistical Section

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

*Sources:* Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF PRINCE EDWARD, VIRGINIA

Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 2,079,106	\$ 2,080,125	\$ 2,289,146	\$ 1,858,573	\$ 228,916
Restricted	-	-	95,258	95,258	87,685
Unrestricted	9,844,776	6,126,366	(476,746)	(105,149)	4,521,689
Total governmental activities net position	<u>\$ 11,923,882</u>	<u>\$ 8,206,491</u>	<u>\$ 1,907,658</u>	<u>\$ 1,848,682</u>	<u>\$ 4,838,290</u>
Business-type activities					
Net investment in capital assets	\$ (428,489)	\$ (353,000)	\$ (275,337)	\$ (191,305)	\$ (97,927)
Unrestricted	319,991	(4,056)	(324,456)	(642,461)	(963,915)
Total business-type activities net position	<u>\$ (108,498)</u>	<u>\$ (357,056)</u>	<u>\$ (599,793)</u>	<u>\$ (833,766)</u>	<u>\$ (1,061,842)</u>
Primary government					
Net investment in capital assets	\$ 1,650,617	\$ 1,727,125	\$ 2,013,809	\$ 1,667,268	\$ 130,989
Restricted	-	-	95,258	95,258	87,685
Unrestricted	10,164,767	6,122,310	(801,202)	(747,610)	3,557,774
Total primary government net position	<u>\$ 11,815,384</u>	<u>\$ 7,849,435</u>	<u>\$ 1,307,865</u>	<u>\$ 1,014,916</u>	<u>\$ 3,776,448</u>

Table 1

	2018	2019	2020	2021	2022
\$	1,288,819	\$ 7,558,474	\$ 3,113,156	\$ 4,043,524	\$ 2,342,665
	88,483	88,482	1,855,737	942,213	2,091,793
	<u>5,032,824</u>	<u>3,660,161</u>	<u>12,210,851</u>	<u>20,015,818</u>	<u>23,987,919</u>
\$	<u>6,410,126</u>	<u>11,307,117</u>	<u>17,179,744</u>	<u>25,001,555</u>	<u>28,422,377</u>
\$	334,066	\$ 586,262	\$ 2,205,097	\$ 2,329,416	\$ 1,952,932
	(39,272)	(1,064,618)	(5,654,630)	(7,151,237)	(5,838,590)
\$	<u>294,794</u>	<u>(478,356)</u>	<u>(3,449,533)</u>	<u>(4,821,821)</u>	<u>(3,885,658)</u>
\$	1,622,885	\$ 8,144,736	\$ 5,318,253	\$ 6,372,940	\$ 4,295,597
	88,483	88,482	1,855,737	942,213	2,091,793
	<u>4,993,552</u>	<u>2,595,543</u>	<u>6,556,221</u>	<u>12,864,581</u>	<u>18,149,329</u>
\$	<u>6,704,920</u>	<u>10,828,761</u>	<u>13,730,211</u>	<u>20,179,734</u>	<u>24,536,719</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2013	2014	2015	2016
<b>Expenses</b>				
Governmental activities:				
General government administration	\$ 1,940,807	\$ 4,967,094	\$ 1,836,885	\$ 1,978,261
Judicial administration	1,215,821	1,320,809	1,228,338	2,183,197
Public safety	4,159,935	5,243,483	4,988,167	4,988,608
Public works	2,065,013	2,032,088	1,991,833	1,783,830
Health and welfare	3,741,349	3,810,158	3,873,482	4,200,104
Education	7,728,685	8,126,108	11,968,460	8,197,715
Parks, recreation and cultural	302,000	365,365	284,325	315,351
Community development	722,579	906,637	572,714	660,282
Interest on long-term debt	385,095	344,386	315,615	380,944
Total governmental activities expenses	<u>\$ 22,261,284</u>	<u>\$ 27,116,128</u>	<u>\$ 27,059,819</u>	<u>\$ 24,688,292</u>
Business-type activities:				
Water	\$ 188,411	\$ 181,343	\$ 178,144	\$ 170,631
Sewer	70,901	69,773	67,707	65,993
Landfill	-	-	-	-
Total business-type activities expenses	<u>\$ 259,312</u>	<u>\$ 251,116</u>	<u>\$ 245,851</u>	<u>\$ 236,624</u>
Total primary government expenses	<u>\$ 22,520,596</u>	<u>\$ 27,367,244</u>	<u>\$ 27,305,670</u>	<u>\$ 24,924,916</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government administration	\$ -	\$ -	\$ -	\$ -
Judicial administration	127,690	182,240	200,947	148,791
Public safety	186,172	202,472	194,988	187,308
Public works	792,492	603,518	575,946	583,490
Community development	10,660	11,600	14,308	13,985
Operating grants and contributions	5,416,084	5,616,484	5,595,435	5,813,572
Capital grants and contributions	2,093,667	2,337	-	-
Total governmental activities program revenues	<u>\$ 8,626,765</u>	<u>\$ 6,618,651</u>	<u>\$ 6,581,624</u>	<u>\$ 6,747,146</u>
Business-type activities:				
Charges for services:				
Water	\$ 4,332	\$ 778	\$ 1,134	\$ 1,063
Sewer	1,790	1,780	1,980	1,588
Landfill	-	-	-	-
Total business-type activities program revenues	<u>\$ 6,122</u>	<u>\$ 2,558</u>	<u>\$ 3,114</u>	<u>\$ 2,651</u>
Total primary government program revenues	<u>\$ 8,632,887</u>	<u>\$ 6,621,209</u>	<u>\$ 6,584,738</u>	<u>\$ 6,749,797</u>
Net (expense) / revenue				
Governmental activities	<u>\$ (13,634,519)</u>	<u>\$ (20,497,477)</u>	<u>\$ (20,478,195)</u>	<u>\$ (17,941,146)</u>
Total primary government net expense	<u>\$ (13,887,709)</u>	<u>\$ (20,746,035)</u>	<u>\$ (20,720,932)</u>	<u>\$ (18,175,119)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes	\$ 11,103,740	\$ 11,076,090	\$ 11,877,989	\$ 11,867,596
Local sales and use taxes	2,691,630	2,585,962	2,722,713	2,714,379
Taxes on recordation and wills	165,224	140,040	157,890	205,362
Motor vehicle licenses taxes	464,581	460,643	548,133	417,138
Consumer utility taxes	324,910	306,197	307,372	307,536
Other local taxes	69,784	71,768	60,260	65,589
Unrestricted grants and contributions	1,707,699	1,693,827	1,850,727	1,774,380
Unrestricted revenues from use of money and property	356,455	341,618	360,957	331,892
Miscellaneous	165,620	103,941	128,268	198,298
Transfers	-	-	-	-
Total governmental activities	<u>\$ 17,049,643</u>	<u>\$ 16,780,086</u>	<u>\$ 18,014,309</u>	<u>\$ 17,882,170</u>
Business-type activities:				
Transfers	\$ -	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 17,049,643</u>	<u>\$ 16,780,086</u>	<u>\$ 18,014,309</u>	<u>\$ 17,882,170</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 3,415,124</u>	<u>\$ (3,717,391)</u>	<u>\$ (2,463,886)</u>	<u>\$ (58,976)</u>
Business-type activities	<u>(253,190)</u>	<u>(248,558)</u>	<u>(242,737)</u>	<u>(233,973)</u>
Total primary government	<u>\$ 3,161,934</u>	<u>\$ (3,965,949)</u>	<u>\$ (2,706,623)</u>	<u>\$ (292,949)</u>

Table 2

	2017	2018	2019	2020	2021	2022
\$	1,879,121	\$ 2,042,261	\$ 2,202,773	\$ 2,418,085	\$ 4,521,214	\$ 3,935,124
	1,230,677	1,315,062	1,150,670	1,355,074	1,935,600	1,628,677
	4,676,477	4,886,784	5,392,741	5,679,796	7,511,966	6,394,093
	1,900,935	1,798,146	1,081,261	1,065,039	1,076,927	1,235,951
	4,488,190	4,261,484	4,012,545	5,210,055	4,433,939	3,945,533
	9,217,509	7,669,358	7,853,856	6,731,628	5,455,100	6,969,938
	278,804	282,598	299,078	327,380	326,430	326,930
	450,083	638,456	590,515	2,438,879	1,085,266	732,791
	236,844	387,718	304,047	648,421	465,242	414,042
\$	<u>24,358,640</u>	<u>\$ 23,281,867</u>	<u>\$ 22,887,486</u>	<u>\$ 25,874,357</u>	<u>\$ 26,811,684</u>	<u>\$ 25,583,079</u>
\$	167,039	\$ 121,832	\$ 102,939	\$ 138,240	\$ 144,849	\$ 126,068
	63,639	46,855	41,587	54,302	52,368	49,391
	-	366,017	1,173,888	1,536,492	1,449,227	1,971,115
\$	<u>230,678</u>	<u>\$ 534,704</u>	<u>\$ 1,318,414</u>	<u>\$ 1,729,034</u>	<u>\$ 1,646,444</u>	<u>\$ 2,146,574</u>
\$	<u>24,589,318</u>	<u>\$ 23,816,571</u>	<u>\$ 24,205,900</u>	<u>\$ 27,603,391</u>	<u>\$ 28,458,128</u>	<u>\$ 27,729,653</u>
\$	77,574	\$ 922,028	\$ 933,900	\$ 1,025,046	\$ 962,928	\$ 1,001,989
	220,831	230,047	222,815	228,057	198,881	197,404
	179,619	223,106	291,622	254,168	204,925	353,416
	717,693	339,844	356,559	390,181	683,643	437,373
	13,096	11,591	9,944	17,282	20,849	26,466
	5,991,324	5,923,691	5,718,072	6,298,691	10,505,705	5,915,672
	-	-	-	-	-	-
\$	<u>7,200,137</u>	<u>\$ 7,650,307</u>	<u>\$ 7,532,912</u>	<u>\$ 8,213,425</u>	<u>\$ 12,576,931</u>	<u>\$ 7,932,320</u>
\$	862	\$ 778	\$ 834	\$ 680	\$ 515	\$ 244
	1,740	1,516	1,841	2,380	896	950
	-	646,512	729,047	726,586	272,745	700,620
\$	<u>2,602</u>	<u>\$ 648,806</u>	<u>\$ 731,722</u>	<u>\$ 729,646</u>	<u>\$ 274,156</u>	<u>\$ 701,814</u>
\$	<u>7,202,739</u>	<u>\$ 8,299,113</u>	<u>\$ 8,264,634</u>	<u>\$ 8,943,071</u>	<u>\$ 12,851,087</u>	<u>\$ 8,634,134</u>
\$	<u>(17,158,503)</u>	<u>\$ (15,631,560)</u>	<u>\$ (15,354,574)</u>	<u>\$ (17,660,932)</u>	<u>\$ (14,234,753)</u>	<u>\$ (17,650,759)</u>
\$	<u>(17,386,579)</u>	<u>\$ (15,517,458)</u>	<u>\$ (15,941,266)</u>	<u>\$ (18,660,320)</u>	<u>\$ (15,607,041)</u>	<u>\$ (19,095,519)</u>
\$	12,934,371	\$ 13,232,616	\$ 13,842,076	\$ 15,110,342	\$ 14,774,168	\$ 15,865,574
	2,807,361	2,864,176	2,986,074	3,076,209	3,515,613	3,657,477
	203,446	205,308	156,349	183,848	237,440	335,712
	492,489	483,347	547,162	579,777	546,871	580,993
	309,779	313,830	316,994	306,609	294,311	350,703
	64,690	64,408	78,914	92,052	66,582	85,340
	1,756,921	1,728,039	1,712,077	1,792,821	1,746,252	3,142,204
	336,954	832,179	348,973	636,557	569,800	597,348
	42,697	187,120	76,488	182,355	305,196	201,494
	-	(1,242,534)	-	(1,463,230)	-	(1,118,527)
\$	<u>18,948,708</u>	<u>\$ 18,668,489</u>	<u>\$ 20,065,107</u>	<u>\$ 20,497,340</u>	<u>\$ 22,056,233</u>	<u>\$ 23,698,318</u>
\$	-	\$ 1,242,534	-	\$ 1,463,230	-	\$ 1,118,527
\$	-	\$ 1,242,534	-	\$ 1,463,230	-	\$ 1,118,527
\$	<u>18,948,708</u>	<u>\$ 19,911,023</u>	<u>\$ 20,065,107</u>	<u>\$ 21,960,570</u>	<u>\$ 22,056,233</u>	<u>\$ 24,816,845</u>
\$	1,790,205	\$ 3,036,929	\$ 4,710,533	\$ 2,836,408	\$ 7,821,480	\$ 6,047,559
	(228,076)	1,356,636	(586,692)	463,842	(1,372,288)	(326,233)
\$	<u>1,562,129</u>	<u>\$ 4,393,565</u>	<u>\$ 4,123,841</u>	<u>\$ 3,300,250</u>	<u>\$ 6,449,192</u>	<u>\$ 5,721,326</u>

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Governmental Activities Tax Revenues by Source  
 Last Ten Fiscal Years  
*(accrual basis of accounting)*

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Total
2022	\$ 15,865,574	\$ 3,657,477	\$ 350,703	\$ 580,993	\$ 335,712	\$ 20,790,459
2021	15,055,989	3,515,613	294,311	546,871	237,440	19,650,224
2020	15,042,742	3,095,612	306,609	579,777	183,848	19,208,588
2019	13,842,076	2,999,634	316,994	547,162	156,349	17,862,215
2018	13,311,281	2,864,176	313,830	483,347	205,308	17,177,942
2017	12,934,371	2,807,361	309,779	492,489	203,446	16,747,446
2016	11,867,596	2,714,379	307,536	417,138	205,362	15,512,011
2015	11,877,989	2,722,713	307,372	548,133	157,890	15,614,097
2014	11,076,090	2,585,962	306,197	460,643	140,040	14,568,932
2013	11,103,740	2,691,630	324,910	464,581	165,224	14,750,085

COUNTY OF PRINCE EDWARD, VIRGINIA

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund					
Nonspendable:					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Retiree benefits	1,974	-	-	-	-
Community Development Authority	-	-	95,258	95,258	87,685
Forfeited assets	-	-	-	-	-
Committed:					
Economic Development	-	-	-	-	-
Unassigned	<u>10,720,302</u>	<u>9,038,328</u>	<u>9,811,281</u>	<u>9,672,556</u>	<u>12,112,059</u>
Total general fund	<u>\$ 10,722,276</u>	<u>\$ 9,038,328</u>	<u>\$ 9,906,539</u>	<u>\$ 9,767,814</u>	<u>\$ 12,199,744</u>
All other governmental funds					
Restricted:					
Debt service	\$ 780,277	\$ 910,353	\$ 1,043,470	\$ 1,179,675	\$ 1,319,176
Committed:					
Special projects	-	-	-	-	-
Assigned:					
Landfill construction	1,482,743	1,784,386	2,092,086	1,278,266	1,203,394
Recreation capital projects	28,414	20,468	20,492	14,038	8,085
Special revenue	<u>330,858</u>	<u>337,125</u>	<u>301,945</u>	<u>290,950</u>	<u>306,612</u>
Total all other governmental funds	<u>\$ 2,622,292</u>	<u>\$ 3,052,332</u>	<u>\$ 3,457,993</u>	<u>\$ 2,762,929</u>	<u>\$ 2,837,267</u>

Table 4

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ -	\$ 41,890	\$ -	\$ 1,529
-	-	-	-	-
88,483	88,482	88,482	88,508	88,508
-	-	9,233	33,156	39,575
-	-	315,697	292,027	457,786
<u>12,832,402</u>	<u>9,940,731</u>	<u>12,928,470</u>	<u>19,415,912</u>	<u>17,476,443</u>
<u>\$ 12,920,885</u>	<u>\$ 10,029,213</u>	<u>\$ 13,383,772</u>	<u>\$ 19,829,603</u>	<u>\$ 18,063,841</u>
\$ 1,461,991	\$ 1,608,189	\$ 1,758,022	\$ 820,549	\$ 879,660
-	-	-	-	4,417,265
1,536,362	1,885,520	2,269,885	2,639,693	3,090,270
8,146	8,214	9,234	9,272	9,288
<u>332,111</u>	<u>400,302</u>	<u>432,736</u>	<u>417,983</u>	<u>878,833</u>
<u>\$ 3,338,610</u>	<u>\$ 3,902,225</u>	<u>\$ 4,469,877</u>	<u>\$ 3,887,497</u>	<u>\$ 9,275,316</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
<b>Revenues</b>				
General property taxes	\$ 10,949,252	\$ 10,868,709	\$ 12,164,324	\$ 11,988,352
Other local taxes	3,716,129	3,564,610	3,796,368	3,710,005
Permits, privilege fees and regulatory licenses	70,344	69,529	79,339	98,002
Fines and forfeitures	106,409	156,204	171,827	120,200
Revenue from use of money and property	356,455	341,618	360,957	331,891
Charges for services	940,261	774,097	735,023	715,374
Miscellaneous	268,908	236,145	283,391	198,298
Recovered costs	122,337	119,153	101,411	124,292
Intergovernmental:				
Commonwealth	7,917,815	5,899,638	6,027,849	6,087,230
Federal	1,299,635	1,413,010	1,418,313	1,500,721
<b>Total revenues</b>	<b>\$ 25,747,545</b>	<b>\$ 23,442,713</b>	<b>\$ 25,138,802</b>	<b>\$ 24,874,365</b>
<b>Expenditures</b>				
General government administration	\$ 1,577,327	\$ 1,788,018	\$ 1,556,430	\$ 1,564,514
Judicial administration	1,581,018	1,712,847	1,640,931	1,645,993
Public safety	3,675,254	4,720,230	4,680,697	4,780,666
Public works	1,909,601	1,926,912	2,074,408	1,875,840
Health and welfare	3,732,134	3,806,903	3,970,706	4,304,800
Education	7,899,254	8,301,411	8,031,503	8,303,927
Parks, recreation and cultural	299,506	362,013	288,890	319,851
Community development	687,859	844,138	579,448	650,874
Capital projects	2,288,200	247,877	80,702	1,308,827
Nondepartmental	73,454	74,015	65,554	67,188
Debt service				
Principal	571,714	565,424	573,861	587,247
Interest and other fiscal charges	356,331	346,833	321,800	298,427
<b>Total expenditures</b>	<b>\$ 24,651,652</b>	<b>\$ 24,696,621</b>	<b>\$ 23,864,930</b>	<b>\$ 25,708,154</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ 1,095,893</b>	<b>\$ (1,253,908)</b>	<b>\$ 1,273,872</b>	<b>\$ (833,789)</b>
<b>Other financing sources (uses)</b>				
Transfers in	\$ 110,153	\$ 110,153	\$ 110,153	\$ 110,153
Transfers out	(110,153)	(110,153)	(110,153)	(110,153)
Refunding bonds issued	-	-	-	-
General obligation refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net change in fund balances</b>	<b>\$ 1,095,893</b>	<b>\$ (1,253,908)</b>	<b>\$ 1,273,872</b>	<b>\$ (833,789)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>4.15%</b>	<b>3.73%</b>	<b>3.77%</b>	<b>3.63%</b>

Note: Does not include discretely presented component unit.

Table 5

	2017	2018	2019	2020	2021	2022
\$	12,659,333	\$ 13,311,281	\$ 14,078,027	\$ 15,042,742	\$ 15,055,989	\$ 15,899,565
	3,877,548	3,930,605	4,085,494	4,238,495	4,660,817	5,010,225
	73,445	84,435	96,743	87,525	96,349	122,539
	192,680	201,017	192,265	198,232	177,992	171,718
	374,453	416,291	427,671	710,353	729,754	739,724
	865,332	519,598	592,033	604,186	833,702	720,596
	143,516	171,290	76,488	156,811	266,080	175,013
	79,193	98,397	130,236	136,102	647,896	96,164
	6,131,076	5,978,835	5,774,580	5,948,595	5,850,558	5,995,091
	1,617,169	1,697,047	1,655,569	2,144,124	6,397,964	3,063,593
\$	26,013,745	\$ 26,408,796	\$ 27,109,106	\$ 29,267,165	\$ 34,717,101	\$ 31,994,228
\$	1,626,463	\$ 1,612,576	\$ 1,596,311	\$ 1,833,581	\$ 6,757,573	\$ 2,069,352
	1,607,932	1,580,707	1,627,710	1,687,924	1,686,592	1,733,643
	4,470,112	4,470,448	4,796,629	5,406,213	5,156,683	5,368,163
	1,763,373	1,462,747	763,086	808,615	846,712	1,002,192
	4,487,585	4,274,895	4,019,977	4,223,046	4,332,351	3,848,593
	7,393,077	8,068,635	8,272,402	7,224,947	6,020,389	7,398,518
	282,804	280,598	299,078	327,380	326,430	326,930
	478,395	661,489	841,366	2,545,274	759,903	718,653
	486,154	535,553	6,458,113	7,509,744	432,441	1,676,929
	32,560	104,186	91,379	30,968	219,081	433,318
	607,248	648,407	471,528	813,215	1,660,717	784,418
	271,774	265,038	199,584	220,978	654,749	408,233
\$	23,507,477	\$ 23,965,279	\$ 29,437,163	\$ 32,631,885	\$ 28,853,621	\$ 25,768,942
\$	2,506,268	\$ 2,443,517	\$ (2,328,057)	\$ (3,364,720)	\$ 5,863,480	\$ 6,225,286
\$	110,153	\$ 110,153	\$ 110,153	\$ 452,546	\$ 149,333	\$ 4,466,993
	(110,153)	(1,352,687)	(110,153)	(1,915,776)	(149,333)	(5,585,520)
	-	2,391,777	-	-	-	-
	-	-	-	5,900,000	-	-
	-	390,793	-	1,268,789	-	-
	-	(2,761,069)	-	-	-	-
\$	-	\$ (1,221,033)	\$ -	\$ 5,705,559	\$ -	\$ (1,118,527)
\$	2,506,268	\$ 1,222,484	\$ (2,328,057)	\$ 2,340,839	\$ 5,863,480	\$ 5,106,759
	3.82%	3.98%	2.36%	3.27%	8.32%	4.82%

General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*

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Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Gross Receipts Tax	Total
2022	\$ 15,899,565	\$ 3,670,212	\$ 350,703	\$ 580,993	\$ 335,712	\$ 56,823	20,894,008
2021	15,055,989	3,528,918	294,311	546,871	237,440	53,277	19,716,806
2020	15,042,742	3,095,612	306,609	579,777	183,848	72,649	19,281,237
2019	14,078,027	2,999,634	316,994	547,162	156,349	65,355	18,163,521
2018	13,311,281	2,864,176	313,830	483,347	205,308	63,944	17,241,886
2017	12,659,333	2,807,361	309,779	492,489	203,446	64,473	16,536,881
2016	11,988,352	2,714,379	307,536	417,138	205,362	65,590	15,698,357
2015	12,164,324	2,722,713	307,372	541,664	157,890	66,729	15,960,692
2014	10,868,709	2,585,962	306,197	460,643	140,040	71,768	14,433,319
2013	10,949,252	2,691,630	324,910	464,581	165,224	69,784	14,665,381

COUNTY OF PRINCE EDWARD, VIRGINIA

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property (1)	Mobile Homes	Machinery and Tools
2022	\$ 1,836,924,083	\$ 124,215,964	\$ 9,699,625	\$ 1,364,850
2021	1,546,903,214	145,373,327	8,531,925	1,374,000
2020	1,544,953,850	147,670,586	8,000,650	1,198,870
2019	1,531,213,900	127,082,800	7,743,810	727,550
2018	1,518,645,315	122,819,551	7,578,860	1,047,631
2017	1,501,993,440	119,922,383	7,460,730	1,067,695
2016	1,476,787,676	109,881,928	7,201,680	909,060
2015	1,593,856,675	105,257,875	9,292,235	737,600
2014	1,584,918,225	105,312,817	9,283,568	910,900
2013	1,576,717,255	104,873,820	9,574,543	623,875

(1) Real estate and personal property are assessed at 100% of fair market value.

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

Source: Commissioner of Revenue

Table 7

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<u>Merchants' Capital</u>	<u>Public Service (2)</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
\$ 57,199,550	\$ 124,215,964	\$ 2,153,620,036	\$ 2,153,620,036	100.00%
62,627,050	113,821,736	1,878,631,252	1,878,631,252	100.00%
57,016,125	113,383,476	1,872,223,557	1,872,223,557	100.00%
57,081,500	100,876,583	1,824,726,143	1,824,726,143	100.00%
66,188,415	98,806,317	1,815,086,089	1,815,086,089	100.00%
58,950,650	103,798,120	1,793,193,018	1,793,193,018	100.00%
55,491,150	94,692,680	1,744,964,174	1,744,964,174	100.00%
57,499,650	94,140,180	1,860,784,215	1,860,784,215	100.00%
56,631,950	89,731,651	1,846,789,111	1,846,789,111	100.00%
54,574,800	83,433,739	1,829,798,032	1,829,798,032	100.00%



Property Tax Rates (1)  
Direct Governments  
Last Ten Fiscal Years

Fiscal Years	Direct Rates				
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Merchants' Capital
2022	\$ 0.48	\$ 4.50	\$ 0.48	\$ 4.20	\$ 0.70
2021	0.51	4.50	0.51	4.20	0.70
2020	0.51	4.50	0.51	4.20	0.70
2019	0.51	4.50	0.51	4.20	0.70
2018	0.51	4.50	0.51	4.20	0.70
2017	0.51	4.50	0.51	4.20	0.70
2016	0.49	4.50	0.49	4.20	0.70
2015	0.47	4.50	0.47	4.20	0.70
2014	0.42	4.50	0.42	4.20	0.70
2013	0.42	4.50	0.42	4.20	0.70

(1) Per \$100 of assessed value

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Collections within the Fiscal Year of the Levy		Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
		Collections (1)	Percent of Levy					
2022	\$ 16,275,014	\$ 14,787,388	90.86%	\$ 1,112,177	\$ 15,899,565	97.69%	\$ 2,016,529	12.39%
2021	14,638,826	13,495,245	92.19%	1,258,987	14,754,232	100.79%	2,071,541	14.15%
2020	14,683,717	13,575,909	92.46%	785,972	14,361,881	97.81%	2,214,777	15.08%
2019	14,538,363	12,389,344	85.22%	1,229,767	13,619,111	93.68%	1,568,994	10.79%
2018	14,313,148	12,408,274	86.69%	903,007	13,311,281	93.00%	1,779,771	12.43%
2017	14,091,430	12,061,789	85.60%	597,544	12,659,333	89.84%	2,610,641	18.53%
2016	13,088,275	12,372,851	94.53%	612,200	12,985,051	99.21%	2,333,711	17.83%
2015	13,263,062	12,351,793	93.13%	797,023	13,148,816	99.14%	2,283,998	17.22%
2014	12,959,216	11,764,506	90.78%	409,553	12,174,059	93.94%	2,361,048	18.22%
2013	12,257,922	11,704,121	95.48%	550,481	12,254,602	99.97%	2,094,321	17.09%

(1) Exclusive of penalties and interest. Includes personal property tax relief funds.

(2) Includes twenty years real estate and four years personal property taxes.

Principal Property Taxpayers  
 Current Year and the Period Nine Years Prior

Taxpayer	Fiscal Year 2022		Fiscal Year 2013	
	2021 Assessed Valuation	% of Total Assessed Valuation	2012 Assessed Valuation	% of Total Assessed Valuation
Southside Holding	\$ 6,102,000	0.33%	\$ 4,549,700	0.25%
Southside Community Nursing	22,474,200	1.23%	17,362,500	0.95%
Statewide Realty Co.	1,035,700	0.06%	2,209,800	0.12%
Southgate Associates II	2,315,700	0.13%	5,731,200	0.31%
Wright, Shelton	3,619,900	0.20%	3,909,900	0.21%
Davis Real Properties LLC	3,104,100	0.17%	4,392,300	0.24%
Garnett, James	908,400	0.05%	2,101,900	0.11%
Landon G. Atkins Revocable Trust	-	0.00%	356,000	0.02%
Farmville Partners, LLC	-	0.00%	6,462,900	0.35%
Andrews Large & Whidden Inc	1,447,000	0.08%	-	0.00%
Longwood Village Shopping Center	7,892,200	0.43%	7,742,700	0.42%
Shoppes at College Park LLC	8,047,400	0.44%	-	0.00%
	<u>\$ 56,946,600</u>	<u>3.11%</u>	<u>\$ 54,818,900</u>	<u>2.98%</u>

Source: Commissioner of Revenue

Ratios of Outstanding Debt by Types  
Last Ten Fiscal Years

Fiscal Years	Governmental Activities			Business- Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Other Notes/ Bonds	General Lease Purchases	Other Notes/ Bonds				
2022	\$ 7,550,097	\$ 1,000,000	\$ 6,065,183	\$ 2,652,314	\$ 17,267,594	2.47%	787	
2021	8,287,585	1,208,989	6,425,740	2,886,231	18,808,545	2.70%	832	
2020	9,001,089	2,529,387	6,767,984	3,108,089	21,406,549	3.07%	935	
2019	2,266,949	2,741,295	7,095,020	3,323,579	15,426,843	2.21%	672	
2018	2,630,870	2,949,582	7,407,445	3,589,760	16,577,657	2.38%	730	
2017	4,366,506	4,599,074	5,103,197	3,825,118	17,893,895	2.56%	773	
2016	5,117,798	4,798,254	5,123,382	4,005,461	19,044,895	2.73%	815	
2015	5,852,125	4,991,985	5,123,382	4,176,457	20,143,949	2.99%	873	
2014	6,569,847	5,182,084	-	4,341,086	16,093,017	2.53%	706	
2013	7,297,699	5,427,677	-	4,503,541	17,228,917	2.79%	741	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

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

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

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2022	\$ 5,775,572	\$ 879,660	\$ 4,895,912	0.26%	217
2021	6,336,181	820,549	5,515,632	0.29%	241
2020	6,872,634	1,758,022	5,114,612	0.28%	223
2019	2,579,387	460,208	2,119,179	0.12%	92
2018	3,039,595	610,689	2,428,906	0.13%	107
2017	6,312,723	858,439	5,454,284	0.30%	236
2016	7,151,195	858,657	6,292,538	0.36%	269
2015	7,968,982	734,327	7,234,655	0.39%	314
2014	8,686,704	717,722	7,968,982	0.43%	349
2013	9,414,556	780,277	8,634,279	0.47%	372

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

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

(3) Includes all long-term general obligation bonded debt, and Literary Fund Loans; excludes revenue bonds, capital leases, OPEB liability, landfill closure liabilities, early retirement obligation, notes payable, and compensated absences.

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Demographic and Economic Statistics  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate</b>
2022	21,932	\$ 697,704,000	\$ 31,812	32.1	1,947	3.90%
2021	22,594	697,704,000	30,880	31.5	1,849	5.70%
2020	22,905	697,704,000	30,461	31.5	1,921	8.00%
2019	22,950	697,704,000	30,401	30.8	2,059	4.40%
2018	22,703	697,704,000	30,732	30.0	2,043	3.40%
2017	23,142	697,704,000	30,149	30.0	2,005	5.70%
2016	23,368	697,704,000	29,857	30.0	2,086	6.30%
2015	23,074	672,890,000	29,162	30.0	2,016	6.10%
2014	22,802	636,603,000	27,919	30.0	2,129	9.80%
2013	23,238	618,387,000	26,611	30.9	2,282	10.60%

Source: Virginia Employment Commission, Annual school report - prepared by the School Board, [www.fedstats.gov](http://www.fedstats.gov)

- (1) Information is not updated annually
- (2) School enrollment includes pre-K

COUNTY OF PRINCE EDWARD, VIRGINIA

Full-time Equivalent Government Employees by Function  
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017
General government administration	18.0	17.0	17.0	17.0	16.5
Judicial administration	22.5	23.0	23.0	23.0	24.0
Public safety					
Sheriffs department	32.0	32.0	32.0	32.0	32.0
Animal control	1.5	2.0	2.0	2.0	2.0
Building official	2.0	1.0	1.0	1.0	1.0
Public works					
General maintenance	6.5	6.0	6.0	6.0	6.0
Refuse Collection & Disposal	13.0	13.0	13.0	13.0	13.0
Landfill	-	-	-	-	-
Biosolids	1.0	1.0	-	-	-
Health and welfare					
Department of social services	32.0	32.0	32.0	32.0	34.0
Culture and recreation					
Parks and recreation	-	-	-	-	-
Community development					
Planning	2.0	-	1.0	1.0	1.0
Economic Development	2.0	2.0	2.0	2.0	1.0
Cannery	1.5	1.0	1.0	1.0	1.0
Extension	1.0	1.0	1.0	1.0	1.0
Totals	135.0	131.0	131.0	131.0	132.5

Source: Individual County departments



Table 14

2018	2019	2020	2021	2022
17.0	17.0	21.0	21.0	-
25.0	25.0	25.0	26.0	-
34.0	34.0	46.0	40.0	-
2.0	2.0	3.0	3.0	-
1.0	2.0	2.0	2.0	-
6.0	7.0	7.0	8.0	-
13.0	13.0	19.0	18.0	-
5.0	7.0	6.0	8.0	-
-	-	-	-	-
36.0	36.0	29.0	30.0	-
-	-	1.0	1.0	-
1.0	1.0	1.0	1.0	-
1.0	2.0	1.0	1.0	-
1.0	1.0	2.0	2.0	-
1.0	1.0	1.0	1.0	-
143.0	148.0	164.0	162.0	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Operating Indicators by Function  
Last Ten Fiscal Years (1)

Function	2013	2014	2015	2016	2017
Public safety					
Sheriffs department:					
Physical arrests	353.0	393.0	377.0	483.0	113.0
Civil papers	8,664.0	8,820.0	8,637.0	8,298.0	7,910.0
Building inspections:					
Permits issued (2)	453.0	535.0	485.0	596.0	457.0
Public works					
Landfill:					
Refuse collected (tons/day)	77.0	54.6	43.7	41.7	77.7
Recycling (tons/day)	4.3	4.4	8.2	6.5	8.5
Health and welfare					
Department of Social Services:					
Caseload	8,162.0	8,503.0	9,127.0	11,097.0	10,206.0
Community development					
Planning:					
Zoning permits issued	67.0	81.0	74.0	79.0	63.0
Component Unit - School Board					
Education:					
Number of teachers	214.0	211.0	207.0	206.4	202.5
Local expenditures per pupil	3,707.0	3,789.0	3,774.0	4,030.0	3,284.0

Source: Individual County departments

(1) Information has been reported where available.

Table 15

2018	2019	2020	2021	2022
95.0	814.0	337.0	399.0	-
8,717.0	8,395.0	5,942.0	5,858.0	-
591.0	697.0	783.0	766.0	-
106.0	97.4	108.9	112.0	-
7.5	9.8	9.7	10.0	-
11,305.0	10,580.0	10,353.0	7,791.0	-
83.0	80.0	148.0	159.0	-
196.0	195.3	168.8	192.6	-
4,088.0	4,339.0	4,639.0	3,419.0	-

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## Compliance

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

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**To the Honorable Members of  
Board of Supervisors  
County of Prince Edward, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Prince Edward, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County of Prince Edward, Virginia's basic financial statements, and have issued our report thereon dated December 20, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

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

Charlottesville, Virginia  
December 20, 2022





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

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To the Honorable Members of  
Board of Supervisors  
County of Prince Edward, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the County of Prince Edward, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Prince Edward, Virginia's major federal programs for the year ended June 30, 2022. County of Prince Edward, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Prince Edward, Virginia compiled, in all material respects, with the types of 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, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control over Compliance**

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

## Report on Internal Control over Compliance (Continued)

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

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.

Charlottesville, Virginia  
December 20, 2022

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Department of Social Services:			
Guardianship Assistance	93.090	0950120/0950121	\$ 250
Title IV-E Prevention Program	93.472	1140121/1140122	5,820
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950121	14,311
Temporary Assistance to Needy Families	93.558	0400122/0400121	202,716
Refugee and Entrant Assistance State/Replacement Designee Administered Program:	93.566	0500122/0500121	1,009
Low-income Home Energy Assistance	93.568	0600422/0600421	35,885
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122/0760121	45,235
Community -Based Child Abuse Prevention Grants	93.590	0760122/0760121	936
Stephanie Tubbs Jones Child Welfare Services Programs	93.645	0900122/0900121	464
Foster Care - Title IV-E	93.658	1100122/1100121	157,176
Adoption Assistance	93.659	1120122/1120121	267,003
Social Services Block Grant	93.667	1000122/1000121	189,672
Elder Abuse Prevention Interventions Program	93.747	80000221	6,000
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150121	1,824
Children's Health Insurance Program	93.767	0540122/0540121	2,392
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200121	236,498
Total Department of Health and Human Services-pass through			<u>\$ 1,167,191</u>
Total Department of Health and Human Services			<u>\$ 1,167,191</u>
Department of Agriculture:			
Pass Through Payments:			
Department of Agriculture:			
Fresh Fruit and Vegetable Program (Child Nutrition Cluster)	10.582	2021IL160341/2020IL160341	\$ 51,891
Department of Agriculture:			
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	29,537
Department of Agriculture:			
Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ 131,598
Department of Education:			
National School Lunch Program (Child Nutrition Cluster)	10.555	2021IN109941/2020IN109941	980,428
Department of Education:			
School Breakfast Program (Child Nutrition Cluster)	10.553	2021IN109941/2020IN109941	394,544
Total Child Nutrition Cluster			<u>\$ 1,536,107</u>
Department of Education:			
COVID-19 - Pandemic EBT Administrative Costs	10.649	2021215900941	3,063
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0010121/0040122/0040121	\$ 449,413
Total Department of Agriculture			<u>\$ 2,040,474</u>
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	Unknown	\$ 50,420
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	3,594
Total Department of Justice - direct			<u>\$ 54,014</u>
Total Department of Justice			<u>\$ 54,014</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022 (continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass through payments:			
Department of Motor Vehicles:			
State and Community Highway Safety (Highway Safety Cluster)	20.600	Unknown	\$ 10,225
Department of the Treasury:			
Pass through payments:			
Virginia Department of Accounts:			
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	Unknown	\$ 1,185
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	1,207,974
Total Department of Treasury			\$ 1,209,159
Department of Homeland Security			
Pass Through Payments:			
Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	\$ 49,584
Emergency Management Performance Grants	97.042	Unknown	9,436
Homeland Security Grant Program	97.067	7750100	2,160
Total Department of Homeland Security			\$ 61,180
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	S101A210046/S010A220046	\$ 1,072,090
Special Education-Grants to States (Special Education Cluster)	84.027	H027A210107/H027A220107	\$ 414,295
Special Education-Preschool Grants (Special Education Cluster)	84.173	H173A210112/H173A220112	25,475
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	Unknown	19,897
Career and Technical Education Basic Grants to States	84.048	V048A220046	60,781
Twenty-First Century Community Learning Centers	84.287	S287C220047	694
Rural Education	84.358	S358B220046	12,500
Supporting Effective Instruction State Grants	84.367	S367A210044/S367A220044	107,672
School Improvement Grants	84.377	Unknown	55,439
Student Support and Academic Enrichment Program	84.424	S424A210048/S424A200048	49,169
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	2,287,446
Total Department of Education			\$ 4,105,458
Total Expenditures of Federal Awards			\$ 8,647,701

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022

---

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Prince Edward, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Prince Edward, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Prince Edward, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Subrecipients

No awards were passed through to subrecipients.

Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

Note 7 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 3,063,593
Less: Amounts not recorded on Schedule of Expenditures of Federal Awards	
Payment in Lieu of Taxes	(112,411)
Total primary government	<u>\$ 2,951,182</u>

Component Unit School Board:

School Operating Fund	\$ 1,799,823
School Cafeteria Fund	1,591,061
School CARES Fund	<u>2,305,635</u>
Total Component Unit School Board	<u>\$ 5,696,519</u>

Total federal expenditures per basic financial statements \$ 8,647,701

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 8,647,701

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

---

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? Yes

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund

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

Auditee qualified as low-risk auditee? No

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

COUNTY OF PRINCE EDWARD, VIRGINIA

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022 (Continued)

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**Section IV - Commonwealth of Virginia Findings**

**2022-001 Compliance Finding - Annual School Report**

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Condition:

The School Board did not file the Annual School Report by the September 15 deadline.

Criteria:

Per Code of Virginia Section 22.1-81, the School Board is required to file the Annual School Report with the Virginia Department of Education by September 15, or within 15 days after if an extension is granted. The report pertaining to FY2022 has not been filed with the Virginia Department of Education.

Cause:

The annual filing was not performed timely.

Effect:

The County is noncompliant in relation to Section 3.11 of the *Specification for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

Recommendation:

The School files the Annual School Report by the deadline of September 15th.

Management's response:

Management concurs with the recommendation, and will filing annually.



COUNTY OF PRINCE EDWARD, VIRGINIA

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022

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**2021-001 Material Weakness - Adjusting Journal Entries and Year End Accruals**

---

Condition:

The County and School Board did not record adjusting journal entries correctly, leading to material adjusting journal entries for the financial statements to be in accordance with U.S. Generally Accepted Accounting Principles.

Recommendation:

We recommended journal entries needed for year end accruals are posted to the correct account, and accounting period.

Management's response:

Additional staff and consultants engaged by the County to alleviate this material weakness for the current year.

**Commonwealth of Virginia Findings**

**2021-002 Compliance Finding - Annual School Report**

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Condition:

The School Board did not file the Annual School Report by the September 15 deadline.

Recommendation:

We recommended the School files the Annual School Report by the deadline of September 15th.

Management's response:

Repeat finding in current year; see 2022-001.

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