

FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

COUNTY OF PRINCE EDWARD, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

COUNTY OF PRINCE EDWARD, VIRGINIA

Board of Supervisors

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Pattie Cooper-Jones, Vice-Chair

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Victor (Bill) Jenkins
Jerry R. Townsend

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Pamela Snead, Vice-Chair

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Beulah Womack, Vice-Chair

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Doug Farley
Dr. Timothy W. Corbett, Sr.

Dr. Lawrence Varner
Elzora G. Stiff
Kelly Forsythe

Other Officials

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

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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, 2023

Table of Contents

	<u>Page</u>
Front Cover	1
Title Page	2
Officials Page	3
Table of Contents	4-7
Independent Auditors' Report	8-11
Management's Discussion and Analysis	12-22
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Exhibit 1 Statement of Net Position	25
Exhibit 2 Statement of Activities	26-27
Fund Financial Statements:	
Exhibit 3 Balance Sheet—Governmental Funds	29
Exhibit 4 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	30
Exhibit 5 Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	31
Exhibit 6 Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
Exhibit 7 Statement of Net Position—Proprietary Funds	33
Exhibit 8 Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds	34
Exhibit 9 Statement of Cash Flows—Proprietary Funds	35
Notes to Financial Statements	36-102
<u>Required Supplementary Information:</u>	
Exhibit 10 Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	104
Exhibit 11 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios-Primary Government	105-106

COUNTY OF PRINCE EDWARD, VIRGINIA

Financial Report
For The Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>
<u>Required Supplementary Information: (Continued)</u>	
Exhibit 12	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios-Component Unit School Board (nonprofessional) 107-108
Exhibit 13	Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan 109-110
Exhibit 14	Schedule of Employer Contributions-Pension Plan 111
Exhibit 15	Notes to Required Supplementary Information-Pension Plan 112
Exhibit 16	Schedule of School Board's Share of Net OPEB Liability-Teacher Employee Health Insurance Credit (HIC) Plan 113
Exhibit 17	Schedule of Employer Contributions-Teacher Employee Health Insurance Credit (HIC) Plan 114
Exhibit 18	Notes to Required Supplementary Information-Teacher Employee Health Insurance Credit (HIC) Plan 115
Exhibit 19	Schedule of County and School Board's Share of Net OPEB Liability-Group Life Insurance (GLI) Plan 116
Exhibit 20	Schedule of Employer Contributions-Group Life Insurance (GLI) Plan 117
Exhibit 21	Notes to Required Supplementary Information-Group Life Insurance (GLI) Plan 118
Exhibit 22	Schedule of Changes in Total OPEB Liability and Related Ratios- Primary Government 119
Exhibit 23	Notes to Required Supplementary Information-County OPEB 120
Exhibit 24	Schedule of Changes in Total OPEB Liability and Related Ratios- Component Unit-School Board 121
Exhibit 25	Notes to Required Supplementary Information-School Board OPEB 122
Exhibit 26	Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios-Health Insurance Credit (HIC) Plan 123
Exhibit 27	Schedule of Employer Contributions-Health Insurance Credit (HIC) Plan 124
Exhibit 28	Notes to Required Supplementary Information-Health Insurance Credit (HIC) Plan 125

COUNTY OF PRINCE EDWARD, VIRGINIA

Financial Report
For The Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>
<u>Other Supplementary Information:</u>	
Combining and Individual Fund Financial Statements and Schedules:	
Exhibit 29	Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Capital Projects Fund—Landfill Construction Fund 128
Exhibit 30	Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—County ARPA Act Fund 129
Exhibit 31	Combining Balance Sheet—Nonmajor Governmental Funds 130
Exhibit 32	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds 131
Exhibit 33	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Governmental Funds 132-133
Exhibit 34	Combining Balance Sheet—Discretely Presented Component Unit—School Board 134
Exhibit 35	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Discretely Presented Component Unit-School Board— Governmental Funds 135
Exhibit 36	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Discretely Presented Component Unit— School Board 136-137
Supporting Schedules:	
Schedule 1	Schedule of Revenues—Budget and Actual—Governmental Funds 139-144
Schedule 2	Schedule of Expenditures—Budget and Actual—Governmental Funds 145-148

COUNTY OF PRINCE EDWARD, VIRGINIA

Financial Report
For The Year Ended June 30, 2023

Table of Contents (Continued)

	<u>Page</u>	
<u>Statistical Information:</u>		
Table 1	Net Position by Component	150-151
Table 2	Changes in Net Position	152-153
Table 3	Governmental Activities Tax Revenues by Source	154
Table 4	Fund Balances of Governmental Funds	155-156
Table 5	Changes in Fund Balances of Governmental Funds	157-158
Table 6	General Governmental Tax Revenues by Source	159
Table 7	Assessed Value and Estimated Actual Value of Taxable Property	160-161
Table 8	Property Tax Rates	162
Table 9	Property Tax Levies and Collections	163
Table 10	Principal Property Taxpayers	164
Table 11	Ratios of Outstanding Debt by Types	165
Table 12	Ratio of Net Bonded General Debt to Assessed Value and Net Bonded Debt per Capita	166
Table 13	Demographic and Economic Statistics	167
Table 14	Full-time Equivalent Government Employees by Function	168
Table 15	Operating Indicators by Function	169
<u>Compliance</u>		
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 <i>Government Auditing Standards</i>		171-172
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance		173-175
Schedule of Expenditures of Federal Awards		176-177
Notes to Schedule Expenditures of Federal Awards		178
Schedule of Findings and Questioned Costs		179-180
Summary Schedule of Prior Audit Findings		181



Independent Auditors' Report

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of 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.

Restatement of Beginning Balances

As described in Note 24 to the financial statements, in 2023, 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 management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of 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 January 19, 2024, 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.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia
January 19, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023. 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 \$32,268,220 (total net position). This was an increase of \$7,251,834 or 29.40% compared to the restated ending amount of \$24,667,906 on June 30, 2022. \$22,022,597 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 \$35,677,760 of the County's total, an increase of \$7,124,196 or 24.95% in comparison with restated net position of \$28,553,564 at June 30, 2022. Cash and cash equivalents for the Governmental Activities increased from \$25,245,089 in FY22 to \$28,102,121 at the end of FY23.
- The School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$4,676,030, an increase of \$3,895,295 when compared to the amount on June 30, 2022. \$10,996,076 of this amount reflects the School Board's net investment in capital assets. (\$16,230,975) of net assets are in unrestricted assets available to meet ongoing obligations. This is an increase of \$3,391,111 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 (\$3,758,020) which was an increase of \$127,638. Unrestricted net position of Business-Type Activities decreased \$411,462 during the year ending with a balance of (\$6,287,398) on June 30, 2023, compared to a restated balance of (\$7,151,237) on June 30, 2022.
- The combining long-term governmental obligations decreased \$1,407,839 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 \$2,610,509 (Exhibit 5) before Other Financing Sources (Uses) and after making direct contributions totaling \$6,671,837 to the School Board.

- At the close of the current fiscal year, the County's Governmental funds reported ending fund balances of \$28,471,921 which is an increase of \$1,001,577 or 3.65% in comparison with the prior fiscal year.
- At the close of the current fiscal year, the unassigned fund balance for the General Fund was \$18,492,153 or 74% 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 FY2023, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$31,919,740 at the close of the fiscal year as presented in the Table below. This was an increase of \$7,251,834 or 30% over the FY2022 restated ending amount of \$24,667,906.

County of Prince Edward, Virginia

Schedule of Assets Liabilities and Net Position For the Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 43,213,484	\$ 40,041,046	\$ 118,163	\$ 202,256	\$ 43,331,647	\$ 40,243,302
Capital assets	19,593,592	15,957,945	5,344,213	4,605,246	24,937,805	20,563,191
Total assets	\$ 62,807,076	\$ 55,998,991	\$ 5,462,376	\$ 4,807,502	\$ 68,269,452	\$ 60,806,493
Deferred outflows of resources	\$ 1,373,724	\$ 1,721,846	\$ 55,870	\$ 69,357	\$ 1,429,594	\$ 1,791,203
Current liabilities	\$ 3,809,531	\$ 1,677,423	\$ 100,423	\$ 64,955	\$ 3,909,954	\$ 1,742,378
Long-term liabilities outstanding	14,783,865	16,191,704	9,149,489	8,546,759	23,933,354	24,738,463
Total liabilities	\$ 18,593,396	\$ 17,869,127	\$ 9,249,912	\$ 8,611,714	\$ 27,843,308	\$ 26,480,841
Deferred inflows of resources	\$ 9,909,644	\$ 11,429,333	\$ 26,354	\$ 150,803	\$ 9,935,998	\$ 11,580,136
Net position:						
Net investment in capital assets	\$ 7,237,005	\$ 2,342,665	\$ 2,529,378	\$ 1,952,932	\$ 9,766,383	\$ 4,295,597
Restricted	130,760	2,091,793	-	37,346	130,760	2,129,139
Unrestricted	28,309,995	23,987,919	(6,287,398)	(5,875,936)	22,022,597	18,111,983
Total net position	\$ 35,677,760	\$ 28,422,377	\$ (3,758,020)	\$ (3,885,658)	\$ 31,919,740	\$ 24,536,719

At the end of FY2023, the County's net investment in capital assets is \$7,237,005. 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 \$130,760 for the use of Community Development Authority and forfeited assets. The remaining balance of net position in the amount of \$22,371,077 may be used to meet the government's ongoing obligations. While the unrestricted net position amount is \$22,371,077, Prince Edward County has more than \$28 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 \$7,600,314. The key elements of this increase are found in exhibit 2 and 6 and the table below. Revenues increased from the previous year by \$3,147,231 and expenses increased \$1,113,189. The net effect was an increase in net position of \$7,124,196.

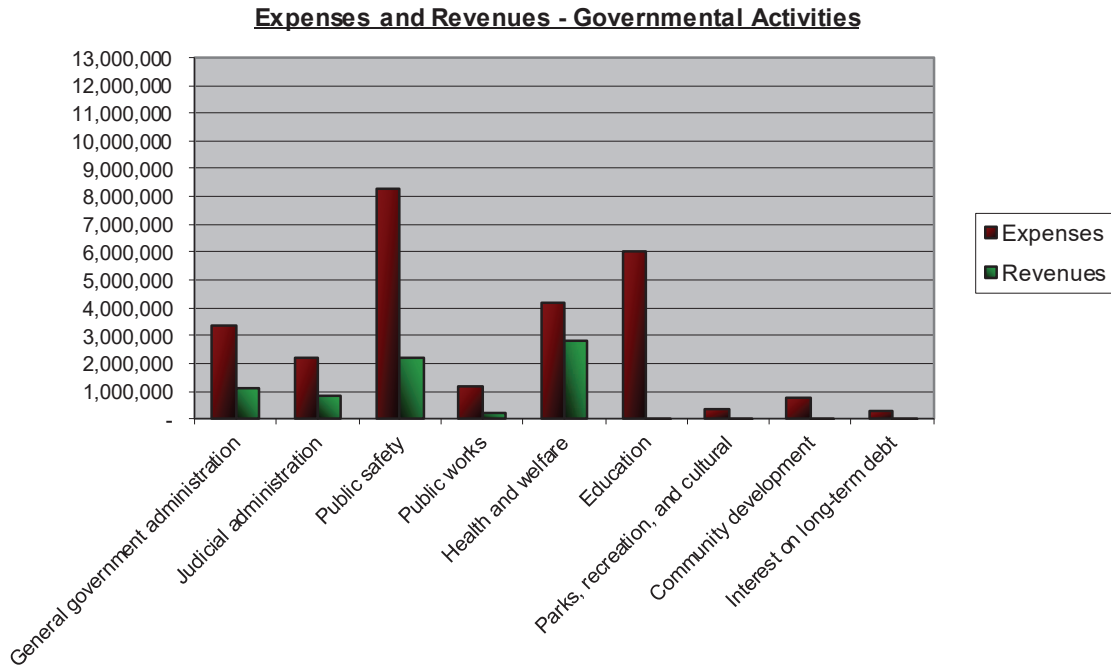
County of Prince Edward, Virginia
Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,351,638	\$ 2,016,648	\$ 640,477	\$ 701,814	\$ 2,992,115	\$ 2,718,462
Operating grants and contributions	7,133,563	7,055,826	-	-	7,133,563	7,055,826
General revenues:						
General property taxes	17,876,894	15,865,574	-	-	17,876,894	15,865,574
Other local taxes	5,144,374	5,010,225	-	-	5,144,374	5,010,225
Commonwealth non-categorical aid	2,180,638	2,002,050	-	-	2,180,638	2,002,050
Other general revenues	1,209,289	798,842	9	-	1,209,298	798,842
Total revenues	\$ 35,896,396	\$ 32,749,165	\$ 640,486	\$ 701,814	\$ 36,536,882	\$ 33,450,979
Expenses:						
General government administration	\$ 3,382,876	\$ 3,935,124	\$ -	\$ -	\$ 3,382,876	\$ 3,935,124
Judicial administration	2,209,008	1,628,677	-	-	2,209,008	1,628,677
Public safety	8,287,187	6,394,093	-	-	8,287,187	6,394,093
Public works	1,187,177	1,235,951	-	-	1,187,177	1,235,951
Health and welfare	4,209,245	3,945,533	-	-	4,209,245	3,945,533
Education	6,009,662	6,969,938	-	-	6,009,662	6,969,938
Parks, recreation, and cultural	376,550	326,930	-	-	376,550	326,930
Community development	781,675	732,791	-	-	781,675	732,791
Interest on long-term debt	252,888	414,042	-	-	252,888	414,042
Water fund	-	-	121,488	126,068	121,488	126,068
Sewer fund	-	-	56,435	49,391	56,435	49,391
Landfill fund	-	-	2,410,857	1,971,115	2,410,857	1,971,115
Total expenses	\$ 26,696,268	\$ 25,583,079	\$ 2,588,780	\$ 2,146,574	\$ 29,285,048	\$ 27,729,653
Transfers	\$ (2,075,932)	\$ (1,118,527)	\$ 2,075,932	\$ 1,118,527	\$ -	\$ -
Increase (decrease) in net position	\$ 7,124,196	\$ 6,047,559	\$ 127,638	\$ (326,233)	\$ 7,251,834	\$ 5,721,326
Net position - beginning, as restated	28,553,564	22,374,818	(3,885,658)	(3,559,425)	24,667,906	18,815,393
Net position - ending	\$ 35,677,760	\$ 28,422,377	\$ (3,758,020)	\$ (3,885,658)	\$ 31,919,740	\$ 24,536,719

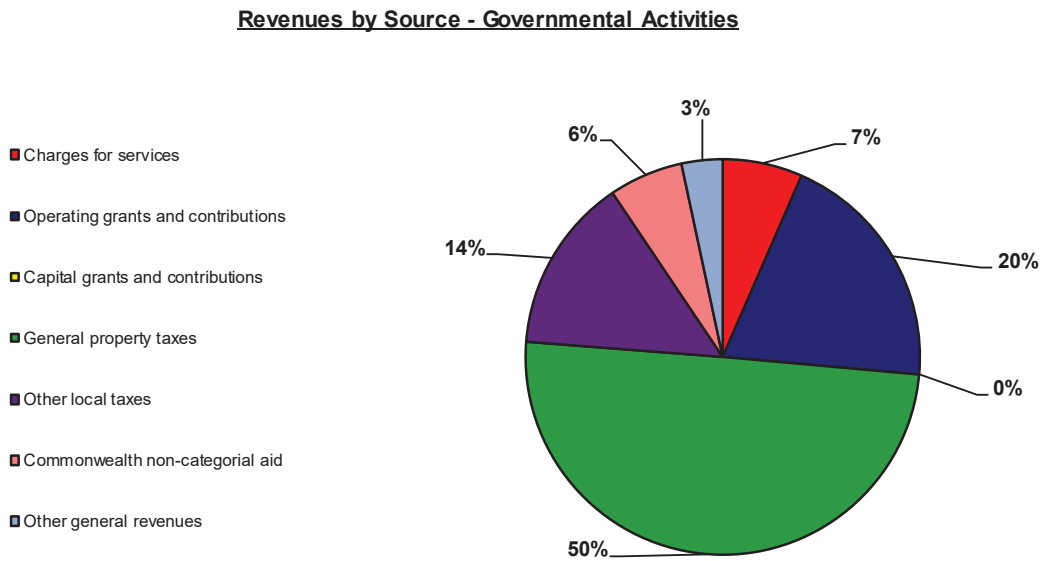
Revenues from governmental activities totaled \$35,896,396 with general property taxes (49%), operating grants and contributions (20%), and other local taxes (14%) comprising 83% of the County's revenues. Expenses for education (23%), health and welfare (16%), and public safety (31%) account for 70% of total governmental expenses of \$26,696,268.

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 \$28,471,921, an increase of \$1,001,577 when compared to the prior year. Approximately 65 percent (\$18,492,153) of the combined governmental fund balance is unassigned. The remaining 35% (\$9,979,768) 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 \$27,744,856 comprise 97% of the fund balance of the Governmental Funds. For the fiscal year cash and cash equivalents increased \$2,928,306 or 12%.

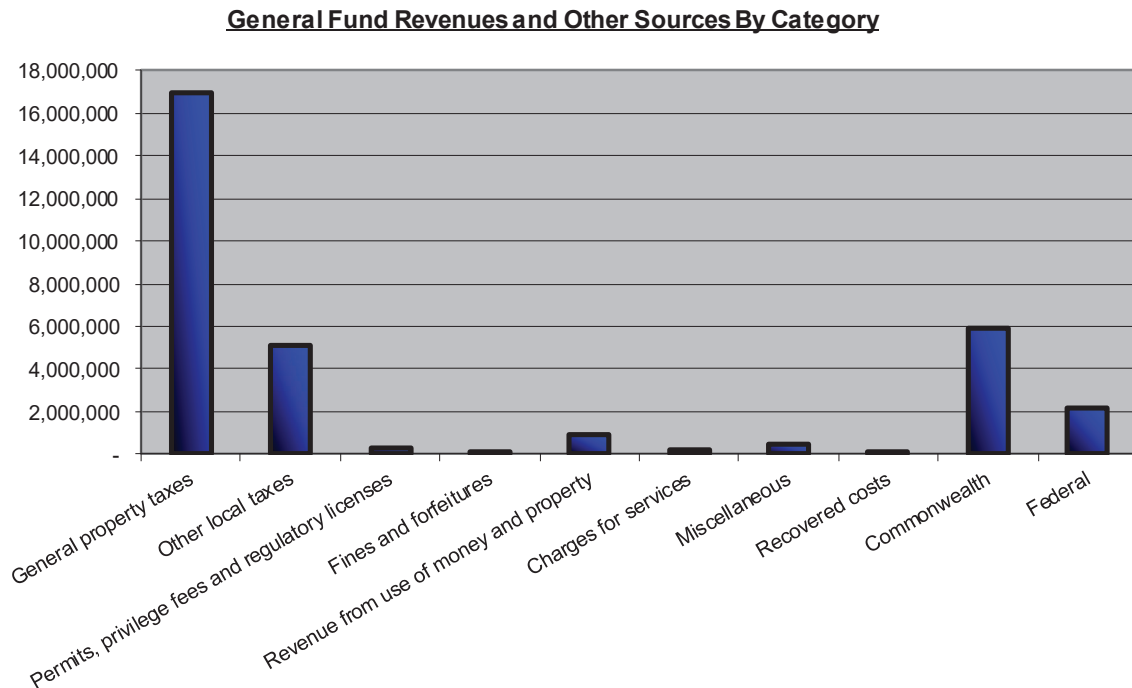
The General Fund is the primary operating fund of the County. The General Fund reports a fund balance at June 30, 2023 of \$19,082,228. This is an increase from the prior year of \$887,200.

The Landfill Construction Fund is used to pay expenses associated with the opening and closing of landfill cells. On June 30, 2023 the Landfill Construction Fund had a fund balance of \$3,576,845, an increase of \$486,575. 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 74% 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.

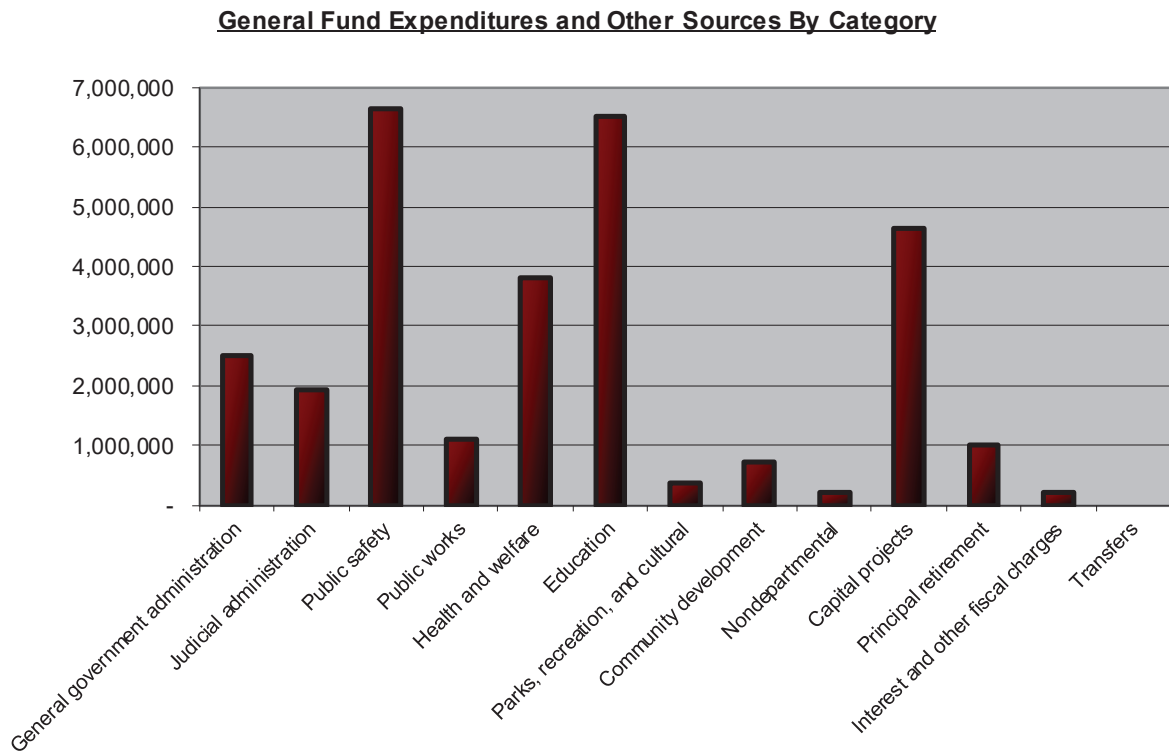
General Fund Revenues and Other Sources by Category

The following graph depicts General Fund revenues and other sources by categories. Total revenues and other sources are \$32,372,666.



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 \$29,673,896 including transfers out of the fund of \$2,729,603.



General Fund Budgetary Highlights

The final amended General Fund budget saw revenues increased by \$1,926,787 over the original budgeted amount. The final expenditure budget reflected an increase of \$3,567,424 when compared to the original budget. The revenue increases (decreases) were as follows:

- \$ 115,927 in local revenues from miscellaneous
- \$ 1,037,588 in intergovernmental revenues from the Commonwealth of Virginia
- \$ 601,095 in intergovernmental revenues from the Federal government

The Expenditure amendments were as follows:

- \$ 57,547 increase in General administration
- \$ 208,173 increase in Judicial administration
- \$ 1,098,186 increase in Public safety
- \$ 134,956 increase in Public works
- \$ 395,260 decrease in Health and welfare
- \$ 57,435 increase in Community development
- \$ 2,844,162 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, 2023, is \$24,937,805 (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, 2023 and 2022

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
	Land	\$ 1,276,554	\$ 1,276,554	\$ 244,000	\$ 244,000	\$ 1,520,554
Buildings	12,868,038	13,439,664	-	-	12,868,038	13,439,664
Improvements other than buildings	17,983	26,973	803,090	500,153	821,073	527,126
Equipment	1,300,206	800,967	369,508	568,757	1,669,714	1,369,724
Utility plant in service	-	-	3,205,401	3,292,366	3,205,401	3,292,366
Construction in progress	4,130,811	413,787	722,214	-	4,853,025	413,787
Net capital assets	<u>\$ 19,593,592</u>	<u>\$ 15,957,945</u>	<u>\$ 5,344,213</u>	<u>\$ 4,605,276</u>	<u>\$ 24,937,805</u>	<u>\$ 20,563,221</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 FY2023, Prince Edward County had total outstanding obligations of \$14,783,865. Of this amount, \$12,673,587 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 \$1,407,839.

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

Economic Factors Influencing FY2023 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.

Economic Factors Influencing FY2023 Budgets and Tax Rates: (Continued)

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:

	Longwood			Hampden-Sydney		
	Enrollment	Employment		Enrollment	Employment	
		Full-Time	Part-Time		Full-Time	Part-Time
2017-2018	5,080	798	158	1,046	-	-
2018-2019	4,917	806	175	1,072	-	-
2019-2020	4,493	792	152	993	-	-
2020-2021	4,773	753	133	881	-	-
2021-2022	4,611	709	132	851	299	24
2022-2023	4,358	690	149	851	307	36
2023-2024	4,467	696	152	876	312	43

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), in 2022 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 significant steps 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. In 2024 the County will be submitting a grant request for \$22,636,000 to fund infrastructure improvements to get water and sewer to the site.

In September 2023, the County completed 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 was necessary to gain access to 100+ acres of land within the Business Park that were landlocked.

Economic Factors Influencing FY2023 Budgets and Tax Rates: (Continued)

Construction included 1,500 feet of roadway built to state standards for acceptance into the VDOT road system. The project also included the extension of a water line to serve the park. Costing \$2.8 million, the project was funded through a combination of grants from the VDOT Industrial Access program, the Tobacco Commission, and County contributions.

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:

	<u>County</u>			<u>Town</u>					<u>Total County/Town</u>
	<u>One & Two</u>		<u>Subtotal</u>	<u>Single</u>		<u>Multi</u>		<u>Mobile</u>	
	<u>Family Dwellings</u>	<u>Mobile Homes</u>		<u>Family</u>	<u>Duplex</u>	<u>Family</u>	<u>Homes</u>		
2015	36	30	66	46	0	4	0	50	116
2016	37	31	68	35	0	3	0	38	106
2017	24	26	50	62	8	1	0	71	121
2018	33	27	60	50	8	1	0	59	119
2019	38	21	59	12	3	0	11	26	85
2020	45	49	94	18	1	4	2	25	119
2021	49	29	78	14	1	9	15	39	117
2022	45	32	77	7	0	0	17	24	101
2023	46	26	72	5	1	0	3	9	81

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. In 2024, the County is starting to see this investment payoff with the development of a new Wawa, Harbor Freight, car wash, and meat processing facility.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
June 30, 2023

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
ASSETS					
Cash and cash equivalents	\$ 28,102,121	\$ 9	\$ 28,102,130	\$ 1,685,271	\$ 716,666
Receivables (net of allowance for uncollectibles):					
Taxes receivable	9,081,065	-	9,081,065	-	-
Accounts receivable	334,967	118,154	453,121	-	-
Loan receivable	-	-	-	-	379,277
Note receivable	247,486	-	247,486	-	-
Interest receivable	2,396	-	2,396	-	-
Leases receivable	1,507,292	-	1,507,292	-	-
Due from component unit	2,330,784	-	2,330,784	-	-
Due from other governmental units	1,605,844	-	1,605,844	2,927,917	-
Prepaid items	1,529	-	1,529	-	-
Net pension asset	-	-	-	558,869	-
Industrial assets	-	-	-	-	2,575,018
Capital assets (net of accumulated depreciation):					
Land	1,276,554	244,000	1,520,554	99,952	-
Buildings and improvements	12,868,038	-	12,868,038	7,531,002	-
Improvements other than buildings	17,983	369,508	387,491	185,177	-
Equipment	1,300,206	803,090	2,103,296	2,718,533	-
Utility plant in service	-	3,205,401	3,205,401	-	-
Construction in progress	4,130,811	722,214	4,853,025	461,412	-
Total assets	\$ 62,807,076	\$ 5,462,376	\$ 68,269,452	\$ 16,168,133	\$ 3,670,961
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ 821,715	\$ 41,593	\$ 863,308	\$ 2,899,115	\$ -
OPEB related items	242,799	14,277	257,076	548,346	-
Deferred amount on bond refunding	309,210	-	309,210	-	-
Total deferred outflows of resources	\$ 1,373,724	\$ 55,870	\$ 1,429,594	\$ 3,447,461	\$ -
LIABILITIES					
Accounts payable	\$ 786,111	\$ 75,215	\$ 861,326	\$ 1,323,447	\$ -
Accrued interest payable	103,326	25,208	128,534	-	-
Due to primary government	-	-	-	2,330,784	-
Unearned revenue	2,920,094	-	2,920,094	-	-
Long-term liabilities:					
Due within one year	1,391,239	337,581	1,728,820	-	-
Due in more than one year	13,392,626	8,811,908	22,204,534	14,971,504	-
Total liabilities	\$ 18,593,396	\$ 9,249,912	\$ 27,843,308	\$ 18,625,735	\$ -
DEFERRED INFLOWS OF RESOURCES					
Pension related items	\$ 843,548	\$ 9,009	\$ 852,557	\$ 4,158,243	\$ -
OPEB related items	297,430	17,345	314,775	1,517,365	-
Deferred revenue - property taxes	7,272,738	-	7,272,738	-	-
Lease related items	1,495,928	-	1,495,928	-	-
Total deferred inflows of resources	\$ 9,909,644	\$ 26,354	\$ 9,935,998	\$ 5,675,608	\$ -
NET POSITION					
Net investment in capital assets	\$ 7,237,005	\$ 2,529,378	\$ 9,766,383	\$ 10,996,076	\$ -
Restricted:					
Pension asset	-	-	-	558,869	-
Community Development Authority	88,508	-	88,508	-	-
Forfeited assets	42,252	-	42,252	-	-
Unrestricted (deficit)	28,309,995	(6,287,398)	22,022,597	(16,240,694)	3,670,961
Total net position	\$ 35,677,760	\$ (3,758,020)	\$ 31,919,740	\$ (4,685,749)	\$ 3,670,961

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,382,876	\$ 1,504,618	\$ 1,092,999	\$ -
Judicial administration	2,209,008	254,565	845,118	-
Public safety	8,287,187	111,028	2,182,226	-
Public works	1,187,177	481,427	214,725	-
Health and welfare	4,209,245	-	2,798,495	-
Education	6,009,662	-	-	-
Parks, recreation, and cultural	376,550	-	-	-
Community development	781,675	-	-	-
Interest on long-term debt	252,888	-	-	-
Total governmental activities	\$ 26,696,268	\$ 2,351,638	\$ 7,133,563	\$ -
Business-type activities:				
Water	\$ 121,488	\$ 596	\$ -	\$ -
Sewer	56,435	4,261	-	-
Landfill	2,410,857	635,620	-	-
Total business-type activities	\$ 2,588,780	\$ 640,477	\$ -	\$ -
Total primary government	\$ 29,285,048	\$ 2,992,115	\$ 7,133,563	\$ -
COMPONENT UNITS:				
School Board	\$ 28,280,846	\$ 291,316	\$ 25,587,836	\$ -
Industrial Development Authority	321,938	-	-	-
Total component units	\$ 28,602,784	\$ 291,316	\$ 25,587,836	\$ -

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	School Board	Industrial Development Authority
PRIMARY GOVERNMENT:					
Governmental activities:					
General government administration	\$ (785,259)	\$ -	\$ (785,259)	\$ -	\$ -
Judicial administration	(1,109,325)	-	(1,109,325)	-	-
Public safety	(5,993,933)	-	(5,993,933)	-	-
Public works	(491,025)	-	(491,025)	-	-
Health and welfare	(1,410,750)	-	(1,410,750)	-	-
Education	(6,009,662)	-	(6,009,662)	-	-
Parks, recreation, and cultural	(376,550)	-	(376,550)	-	-
Community development	(781,675)	-	(781,675)	-	-
Interest on long-term debt	(252,888)	-	(252,888)	-	-
Total governmental activities	\$ (17,211,067)	\$ -	\$ (17,211,067)	\$ -	\$ -
Business-type activities:					
Water	\$ -	\$ (120,892)	\$ (120,892)	\$ -	\$ -
Sewer	-	(52,174)	(52,174)	-	-
Landfill	-	(1,775,237)	(1,775,237)	-	-
Total business-type activities	\$ -	\$ (1,948,303)	\$ (1,948,303)	\$ -	\$ -
Total primary government	\$ (17,211,067)	\$ (1,948,303)	\$ (19,159,370)	\$ -	\$ -
COMPONENT UNITS:					
School Board	\$ -	\$ -	\$ -	\$ (2,401,694)	\$ -
Industrial Development Authority	-	-	-	-	(321,938)
Total component units	\$ -	\$ -	\$ -	\$ (2,401,694)	\$ (321,938)
General revenues:					
General property taxes	\$ 17,876,894	\$ -	\$ 17,876,894	\$ -	\$ -
Other local taxes:					
Local sales and use taxes	3,880,738	-	3,880,738	-	-
Consumers' utility taxes	324,534	-	324,534	-	-
Motor vehicle licenses	540,667	-	540,667	-	-
Taxes on recordation and wills	244,386	-	244,386	-	-
Other local taxes	154,049	-	154,049	-	-
Unrestricted revenues from use of money	708,356	9	708,365	5,849	11,085
Miscellaneous	500,933	-	500,933	282,191	59,969
Contributions from the County of Prince Edward, Virginia	-	-	-	5,999,230	101,307
Grants and contributions not restricted to specific programs	2,180,638	-	2,180,638	-	-
Transfers	(2,075,932)	2,075,932	-	-	-
Total general revenues	\$ 24,335,263	\$ 2,075,941	\$ 26,411,204	\$ 6,287,270	\$ 172,361
Change in net position	\$ 7,124,196	\$ 127,638	\$ 7,251,834	\$ 3,885,576	\$ (149,577)
Net position - beginning, as restated	28,553,564	(3,885,658)	24,667,906	(8,571,325)	3,820,538
Net position - ending	\$ 35,677,760	\$ (3,758,020)	\$ 31,919,740	\$ (4,685,749)	\$ 3,670,961

Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2023

	General	Special Projects	Landfill Construction	County ARPA Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 15,656,036	\$ 4,769,903	\$ 3,521,150	2,752,564	\$ 1,045,203	\$ 27,744,856
Receivables (net of allowance for uncollectibles):						
Taxes receivable	9,081,065	-	-	-	-	9,081,065
Accounts receivable	279,272	-	55,695	-	-	334,967
Interest receivable	2,396	-	-	-	-	2,396
Leases receivable	1,507,292	-	-	-	-	1,507,292
Due from component unit	2,330,784	-	-	-	-	2,330,784
Due from other governmental units	1,605,844	-	-	-	-	1,605,844
Prepaid items	1,529	-	-	-	-	1,529
Total assets	<u>\$ 30,464,218</u>	<u>\$ 4,769,903</u>	<u>\$ 3,576,845</u>	<u>2,752,564</u>	<u>\$ 1,045,203</u>	<u>\$ 42,608,733</u>
LIABILITIES						
Accounts payable	\$ 686,751	\$ -	-	-	2,258	\$ 689,009
Accrued liabilities	74,740	-	-	-	-	74,740
Unearned revenues	167,530	-	-	2,752,564	-	2,920,094
Total liabilities	<u>\$ 929,021</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,752,564</u>	<u>2,258</u>	<u>\$ 3,683,843</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 8,957,041	\$ -	-	-	-	\$ 8,957,041
Lease related items	1,495,928	-	-	-	-	1,495,928
Total deferred inflows of resources	<u>\$ 10,452,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,452,969</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 1,529	\$ -	-	-	-	\$ 1,529
Restricted:						
Community Development Authority	88,508	-	-	-	-	88,508
Forfeited assets	42,252	-	-	-	-	42,252
Committed:						
Economic Development	457,786	-	-	-	-	457,786
Special projects	-	4,769,903	-	-	-	4,769,903
Assigned:						
Landfill construction	-	-	3,576,845	-	-	3,576,845
Recreation capital projects	-	-	-	-	9,303	9,303
Special revenue	-	-	-	-	1,033,642	1,033,642
Unassigned	18,492,153	-	-	-	-	18,492,153
Total fund balances	<u>\$ 19,082,228</u>	<u>\$ 4,769,903</u>	<u>\$ 3,576,845</u>	<u>\$ -</u>	<u>\$ 1,042,945</u>	<u>\$ 28,471,921</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 30,464,218</u>	<u>\$ 4,769,903</u>	<u>\$ 3,576,845</u>	<u>2,752,564</u>	<u>\$ 1,045,203</u>	<u>\$ 42,608,733</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds \$ 28,471,921

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

Capital assets, cost	\$ 30,249,605	
Accumulated depreciation	<u>(10,656,013)</u>	19,593,592

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: 334,903

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

Unavailable property taxes	\$ 1,684,303	
Notes receivable	<u>247,486</u>	1,931,789

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

Pension related items	\$ 821,715	
OPEB related items	242,799	
Deferred amount on bond refunding	<u>309,210</u>	1,373,724

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	\$ (12,673,587)	
Accrued interest payable	(103,326)	
Compensated absences	(629,014)	
Net pension liability	(708,298)	
Net OPEB liabilities	<u>(772,966)</u>	(14,887,191)

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

Pension related items	\$ (843,548)	
OPEB related items	<u>(297,430)</u>	<u>(1,140,978)</u>

Net position of governmental activities \$ 35,677,760

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

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

	General	Special Projects	School Debt Service	Landfill Construction Fund	County ARPA Fund	Other Governmental Funds	Total
REVENUES							
General property taxes	\$ 16,920,542	\$ -	\$ -	\$ -	\$ -	382,875	\$ 17,303,417
Other local taxes	5,144,374	-	-	-	-	-	5,144,374
Permits, privilege fees, and regulatory licenses	297,065	-	-	-	-	-	297,065
Fines and forfeitures	130,931	-	-	-	-	-	130,931
Revenue from the use of money and property	876,867	-	20,349	5,148	-	192	902,556
Charges for services	250,152	-	-	481,427	-	-	731,579
Miscellaneous	500,933	-	-	-	-	-	500,933
Recovered costs	152,488	-	-	-	-	-	152,488
Intergovernmental:							
Local government - component unit school board	-	-	99,991	-	-	-	99,991
Commonwealth	5,872,199	-	-	-	-	677,399	6,549,598
Federal	2,227,115	-	-	-	537,488	-	2,764,603
Total revenues	\$ 32,372,666	\$ -	\$ 120,340	\$ 486,575	\$ 537,488	\$ 1,060,466	\$ 34,577,535
EXPENDITURES							
Current:							
General government administration	\$ 2,489,604	\$ -	\$ -	\$ -	387,488	\$ -	\$ 2,877,092
Judicial administration	1,937,660	-	-	-	-	-	1,937,660
Public safety	6,647,730	-	-	-	-	905,642	7,553,372
Public works	1,096,825	-	-	-	-	-	1,096,825
Health and welfare	3,801,558	-	-	-	-	-	3,801,558
Education	6,516,760	-	-	-	-	-	6,516,760
Parks, recreation, and cultural	353,972	-	-	-	-	-	353,972
Community development	732,111	-	-	-	-	-	732,111
Nondepartmental	210,324	-	-	-	-	-	210,324
Capital projects	4,645,280	-	-	-	-	-	4,645,280
Debt service:							
Principal retirement	1,020,875	-	1,000,000	-	-	-	2,020,875
Interest and other fiscal charges	221,197	-	-	-	-	-	221,197
Total expenditures	\$ 29,673,896	\$ -	\$ 1,000,000	\$ -	\$ 387,488	\$ 905,642	\$ 31,967,026
Excess (deficiency) of revenues over (under) expenditures	\$ 2,698,770	\$ -	\$ (879,660)	\$ 486,575	\$ 150,000	\$ 154,824	\$ 2,610,509
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 451,033	\$ 653,671	\$ -	\$ -	\$ -	\$ -	\$ 1,104,704
Transfers out	(2,729,603)	(301,033)	-	-	(150,000)	-	(3,180,636)
Issuance of note payable	467,000	-	-	-	-	-	467,000
Total other financing sources (uses)	\$ (1,811,570)	\$ 352,638	\$ -	\$ -	\$ (150,000)	\$ -	\$ (1,608,932)
Net change in fund balances	\$ 887,200	\$ 352,638	\$ (879,660)	\$ 486,575	\$ -	\$ 154,824	\$ 1,001,577
Fund balances - beginning, as restated	18,195,028	4,417,265	879,660	3,090,270	-	888,121	27,470,344
Fund balances - ending	\$ 19,082,228	\$ 4,769,903	\$ -	\$ 3,576,845	\$ -	\$ 1,042,945	\$ 28,471,921

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

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

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

Net change in fund balances - total governmental funds	\$	1,001,577	
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	\$	4,740,648	
Net transfer of joint tenancy assets		19,289	
Depreciation expense		<u>(1,007,304)</u>	3,752,633
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.			
			(116,986)
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			573,477
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.			
			(194,200)
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.			
			(38,754)
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. 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 obligations and related items.			
Issuance of long-term debt including premiums	\$	(467,000)	
Principal payments and premium amortization		<u>2,408,693</u>	1,941,693
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	\$	2,665	
(Increase) decrease in compensated absences		(39,620)	
Increase (decrease) in deferred amount on refunding		(34,356)	
Pension expense		216,944	
OPEB expense		<u>59,123</u>	<u>204,756</u>
Change in net position of governmental activities	\$		<u><u>7,124,196</u></u>

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

Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Landfill	Total	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 9	\$ 9	\$ 357,265
Accounts receivables	-	-	118,154	118,154	-
Total current assets	\$ -	\$ -	\$ 118,163	\$ 118,163	\$ 357,265
Noncurrent assets:					
Capital assets:					
Land	\$ -	\$ -	\$ 244,000	\$ 244,000	\$ -
Utility plant in service	3,107,261	1,241,000	1,835,921	6,184,182	-
Machinery and equipment	-	-	1,786,109	1,786,109	-
Accumulated depreciation	(795,380)	(347,480)	(2,449,432)	(3,592,292)	-
Construction in progress	-	-	722,214	722,214	-
Total capital assets	\$ 2,311,881	\$ 893,520	\$ 2,138,812	\$ 5,344,213	\$ -
Total noncurrent assets	\$ 2,311,881	\$ 893,520	\$ 2,138,812	\$ 5,344,213	\$ -
Total assets	\$ 2,311,881	\$ 893,520	\$ 2,256,975	\$ 5,462,376	\$ 357,265
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	\$ -	\$ -	\$ 41,593	\$ 41,593	\$ -
OPEB related items	-	-	14,277	14,277	-
Total deferred outflows of resources	\$ -	\$ -	\$ 55,870	\$ 55,870	\$ -
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 39	\$ 1,236	\$ 73,940	\$ 75,215	\$ 22,362
Accrued interest payable	18,357	6,851	-	25,208	-
Compensated absences - current portion	-	-	3,662	3,662	-
Bonds payable - current portion	179,078	71,433	83,408	333,919	-
Total current liabilities	\$ 197,474	\$ 79,520	\$ 161,010	\$ 438,004	\$ 22,362
Noncurrent liabilities:					
Bonds payable - net of current portion	\$ 1,576,773	\$ 582,112	\$ 322,031	\$ 2,480,916	\$ -
Landfill closure liability	-	-	6,190,450	6,190,450	-
Net pension liability	-	-	32,599	32,599	-
Net OPEB liability	-	-	74,983	74,983	-
Compensated absences - net of current portion	-	-	32,960	32,960	-
Total noncurrent liabilities	\$ 1,576,773	\$ 582,112	\$ 6,653,023	\$ 8,811,908	\$ -
Total liabilities	\$ 1,774,247	\$ 661,632	\$ 6,814,033	\$ 9,249,912	\$ 22,362
DEFERRED INFLOWS OF RESOURCES					
Pension related items	\$ -	\$ -	\$ 9,009	\$ 9,009	\$ -
OPEB related items	-	-	17,345	17,345	-
Total deferred inflows of resources	\$ -	\$ -	\$ 26,354	\$ 26,354	\$ -
NET POSITION					
Net investment in capital assets	\$ 556,030	\$ 239,975	\$ 1,733,373	\$ 2,529,378	\$ -
Unrestricted	(18,396)	(8,087)	(6,260,915)	(6,287,398)	334,903
Total net position	\$ 537,634	\$ 231,888	\$ (4,527,542)	\$ (3,758,020)	\$ 334,903

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, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Landfill	Total	Internal Service Fund
OPERATING REVENUES					
Charges for services:					
Water revenues	\$ 596	\$ -	\$ -	\$ 596	\$ -
Sewer revenues	-	4,261	-	4,261	-
Landfill revenues	-	-	635,620	635,620	-
Insurance premiums	-	-	-	-	1,192,063
Total operating revenues	\$ 596	\$ 4,261	\$ 635,620	\$ 640,477	\$ 1,192,063
OPERATING EXPENSES					
Supplies	\$ 1,526	\$ -	\$ -	\$ 1,526	\$ -
Repairs and maintenance	-	10,101	-	10,101	-
Utilities	-	590	-	590	-
Insurance	397	397	-	794	1,230,817
Professional services	2,425	-	-	2,425	-
Collections	-	-	924,272	924,272	-
Landfill operations	-	-	1,045,180	1,045,180	-
Depreciation	62,145	24,820	427,960	514,925	-
Total operating expenses	\$ 66,493	\$ 35,908	\$ 2,397,412	\$ 2,499,813	\$ 1,230,817
Operating income (loss)	\$ (65,897)	\$ (31,647)	\$ (1,761,792)	\$ (1,859,336)	\$ (38,754)
Interest income	\$ -	\$ -	\$ 9	\$ 9	\$ -
Interest expense	(54,995)	(20,527)	(13,445)	(88,967)	-
Total nonoperating revenues (expenses)	\$ (54,995)	\$ (20,527)	\$ (13,436)	\$ (88,958)	\$ -
Income before transfers	\$ (120,892)	\$ (52,174)	\$ (1,775,228)	\$ (1,948,294)	\$ (38,754)
Transfers in	\$ 237,390	\$ 92,782	\$ 1,790,760	\$ 2,120,932	\$ -
Transfers out	-	-	(45,000)	(45,000)	-
Change in net position	\$ 116,498	\$ 40,608	\$ (29,468)	\$ 127,638	\$ (38,754)
Total net position - beginning	421,136	191,280	(4,498,074)	(3,885,658)	373,657
Total net position - ending	\$ 537,634	\$ 231,888	\$ (4,527,542)	\$ (3,758,020)	\$ 334,903

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, 2023

	Business-type Activities - Enterprise Funds				Governmental
	Water	Sewer	Landfill	Total	Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 596	\$ 4,261	\$ 645,056	\$ 649,913	\$ 1,192,063
Payments to suppliers	(4,350)	(9,852)	(1,976,582)	(1,990,784)	(1,263,339)
Net cash provided by (used for) operating activities	\$ (3,754)	\$ (5,591)	\$ (1,331,526)	\$ (1,340,871)	\$ (71,276)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from other funds	\$ 237,390	\$ 92,782	\$ 1,745,760	\$ 2,075,932	\$ -
Net cash provided by (used for) noncapital financing activities	\$ 237,390	\$ 92,782	\$ 1,745,760	\$ 2,075,932	\$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Additions to capital assets	\$ -	\$ -	\$ (1,253,892)	\$ (1,253,892)	\$ -
Principal payments on bonds	(176,914)	(66,004)	(41,167)	(284,085)	-
Issuance of debt	-	-	446,606	446,606	-
Additions to landfill closure liability	-	-	410,385	410,385	-
Interest payments	(56,763)	(21,187)	(13,445)	(91,395)	-
Net cash provided by (used for) capital and related financing activities	\$ (233,677)	\$ (87,191)	\$ (451,513)	\$ (772,381)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	\$ -	\$ -	\$ 9	\$ 9	\$ -
Net increase (decrease) in cash and cash equivalents	\$ (41)	\$ -	\$ (37,270)	\$ (37,311)	\$ (71,276)
Cash and cash equivalents - beginning	41	-	37,279	37,320	428,541
Cash and cash equivalents - ending	\$ -	\$ -	\$ 9	\$ 9	\$ 357,265
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (65,897)	\$ (31,647)	\$ (1,761,792)	\$ (1,859,336)	\$ (38,754)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	\$ 62,145	\$ 24,820	\$ 427,960	\$ 514,925	\$ -
(Increase) decrease in accounts receivable	-	-	9,436	9,436	-
(Increase) decrease in net pension asset	-	-	37,346	37,346	-
(Increase) decrease in deferred outflows - pension	-	-	11,671	11,671	-
(Increase) decrease in deferred outflows - OPEB	-	-	1,816	1,816	-
Increase (decrease) in accounts payable	(2)	1,236	36,662	37,896	(32,522)
Increase (decrease) in compensated absences	-	-	5,465	5,465	-
Increase (decrease) in deferred inflows - pension	-	-	(132,581)	(132,581)	-
Increase (decrease) in deferred inflows - OPEB	-	-	8,132	8,132	-
Increase (decrease) in net pension liability	-	-	32,599	32,599	-
Increase (decrease) in net OPEB liability	-	-	(8,240)	(8,240)	-
Total adjustments	\$ 62,143	\$ 26,056	\$ 430,266	\$ 518,465	\$ (32,522)
Net cash provided by (used for) operating activities	\$ (3,754)	\$ (5,591)	\$ (1,331,526)	\$ (1,340,871)	\$ (71,276)

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, 2023

Note 1—Summary of Significant Accounting Policies:

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, 2023 (Continued)

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

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, 2023 (Continued)

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

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 \$287,472 to the regional library, \$526,010 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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

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

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

1. Governmental Funds

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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, 2023 (Continued)

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

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: None for FY2023.

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.

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 \$674,399 at June 30, 2023 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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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:

<u>Assets</u>	<u>Years</u>
Structures, lines & accessories	50
Utility plant in service	50
Buildings	40
Building improvements	20-40
Equipment	5

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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, 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;

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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 has no restricted assets as of June 30, 2023.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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.

- 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/asset, 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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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.

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 receivable.

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

Note 2—Deposits and Investments:

Deposits

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 2—Deposits and Investments: (Continued)

Investments

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

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

Note 3—Due From Other Governmental Units:

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	\$ -	\$ 500,814
Local sales tax	663,536	-
Communication tax	34,300	-
Shared expenses	191,929	-
Social services funds	75,551	-
Comprehensive services	41,702	-
State forest in lieu of taxes	68,163	-
Other	29,876	-
Federal Government:		
School funds	-	1,075,419
CARES Act funds	-	1,351,684
Social services funds	124,187	-
Firefighters grant	364,573	-
Other	12,027	-
	<u>\$ 1,605,844</u>	<u>\$ 2,927,917</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 4—Capital Assets:

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Primary Government:				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,276,554	\$ -	\$ -	\$ 1,276,554
Construction in progress	413,787	3,780,314	63,290	4,130,811
Total capital assets not being depreciated	<u>\$ 1,690,341</u>	<u>\$ 3,780,314</u>	<u>\$ 63,290</u>	<u>\$ 5,407,365</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 20,502,623	\$ 135,346	\$ 196,325	\$ 20,441,644
Improvements other than buildings	595,762	-	-	595,762
Equipment	3,022,006	888,278	105,450	3,804,834
Total capital assets being depreciated	<u>\$ 24,120,391</u>	<u>\$ 1,023,624</u>	<u>\$ 301,775</u>	<u>\$ 24,842,240</u>
Accumulated depreciation:				
Buildings and improvements	\$ 7,062,959	\$ 627,900	\$ 117,253	\$ 7,573,606
Improvements other than buildings	568,789	8,990	-	577,779
Equipment	2,221,039	370,414	86,825	2,504,628
Total accumulated depreciation	<u>\$ 9,852,787</u>	<u>\$ 1,007,304</u>	<u>\$ 204,078</u>	<u>\$ 10,656,013</u>
Total capital assets being depreciated, net	<u>\$ 14,267,604</u>	<u>\$ 16,320</u>	<u>\$ 97,697</u>	<u>\$ 14,186,227</u>
Governmental activities capital assets, net	<u>\$ 15,957,945</u>	<u>\$ 3,796,634</u>	<u>\$ 160,987</u>	<u>\$ 19,593,592</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 244,000	\$ -	\$ -	\$ 244,000
Construction in progress	-	722,214	-	722,214
Totals	<u>\$ 244,000</u>	<u>\$ 722,214</u>	<u>\$ -</u>	<u>\$ 966,214</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 1,302,431	\$ 483,678	\$ -	\$ 1,786,109
Improvements other than buildings	1,787,921	48,000	-	1,835,921
Utility plant in service	4,348,261	-	-	4,348,261
Total capital assets being depreciated	<u>\$ 7,438,613</u>	<u>\$ 531,678</u>	<u>\$ -</u>	<u>\$ 7,970,291</u>
Accumulated depreciation:				
Machinery and equipment	\$ 732,954	\$ 250,065	\$ -	\$ 983,019
Improvements other than buildings	1,288,518	177,895	-	1,466,413
Utility plant in service	1,055,895	86,965	-	1,142,860
Total accumulated depreciation	<u>\$ 3,077,367</u>	<u>\$ 514,925</u>	<u>\$ -</u>	<u>\$ 3,592,292</u>
Total capital assets being depreciated, net	<u>\$ 4,361,246</u>	<u>\$ 16,753</u>	<u>\$ -</u>	<u>\$ 4,377,999</u>
Business-type activities capital assets, net	<u>\$ 4,605,246</u>	<u>\$ 738,967</u>	<u>\$ -</u>	<u>\$ 5,344,213</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 4—Capital Assets: (Continued)

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Component Unit-School Board:				
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 99,952	\$ -	\$ -	\$ 99,952
Construction in progress	-	461,412	-	461,412
Totals	<u>\$ 99,952</u>	<u>\$ 461,412</u>	<u>\$ -</u>	<u>\$ 561,364</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 24,775,069	\$ 282,674	\$ -	\$ 25,057,743
Improvements other than buildings	730,558	-	-	730,558
Equipment	6,123,789	888,218	1,132,955	5,879,052
Total capital assets being depreciated	<u>\$ 31,629,416</u>	<u>\$ 1,170,892</u>	<u>\$ 1,132,955</u>	<u>\$ 31,667,353</u>
Accumulated depreciation:				
Buildings and improvements	\$ 17,011,332	\$ 515,409	\$ -	\$ 17,526,741
Improvements other than buildings	532,356	13,025	-	545,381
Equipment	3,787,881	496,459	1,123,821	3,160,519
Total accumulated depreciation	<u>\$ 21,331,569</u>	<u>\$ 1,024,893</u>	<u>\$ 1,123,821</u>	<u>\$ 21,232,641</u>
Total capital assets being depreciated, net	<u>\$ 10,297,847</u>	<u>\$ 145,999</u>	<u>\$ 9,134</u>	<u>\$ 10,434,712</u>
Governmental activities capital assets, net	<u>\$ 10,397,799</u>	<u>\$ 607,411</u>	<u>\$ 9,134</u>	<u>\$ 10,996,076</u>

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

Primary Government	
Governmental activities:	
General government administration	\$ 411,473
Judicial administration	178,496
Public safety	209,081
Public works	18,292
Health and Welfare	188,879
Community development	1,083
Total Governmental Activities	<u>\$ 1,007,304</u>
Business type activities	<u>\$ 514,925</u>
Total Primary Government	<u>\$ 1,522,229</u>
Component Unit-School Board	<u>\$ 1,024,893</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit 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, 2023 (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, 2021 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	104	41
Inactive members:		
Vested inactive members	22	4
Non-vested inactive members	43	10
Inactive members active elsewhere in VRS	83	12
Total inactive members	<u>148</u>	<u>26</u>
Active members	<u>124</u>	<u>31</u>
Total covered employees	<u><u>376</u></u>	<u><u>98</u></u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 9.72% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$583,224 and \$483,902 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 0.00% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$0 and \$23,749 for the years ended June 30, 2023 and June 30, 2022, 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, 2022. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on 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

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County’s Retirement Plan was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

Mortality rates:

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

Pre-Retirement:

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

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

Mortality rates: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

Discount Rate

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 27,757,401	\$ 28,878,797	\$ (1,121,396)
Changes for the year:			
Service cost	\$ 664,142	\$ -	\$ 664,142
Interest	1,867,752	-	1,867,752
Differences between expected and actual experience	66,321	-	66,321
Contributions - employer	-	483,899	(483,899)
Contributions - employee	-	293,252	(293,252)
Net investment income	-	(23,823)	23,823
Benefit payments, including refunds of employee contributions	(1,502,285)	(1,502,285)	-
Administrative expenses	-	(18,067)	18,067
Other changes	-	661	(661)
Net changes	\$ 1,095,930	\$ (766,363)	\$ 1,862,293
Balances at June 30, 2022	\$ 28,853,331	\$ 28,112,434	\$ 740,897

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2021	\$ 4,231,359	\$ 4,884,321	\$ (652,962)
Changes for the year:			
Service cost	\$ 51,594	\$ -	\$ 51,594
Interest	282,225	-	282,225
Differences between expected and actual experience	(192,539)	-	(192,539)
Contributions - employer	-	23,747	(23,747)
Contributions - employee	-	29,661	(29,661)
Net investment income	-	(3,263)	3,263
Benefit payments, including refunds of employee contributions	(203,669)	(203,669)	-
Administrative expenses	-	(3,069)	3,069
Other changes	-	111	(111)
Net changes	\$ (62,389)	\$ (156,482)	\$ 94,093
Balances at June 30, 2022	\$ 4,168,970	\$ 4,727,839	\$ (558,869)

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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net Pension Liability (Asset)	\$ 4,409,331	\$ 740,897	\$ (2,269,329)
Component Unit School Board's (nonprofessional)			
Net Pension Liability (Asset)	\$ (108,356)	\$ (558,869)	\$ (934,788)

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$315,311 and (\$198,006) respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,188	\$ -	\$ -	\$ 93,292
Change in assumptions	206,899	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	843,560	-	144,289
Proportionate share	8,997	8,997	-	-
Employer contributions subsequent to the measurement date	583,224	-	-	-
Total	\$ 863,308	\$ 852,557	\$ -	\$ 237,581

\$583,224 and \$0 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$ (71,008)	\$ (148,569)
2025	(328,062)	(57,963)
2026	(563,018)	(96,605)
2027	389,617	65,556
Thereafter	-	-

Pension Plan Data

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 5—Pension Plan: (Continued)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$1,790,686 and \$1,811,417 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

At June 30, 2023, the school division reported a liability of \$11,608,466 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was .12193% as compared to .12485% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of (\$119,664). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expenses calculation.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 800,450
Net difference between projected and actual earnings on pension plan investments	-	1,513,501
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,984	1,606,711
Changes in assumptions	1,094,445	-
Employer contributions subsequent to the measurement date	<u>1,790,686</u>	<u>-</u>
Total	<u>\$ 2,899,115</u>	<u>\$ 3,920,662</u>

\$1,790,686 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2024	\$ (990,360)
2025	(1,038,503)
2026	(1,323,900)
2027	540,530
2028	-

Actuarial Assumptions

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2022, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

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

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

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

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

	Rate		
	<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	\$ 20,733,609	\$ 11,608,466	\$ 4,178,593

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

	VRS Pension Plans			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 863,308	\$ 852,557	\$ 740,897	\$ 315,311
Totals	<u>\$ 863,308</u>	<u>\$ 852,557</u>	<u>\$ 740,897</u>	<u>\$ 315,311</u>
Component Unit School Board				
School Board Nonprofessional	\$ -	\$ 237,581	\$ (558,869)	\$ (198,006)
School Board Professional	2,899,115	3,920,662	11,608,466	(119,664)
Totals	<u>\$ 2,899,115</u>	<u>\$ 4,158,243</u>	<u>\$ 11,049,597</u>	<u>\$ (317,670)</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>665,636</u>
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COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023:

	Balance at July 1, 2022	Issuances/ Additions	Retirements/ Deletions	Balance at June 30, 2023	Due Within One Year
Governmental Activities:					
Direct Borrowings or Placements:					
General obligation bonds (VPSA)	\$ 225,000	\$ -	\$ 45,000	\$ 180,000	\$ 45,000
General obligation bonds	5,775,572	-	509,925	5,265,647	535,645
Qualified zone academy bonds	1,000,000	-	1,000,000	-	-
Notes payable	-	467,000	150,000	317,000	19,059
General lease purchase	6,065,183	-	572,038	5,493,145	596,598
Premium on bond issuance	1,549,525	-	131,730	1,417,795	132,036
Net pension liability	-	1,451,886	743,588	708,298	-
Net OPEB liabilities	987,030	306,376	520,440	772,966	-
Compensated absences	589,394	63,283	23,663	629,014	62,901
Total Governmental Activities	\$ 16,191,704	\$ 2,288,545	\$ 3,696,384	\$ 14,783,865	\$ 1,391,239

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

Year	Bonds and Notes Payable (1)	
	Principal	Interest
2024	\$ 1,196,302	\$ 438,040
2025	1,014,729	397,904
2026	1,066,514	356,965
2027	1,119,098	313,770
2028	1,129,980	268,668
2029-2033	4,555,892	687,289
2034-2035	1,173,277	72,952
	\$ 11,255,792	\$ 2,535,588

(1) 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, 2023 (Continued)

Note 7—Long-Term Obligations: (Continued)

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%.	\$ 180,000
\$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%	3,407,462
Plus: Premium on issuance	1,267
\$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%.	220,645
Plus: Premium on issuance	147,812
\$2,391,777 lease purchase dated August 2, 2017, maturing annually through November 1, 2031 with interest payable semi-annually at a variable rate.	2,085,685
Plus: Premium on issuance	327,356
\$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%.	5,045,000
Plus: Premium on issuance	941,360
	<hr/>
Total general obligation bonds	\$ <u>12,356,587</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Governmental Activities: (Continued)

Details of long-term obligations: (Continued)

Notes Payable:

\$467,000 note payable issued January 2023, due in annual principal and semi-annual interest payments at 5.65%, maturing June 2038	\$ <u>317,000</u>
Total notes payable	\$ <u>317,000</u>

Other long-term obligations:

Compensated absences	\$ 629,014
Net pension liability	708,298
Net OPEB liabilities	<u>772,966</u>
Total other long-term obligations	\$ <u>2,110,278</u>
Total Governmental Activities long-term obligations	\$ <u><u>14,783,865</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, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Issuances/</u> <u>Additions</u>	<u>Retirements/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Due Within</u> <u>One Year</u>
Business-type Activities:					
Lease revenue bonds	\$ 2,354,496	\$ -	\$ 215,178	\$ 2,139,318	\$ 222,772
Premium on bond issuance	297,818	-	27,740	270,078	27,739
Loan payable	-	446,606	41,167	405,439	83,408
Landfill closure and postclosure care liability	5,369,915	381,264	-	5,751,179	-
Landfill corrective action plan	410,150	29,121	-	439,271	-
Compensated Absences	31,157	5,465	-	36,622	3,662
Net pension liability	-	116,165	83,566	32,599	-
Net OPEB liabilities	83,223	24,730	32,970	74,983	-
Total Business-type Activities	\$ <u>8,546,759</u>	\$ <u>1,003,351</u>	\$ <u>400,621</u>	\$ <u>9,149,489</u>	\$ <u>337,581</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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		Loan Payable	
	Principal	Interest	Principal	Interest
2024	\$ 222,772	\$ 95,909	\$ 83,408	\$ 16,816
2025	232,898	85,017	87,093	13,131
2026	245,555	73,491	90,940	9,284
2027	258,213	61,316	94,958	5,266
2028	273,402	47,693	49,040	1,072
2029-2032	906,478	61,307	-	-
	<u>\$ 2,139,318</u>	<u>\$ 424,733</u>	<u>\$ 405,439</u>	<u>\$ 45,569</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.	\$ 2,139,318
Plus: Premium on issuance	<u>270,078</u>
Total revenue bonds	<u>\$ 2,409,396</u>

Loans payable (payable from Enterprise Fund):

\$446,606 loan payable dated December 16, 2022, maturing annually through June 30, 2028 with interest payable semi-annually at a variable rate.	<u>\$ 405,439</u>
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Other long-term obligations:

Landfill closure and postclosure care liability	\$ 5,751,179
Landfill corrective action plan liability	439,271
Compensated absences	36,622
Net pension liability	32,599
Net OPEB liabilities	<u>74,983</u>
Total other long-term obligations	<u>\$ 6,334,654</u>
Total business-type activities long-term obligations	<u>\$ 9,149,489</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Payable</u> <u>Due Within</u> <u>One Year</u>
Net OPEB liabilities	\$ 3,774,357	\$ 800,986	\$ 1,212,305	\$ 3,363,038	\$ -
Net pension liability	9,971,698	9,694,255	8,057,487	11,608,466	-
Total	<u>\$ 13,746,055</u>	<u>\$ 10,495,241</u>	<u>\$ 9,269,792</u>	<u>\$ 14,971,504</u>	<u>\$ -</u>

Note 8—Litigation:

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

Note 11—Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste 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, 2023 were \$3,043,149 and \$2,708,030, respectively. Furthermore, the County reports \$439,271 as corrective action liability. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. 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:

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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 13—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 451,033	\$ 2,729,603
Special Projects Fund	653,671	-
County ARPA Fund	-	150,000
School ARPA Fund	-	301,033
Water Fund	237,390	-
Sewer Fund	92,782	-
Landfill Fund	1,790,760	45,000
Total	<u>\$ 3,225,636</u>	<u>\$ 3,225,636</u>

Transfers were made for operational expenditures.

Note 14—Notes Receivable:

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, 2023, this note had an outstanding balance of \$0.

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, 2023, this note had an outstanding balance of \$18,000.

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, 2023, this note had an outstanding balance of \$136,033.

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, 2023, this note had an outstanding balance of \$60,000.

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, 2023, this note had an outstanding balance of \$33,453.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 15—Unavailable/Deferred Revenue:

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 \$8,957,041 (including 2nd half billings of \$7,202,810 not due until December 5) at June 30, 2023.

Prepaid Property Taxes - Property taxes due subsequent to June 30, 2023 but paid in advance by the taxpayers totaled \$69,927 at June 30, 2023.

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

Plan Description

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

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

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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$136,602 and \$136,859 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher HIC Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

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

At June 30, 2023, the school division reported a liability of \$1,515,843 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, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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 for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was .12136% as compared to .12882% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$62,719. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and difference between actual and expected contributions.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 61,788
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,521
Change in assumptions	44,286	3,871
Change in proportionate share	5,852	247,559
Employer contributions subsequent to the measurement date	<u>136,602</u>	<u>-</u>
Total	<u>\$ 186,740</u>	<u>\$ 314,739</u>

\$136,602 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (63,050)
2025	(57,542)
2026	(50,385)
2027	(39,998)
2028	(31,088)
Thereafter	(22,538)

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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:

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,708,372	\$ 1,515,843	\$ 1,352,641

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Program from the entity were \$35,375 and \$32,949 for the years ended June 30, 2023 and June 30, 2022, respectively, for the County; \$4,265 and \$3,465 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (nonprofessional); \$60,978 and \$61,457 for the years ended June 30, 2023 and June 30, 2022, 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, 2023, the entity reported a liability of \$337,749 for the County; \$35,521 for the School Board (nonprofessional); and \$629,983 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, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was .02800% as compared to .02700% at June 30, 2021 for the County. At June 30, 2022, the participating employer's proportion was .00290% as compared to .00310% at June 30, 2021 for the School Board (nonprofessional). At June 30, 2022, the participating employer's proportion was .05230% as compared to .05520% at June 30, 2021 for the School Board (professional).

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$10,997 (County), (\$13,501) (School Board - nonprofessional), and \$273 (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, 2023 (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, 2023, 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>
Primary Government		
Differences between expected and actual experience	\$ 26,745	\$ 13,550
Net difference between projected and actual earnings on GLI OPEB program investments	-	21,104
Change in assumptions	12,598	32,898
Changes in proportionate share	12,358	3,623
Employer contributions subsequent to the measurement date	35,375	-
Total	<u>\$ 87,076</u>	<u>\$ 71,175</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 2,813	\$ 1,425
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,220
Change in assumptions	1,325	3,460
Changes in proportionate share	1,632	5,026
Employer contributions subsequent to the measurement date	4,265	-
Total	<u>\$ 10,035</u>	<u>\$ 12,131</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 49,887	\$ 25,273
Net difference between projected and actual earnings on GLI OPEB program investments	-	39,365
Change in assumptions	23,497	61,363
Changes in proportionate share	1,284	99,892
Employer contributions subsequent to the measurement date	60,978	-
Total	<u>\$ 135,646</u>	<u>\$ 225,893</u>

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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)

\$35,375 (County); \$4,265 (School Board nonprofessional), and \$60,978 (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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2024	\$ (4,844)	\$ (1,239)	\$ (40,337)
2025	(3,975)	(1,018)	(37,070)
2026	(15,318)	(2,701)	(53,586)
2027	4,758	(766)	(8,878)
2028	(95)	(637)	(11,354)
Thereafter	-	-	-

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Actuarial Assumptions: (Continued)

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Actuarial Assumptions: (Continued)

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

Mortality Improvement Scale:

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

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

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

NET GLI OPEB Liability

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 491,464	\$ 337,749	\$ 213,526
School Board (nonprofessional)’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 51,687	\$ 35,521	\$ 22,456
School Board (professional)’s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 916,699	\$ 629,983	\$ 398,277

GLI Plan Fiduciary Net Position

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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, 2022 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	129
Total retirees with coverage	<u>2</u>
Total	<u><u>131</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, 2023 was \$58,800.

Total OPEB Liability

The County’s total OPEB liability was measured as of July 1, 2022. 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, 2022 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, 2022
Salary Increases	2.50% per year for general salary inflations as of July 1, 2022
Discount Rate	3.69% for accounting and funding disclosures as of June 30, 2022
Healthcare Cost Trend Rates	6.25% for fiscal year ending June 30, 2023

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

County: (Continued)

Actuarial Assumptions: (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 3.69% and represents GO AA 20-year yield curve rate as of June 30, 2022.

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2022	\$	755,900
Changes for the year:		
Service cost		28,700
Interest		14,500
Changes in experience		91,800
Contributions - employer		(58,800)
Assumption changes		(321,900)
Net changes		(245,700)
Balances at June 30, 2023	\$	510,200

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 575,600	\$ 510,200	\$ 452,400

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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:

Rates		
1% Decrease (5.25% decreasing to 4.00%)	Healthcare Cost Trend (6.25% decreasing to 5.00%)	1% Increase (7.25% decreasing to 6.00%)
\$ 439,500	\$ 510,200	\$ 596,800

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

For the year ended June 30, 2023, the County recognized OPEB expense in the amount of \$21,200.

At June 30, 2023 the County had deferred outflows of resources of \$170,000; deferred inflows of resources related to the OPEB plan were \$243,600.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,900	\$ 3,200
Changes in assumptions	32,300	240,400
Employer contributions subsequent to the measurement date	58,800	-
Total	\$ 170,000	\$ 243,600

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.

\$58,800 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ (26,800)
2025	(50,400)
2026	(55,200)
2027	-
2028	-
Thereafter	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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, 2022 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	222
Total retirees with coverage	<u>6</u>
Total	<u><u>228</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, 2023 was \$72,800.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of July 1, 2022. 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, 2022 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, 2022
Salary Increases	2.50% per year for general salary inflations as of July 1, 2022
Discount Rate	3.69% for accounting and funding disclosures as of July 1, 2022
Healthcare Cost Trend Rates	6.25% for fiscal year ending June 30, 2023

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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 3.69% and represents the Municipal GO-AA 20-year yield curve rate as of June 30, 2022.

Changes in Total OPEB Liability

	School Board	
	Total OPEB Liability	
	<hr/>	
Balances at June 30, 2022	\$	1,349,700
Changes for the year:		
Service cost		95,800
Interest		27,100
Changes in experience		(162,700)
Contributions - employer		(72,800)
Assumption changes		(147,500)
Net changes		<hr/> (260,100) <hr/>
Balances at June 30, 2023	\$	<hr/> <hr/> 1,089,600 <hr/> <hr/>

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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

			Rate		
			<hr/>		
1% Decrease			Current Discount		
(2.69%)			Rate (3.69%)		
			<hr/>	1% Increase	
					(4.69%)
			<hr/>		
\$	1,180,400	\$	1,089,600	\$	1,005,300

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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 (5.25% decreasing to 4.00%)	Healthcare Cost Trend (6.25% decreasing to 5.00%)	1% Increase (7.25% decreasing to 6.00%)
\$ 979,900	\$ 1,089,600	\$ 1,217,000

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of (\$270,400). At June 30, 2023, the School Board had deferred outflows of resources of \$195,600; deferred inflows of resources related to the OPEB plan were \$955,300.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 820,200
Changes in assumptions	122,800	135,100
Employer contributions subsequent to the measurement date	72,800	-
Total	<u>\$ 195,600</u>	<u>\$ 955,300</u>

\$72,800 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, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ (381,100)
2025	(212,500)
2026	(142,900)
2027	(67,300)
2028	(28,700)
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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	14
Total inactive members	14
Active members	31
Total covered employees	<u><u>45</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, 2023 was 1.13% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$9,874 and \$7,252 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 100,522	\$ 8,128	\$ 92,394
Changes for the year:			
Service cost	\$ 936	\$ -	\$ 936
Interest	6,770	-	6,770
Differences between expected and actual experience	(12,209)	-	(12,209)
Assumption changes	11,573	-	11,573
Contributions - employer	-	7,252	(7,252)
Net investment income	-	(128)	128
Benefit payments	(2,326)	(2,326)	-
Administrative expenses	-	(24)	24
Other changes	-	273	(273)
Net changes	\$ 4,744	\$ 5,047	\$ (303)
Balances at June 30, 2022	\$ 105,266	\$ 13,175	\$ 92,091

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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	\$ 100,934	\$ 92,091	\$ 84,413

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$7,316. At June 30, 2023, 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	\$ 9,302
Net difference between projected and actual earnings on HIC OPEB plan investments	254	-
Change in assumptions	10,196	-
Employer contributions subsequent to the measurement date	\$ 9,874	\$ -
Total	\$ 20,325	\$ 9,302

\$9,874 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	\$ 583
2025	548
2026	(126)
2027	144
2028	-
Thereafter	-

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (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 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

OPEB PLANS				
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program (Note 17):				
County	\$ 87,076	\$ 71,175	\$ 337,749	\$ 10,997
County Stand-Alone Plan (Note 18)	170,000	243,600	510,200	21,200
Totals	<u>\$ 257,076</u>	<u>\$ 314,775</u>	<u>\$ 847,949</u>	<u>\$ 32,197</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Program (Note 17):				
School Board Nonprofessional	\$ 10,035	\$ 12,131	\$ 35,521	\$ 273
School Board Professional	135,646	225,893	629,983	(13,501)
Teacher Health Insurance Credit Program (Note 16)	186,740	314,739	1,515,843	62,719
School Board Health Insurance Plan (Note 19)	20,325	9,302	92,091	7,316
School Stand-Alone Plan (Note 18)	195,600	955,300	1,089,600	(270,400)
Totals	<u>\$ 548,346</u>	<u>\$ 1,517,365</u>	<u>\$ 3,363,038</u>	<u>\$ (213,593)</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.

In fiscal year 2023, the Authority recognized \$279,542 of lease revenue and \$26,697 of interest revenue under these leases.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 22—Committed Fund Balance-Special Projects Fund:

	<u>Amount</u>
Construction projects	\$ 325,181
Assessor	97,215
Regional Jail	400,000
Animal Control	55,293
CSA reserves	300,000
County recreation	30,000
Worsham Clerk	15,900
Economic Development	5,000
Tourism	110,815
Registrar	36,100
PECPS capital improvements	3,049,263
Juvenile Detention	50,000
Mary E. Branch Community Center	8,500
Sandy River Project	100,000
Solid Waste	45,000
Opioid Remediation	56,636
Regional Development	30,000
Rescue Squad capital equipment	<u>55,000</u>
Total Special Projects Fund	<u>\$ 4,769,903</u>

Note 23—Upcoming Pronouncements:

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.

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.

COUNTY OF PRINCE EDWARD, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

Note 24—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>Governmental Activities</u>
Net Position, as reported at July 1, 2022	\$ 28,422,377
Prior year accounts payable	131,187
Net Position, as restated at July 1, 2022	<u>\$ 28,553,564</u>
	<u>Governmental Funds</u>
	<u>General Fund</u>
Fund balance, as reported at July 1, 2022	\$ 18,063,841
Prior year accounts payable	131,187
Fund balance, as restated at July 1, 2022	<u>\$ 18,195,028</u>

Required Supplementary Information

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 16,912,604	\$ 16,949,064	\$ 16,920,542	\$ (28,522)
Other local taxes	4,705,000	4,800,581	5,144,374	343,793
Permits, privilege fees, and regulatory licenses	103,500	103,500	297,065	193,565
Fines and forfeitures	203,000	203,000	130,931	(72,069)
Revenue from the use of money and property	693,431	693,431	876,867	183,436
Charges for services	192,721	192,721	250,152	57,431
Miscellaneous	54,100	170,027	500,933	330,906
Recovered costs	133,178	173,314	152,488	(20,826)
Intergovernmental:				
Commonwealth	6,315,337	7,352,925	5,872,199	(1,480,726)
Federal	1,957,230	2,558,325	2,227,115	(331,210)
Total revenues	\$ 31,270,101	\$ 33,196,888	\$ 32,372,666	\$ (824,222)
EXPENDITURES				
Current:				
General government administration	\$ 2,451,488	\$ 2,509,035	\$ 2,489,604	\$ 19,431
Judicial administration	1,847,687	2,055,860	1,937,660	118,200
Public safety	5,372,707	6,470,893	6,647,730	(176,837)
Public works	983,935	1,118,891	1,096,825	22,066
Health and welfare	4,737,121	4,341,861	3,801,558	540,303
Education	10,158,740	10,158,740	6,516,760	3,641,980
Parks, recreation, and cultural	369,272	353,972	353,972	-
Community development	733,570	791,005	732,111	58,894
Nondepartmental	707,061	234,474	210,324	24,150
Capital projects	1,426,008	4,270,170	4,645,280	(375,110)
Debt service:				
Principal retirement	850,376	900,488	1,020,875	(120,387)
Interest and other fiscal charges	241,293	241,293	221,197	20,096
Total expenditures	\$ 29,879,258	\$ 33,446,682	\$ 29,673,896	\$ 3,772,786
Excess (deficiency) of revenues over (under) expenditures	\$ 1,390,843	\$ (249,794)	\$ 2,698,770	\$ 2,948,564
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 15,719	\$ 2,271,417	\$ 451,033	\$ (1,820,384)
Transfers out	(1,136,561)	(2,153,971)	(2,729,603)	(575,632)
Issuance of notes payable	-	-	467,000	467,000
Total other financing sources (uses)	\$ (1,120,842)	\$ 117,446	\$ (1,811,570)	\$ (1,929,016)
Net change in fund balances	\$ 270,001	\$ (132,348)	\$ 887,200	\$ 1,019,548
Fund balances - beginning, as restated	(270,001)	132,348	18,195,028	18,062,680
Fund balances - ending	\$ -	\$ -	\$ 19,082,228	\$ 19,082,228

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

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 664,142	\$ 624,573	\$ 605,485	\$ 568,188
Interest	1,867,752	1,687,706	1,659,609	1,607,590
Differences between expected and actual experience	66,321	114,953	(481,105)	46,873
Changes in assumptions	-	987,652	-	703,479
Benefit payments, including refunds of employee contributions	(1,502,285)	(1,321,077)	(1,414,393)	(1,195,417)
Net change in total pension liability	\$ 1,095,930	\$ 2,093,807	\$ 369,596	\$ 1,730,713
Total pension liability - beginning	27,757,401	25,663,594	25,293,998	23,563,285
Total pension liability - ending (a)	\$ 28,853,331	\$ 27,757,401	\$ 25,663,594	\$ 25,293,998
Plan fiduciary net position				
Contributions - employer	\$ 483,899	\$ 445,232	\$ 427,990	\$ 406,538
Contributions - employee	293,252	259,911	262,435	250,656
Net investment income	(23,823)	6,308,002	455,083	1,490,390
Benefit payments, including refunds of employee contributions	(1,502,285)	(1,321,077)	(1,414,393)	(1,195,417)
Administrative expense	(18,067)	(15,875)	(15,557)	(14,960)
Other	661	593	(523)	(938)
Net change in plan fiduciary net position	\$ (766,363)	\$ 5,676,786	\$ (284,965)	\$ 936,269
Plan fiduciary net position - beginning	28,878,797	23,202,011	23,486,976	22,550,707
Plan fiduciary net position - ending (b)	\$ 28,112,434	\$ 28,878,797	\$ 23,202,011	\$ 23,486,976
County's net pension liability (asset) - ending (a) - (b)	\$ 740,897	\$ (1,121,396)	\$ 2,461,583	\$ 1,807,022
Plan fiduciary net position as a percentage of the total pension liability	97.43%	104.04%	90.41%	92.86%
Covered payroll	\$ 6,098,407	\$ 5,539,722	\$ 5,514,677	\$ 5,327,164
County's net pension liability (asset) as a percentage of covered payroll	12.15%	-20.24%	44.64%	33.92%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service cost	\$ 586,171	\$ 608,923	\$ 583,283	\$ 545,827	\$ 555,966
Interest	1,581,656	1,517,955	1,509,879	1,462,131	1,383,489
Differences between expected and actual experience	(693,470)	(219,828)	(1,025,111)	(446,242)	-
Changes in assumptions	-	7,334	-	-	-
Benefit payments, including refunds of employee contributions	(1,012,324)	(996,413)	(908,946)	(850,241)	(781,769)
Net change in total pension liability	<u>\$ 462,033</u>	<u>\$ 917,971</u>	<u>\$ 159,105</u>	<u>\$ 711,475</u>	<u>\$ 1,157,686</u>
Total pension liability - beginning	<u>23,101,252</u>	<u>22,183,281</u>	<u>22,024,176</u>	<u>21,312,701</u>	<u>20,155,015</u>
Total pension liability - ending (a)	<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>
Plan fiduciary net position					
Contributions - employer	\$ 446,611	\$ 437,632	\$ 555,222	\$ 567,774	\$ 604,584
Contributions - employee	250,026	265,479	241,585	248,130	246,898
Net investment income	1,575,307	2,341,406	333,781	841,567	2,496,224
Benefit payments, including refunds of employee contributions	(1,012,324)	(996,413)	(908,946)	(850,241)	(781,769)
Administrative expense	(13,613)	(13,544)	(11,833)	(11,394)	(13,259)
Other	(1,400)	(2,082)	(141)	(176)	132
Net change in plan fiduciary net position	<u>\$ 1,244,607</u>	<u>\$ 2,032,478</u>	<u>\$ 209,668</u>	<u>\$ 795,660</u>	<u>\$ 2,552,810</u>
Plan fiduciary net position - beginning	<u>21,306,100</u>	<u>19,273,622</u>	<u>19,063,954</u>	<u>18,268,294</u>	<u>15,715,484</u>
Plan fiduciary net position - ending (b)	<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>
County's net pension liability (asset) - ending (a) - (b)	\$ 1,012,578	\$ 1,795,152	\$ 2,909,659	\$ 2,960,222	\$ 3,044,407
Plan fiduciary net position as a percentage of the total pension liability	95.70%	92.23%	86.88%	86.56%	85.72%
Covered payroll	\$ 5,191,889	\$ 5,030,792	\$ 5,034,064	\$ 4,994,453	\$ 4,941,586
County's net pension liability (asset) as a percentage of covered payroll	19.50%	35.68%	57.80%	59.27%	61.61%

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability				
Service cost	\$ 51,594	\$ 56,620	\$ 54,566	\$ 51,726
Interest	282,225	274,966	272,080	265,030
Differences between expected and actual experience	(192,539)	(206,460)	(42,813)	51,402
Changes in assumptions	-	159,320	-	100,471
Benefit payments, including refunds of employee contributions	(203,669)	(253,323)	(228,817)	(219,090)
Net change in total pension liability	<u>\$ (62,389)</u>	<u>\$ 31,123</u>	<u>\$ 55,016</u>	<u>\$ 249,539</u>
Total pension liability - beginning	4,231,359	4,200,236	4,145,220	3,895,681
Total pension liability - ending (a)	<u><u>\$ 4,168,970</u></u>	<u><u>\$ 4,231,359</u></u>	<u><u>\$ 4,200,236</u></u>	<u><u>\$ 4,145,220</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 23,747	\$ 23,808	\$ 27,106	\$ 27,199
Contributions - employee	29,661	29,579	32,202	31,466
Net investment income	(3,263)	1,074,788	78,153	261,426
Benefit payments, including refunds of employee contributions	(203,669)	(253,323)	(228,817)	(219,090)
Administrative expense	(3,069)	(2,796)	(2,734)	(2,697)
Other	111	100	(90)	(164)
Net change in plan fiduciary net position	<u>\$ (156,482)</u>	<u>\$ 872,156</u>	<u>\$ (94,180)</u>	<u>\$ 98,140</u>
Plan fiduciary net position - beginning	4,884,321	4,012,165	4,106,345	4,008,205
Plan fiduciary net position - ending (b)	<u><u>\$ 4,727,839</u></u>	<u><u>\$ 4,884,321</u></u>	<u><u>\$ 4,012,165</u></u>	<u><u>\$ 4,106,345</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (558,869)	\$ (652,962)	188,071	\$ 38,875
Plan fiduciary net position as a percentage of the total pension liability	113.41%	115.43%	95.52%	99.06%
Covered payroll	\$ 641,745	\$ 637,762	\$ 692,516	\$ 670,157
School Division's net pension liability (asset) as a percentage of covered payroll	-87.09%	-102.38%	27.16%	5.80%

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

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

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 54,086	\$ 54,550	\$ 53,998	\$ 50,122	\$ 74,756
Interest	270,765	279,919	266,348	266,930	257,300
Differences between expected and actual experience	(196,710)	(251,147)	74,389	(119,719)	-
Changes in assumptions	-	(14,912)	-	-	-
Benefit payments, including refunds of employee contributions	(201,063)	(197,298)	(204,429)	(206,875)	(182,074)
Net change in total pension liability	<u>\$ (72,922)</u>	<u>\$ (128,888)</u>	<u>\$ 190,306</u>	<u>\$ (9,542)</u>	<u>\$ 149,982</u>
Total pension liability - beginning	3,968,603	4,097,491	3,907,185	3,916,727	3,766,745
Total pension liability - ending (a)	<u><u>\$ 3,895,681</u></u>	<u><u>\$ 3,968,603</u></u>	<u><u>\$ 4,097,491</u></u>	<u><u>\$ 3,907,185</u></u>	<u><u>\$ 3,916,727</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 54,735	\$ 52,589	\$ 55,387	\$ 56,512	\$ 50,281
Contributions - employee	29,348	27,717	30,165	30,842	29,439
Net investment income	281,847	425,863	60,144	160,116	493,037
Benefit payments, including refunds of employee contributions	(201,063)	(197,298)	(204,429)	(206,875)	(182,074)
Administrative expense	(2,481)	(2,524)	(2,277)	(2,280)	(2,719)
Other	(249)	(376)	(26)	(33)	26
Net change in plan fiduciary net position	<u>\$ 162,137</u>	<u>\$ 305,971</u>	<u>\$ (61,036)</u>	<u>\$ 38,282</u>	<u>\$ 387,990</u>
Plan fiduciary net position - beginning	3,846,068	3,540,097	3,601,133	3,562,851	3,174,861
Plan fiduciary net position - ending (b)	<u><u>\$ 4,008,205</u></u>	<u><u>\$ 3,846,068</u></u>	<u><u>\$ 3,540,097</u></u>	<u><u>\$ 3,601,133</u></u>	<u><u>\$ 3,562,851</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	<u>\$ (112,524)</u>	<u>\$ 122,535</u>	<u>\$ 557,394</u>	<u>\$ 306,052</u>	<u>\$ 353,876</u>
Plan fiduciary net position as a percentage of the total pension liability	102.89%	96.91%	86.40%	92.17%	90.97%
Covered payroll	<u>\$ 590,719</u>	<u>\$ 582,130</u>	<u>\$ 607,723</u>	<u>\$ 602,654</u>	<u>\$ 599,266</u>
School Division's net pension liability (asset) as a percentage of covered payroll	-19.05%	21.05%	91.72%	50.78%	59.05%

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

	2022	2021	2020	2019
Employer’s Proportion of the Net Pension Liability (Asset)	0.12%	0.13%	0.13%	0.14%
Employer’s Proportionate Share of the Net Pension Liability (Asset)	\$ 11,608,466	\$ 9,971,698	\$ 19,411,748	\$ 18,335,303
Employer’s Covered Payroll	11,310,624	11,392,850	11,734,702	11,697,847
Employer’s Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	102.63%	87.53%	165.42%	156.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	85.46%	71.47%	73.51%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer’s Proportion of the Net Pension Liability (Asset)	0.15%	0.14%	0.15%	0.16%	0.17%
Employer’s Proportionate Share of the Net Pension Liability (Asset)	\$ 17,294,000	\$ 17,958,000	\$ 21,669,000	\$ 20,311,000	\$ 20,970,000
Employer’s Covered Payroll	11,995,057	11,604,550	11,760,526	11,745,639	12,499,030
Employer’s Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	144.18%	154.75%	184.25%	172.92%	167.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2023	\$ 583,224	\$ 583,224	\$ -	\$ 6,541,052	8.92%
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%
Component Unit School Board (nonprofessional)					
2023	\$ -	\$ -	\$ -	\$ 789,895	0.00%
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%
Component Unit School Board (professional)					
2023	\$ 1,790,686	\$ 1,790,686	\$ -	\$ 11,289,416	15.86%
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%

*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, 2023

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2022	0.12136%	\$ 1,515,843	\$ 11,310,624	13.40%	15.08%
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, 2014 through June 30, 2023

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2023	\$ 136,602	\$ 136,602	\$ -	\$ 11,289,416	1.21%
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%

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

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

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

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

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, 2022

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2022	0.02800%	\$ 337,749	\$ 6,101,721	5.54%	67.21%
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%
Component Unit School Board (nonprofessional)					
2022	0.00290%	\$ 35,521	\$ 641,745	5.54%	67.21%
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%
Component Unit School Board (professional)					
2022	0.05230%	\$ 629,983	\$ 11,380,993	5.54%	67.21%
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, 2014 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2023	\$ 35,375	\$ 35,375	\$ -	\$ 6,550,994	0.54%
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%
Component Unit School Board (nonprofessional)					
2023	\$ 4,265	\$ 4,265	\$ -	\$ 789,895	0.54%
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%
Component Unit School Board (professional)					
2023	\$ 60,978	\$ 60,978	\$ -	\$ 11,292,241	0.54%
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%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Total OPEB Liability and Related Ratios
 Primary Government
 For the Measurement Dates of June 30, 2017 through June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability						
Service cost	\$ 28,700	\$ 25,800	\$ 22,200	\$ 20,500	\$ 22,800	\$ 22,200
Interest	14,500	18,200	20,400	23,500	23,600	22,400
Differences between expected and actual experience	91,800	(6,600)	46,000	(49,300)	(14,900)	-
Benefit payments	(58,800)	(77,400)	(38,900)	(12,500)	(9,700)	(14,500)
Changes in assumptions	(321,900)	42,400	53,600	32,100	(30,000)	-
Net change in total OPEB liability	<u>\$ (245,700)</u>	<u>\$ 2,400</u>	<u>\$ 103,300</u>	<u>\$ 14,300</u>	<u>\$ (8,200)</u>	<u>\$ 30,100</u>
Total OPEB liability - beginning	<u>755,900</u>	<u>753,500</u>	<u>650,200</u>	<u>635,900</u>	<u>644,100</u>	<u>614,000</u>
Total OPEB liability - ending	<u><u>\$ 510,200</u></u>	<u><u>\$ 755,900</u></u>	<u><u>\$ 753,500</u></u>	<u><u>\$ 650,200</u></u>	<u><u>\$ 635,900</u></u>	<u><u>\$ 644,100</u></u>
Covered-employee payroll	\$ 6,478,300	\$ 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	7.88%	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, 2023

Valuation Date: 7/1/2022
 Measurement Date: 7/1/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.69% as of July 1, 2022
Salary Scale	2.50% as of July 1, 2022
Healthcare Trend Rate	6.25% for fiscal year 2023, 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, 2022

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	\$ 95,800	\$ 92,800	\$ 102,100	\$ 103,000	\$ 127,600	\$ 124,500
Interest	27,100	35,200	57,600	73,900	103,500	98,000
Differences between expected and actual experience	(162,700)	(133,700)	(578,500)	(526,700)	(968,800)	-
Benefit payments	(72,800)	(88,000)	(7,500)	(9,300)	(9,400)	(129,900)
Other charges	(147,500)	56,200	73,200	155,700	(93,400)	-
Net change in total OPEB liability	\$ (260,100)	\$ (37,500)	\$ (353,100)	\$ (203,400)	\$ (840,500)	\$ 92,600
Total OPEB liability - beginning	1,349,700	1,387,200	1,740,300	1,943,700	2,784,200	2,691,600
Total OPEB liability - ending	\$ 1,089,600	\$ 1,349,700	\$ 1,387,200	\$ 1,740,300	\$ 1,943,700	\$ 2,784,200
Covered-employee payroll	\$ 10,302,800	\$ 11,666,900	\$ 11,666,900	\$ 12,388,700	\$ 12,388,700	\$ 10,339,900
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	10.58%	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, 2023

Valuation Date: 7/1/2022
 Measurement Date: 7/1/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.69% as of July 1, 2022
Salary Scale	2.50% as of July 1, 2022
Healthcare Trend Rate	6.25% for fiscal year 2023, 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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability			
Service cost	\$ 936	\$ 1,122	\$ -
Interest	6,770	6,109	-
Changes in benefit terms	-	-	90,498
Differences between expected and actual experience	(12,209)	1	-
Changes of assumptions	11,573	2,792	-
Benefit payments	(2,326)	-	-
Net change in total HIC OPEB liability	<u>\$ 4,744</u>	<u>\$ 10,024</u>	<u>\$ 90,498</u>
Total HIC OPEB Liability - beginning	100,522	90,498	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 105,266</u></u>	<u><u>\$ 100,522</u></u>	<u><u>\$ 90,498</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 7,252	\$ 7,206	\$ -
Net investment income	(128)	954	-
Benefit payments	(2,326)	-	-
Administrator charges	(24)	(32)	-
Other	273	-	-
Net change in plan fiduciary net position	<u>\$ 5,047</u>	<u>\$ 8,128</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	8,128	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ 13,175</u></u>	<u><u>\$ 8,128</u></u>	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 92,091	\$ 92,394	\$ 90,498
Plan fiduciary net position as a percentage of the total HIC OPEB liability	12.52%	8.09%	0.00%
Covered payroll	\$ 641,745	\$ 637,762	\$ 692,516
School Board's net HIC OPEB liability as a percentage of covered payroll	14.35%	14.49%	13.07%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 9,874	\$ 9,874	\$ -	\$ 789,895	1.25%
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, 2023

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

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

Non-Largest Ten Locality Employers - General Employees

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

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Revenue from the use of money and property	\$ 13,000	\$ 13,000	\$ 5,148	\$ (7,852)
Charges for services	350,000	350,000	481,427	131,427
Total revenues	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ 486,575</u>	<u>\$ 123,575</u>
EXPENDITURES				
Current:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 363,000</u>	<u>\$ 363,000</u>	<u>\$ 486,575</u>	<u>\$ 123,575</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (363,000)	\$ (363,000)	\$ -	\$ 363,000
Total other financing sources and uses	<u>\$ (363,000)</u>	<u>\$ (363,000)</u>	<u>\$ -</u>	<u>\$ 363,000</u>
Net change in fund balances	\$ -	\$ -	\$ 486,575	\$ 486,575
Fund balances - beginning	-	-	3,090,270	3,090,270
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,576,845</u>	<u>\$ 3,576,845</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 250,000	\$ 537,488	\$ 287,488
Total revenues	\$ -	\$ 250,000	\$ 537,488	\$ 287,488
EXPENDITURES				
Current:				
General government	\$ -	\$ 250,000	\$ 387,488	\$ (137,488)
Total expenditures	\$ -	\$ 250,000	\$ 387,488	\$ (137,488)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 150,000	\$ 150,000
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ -	\$ (150,000)	\$ (150,000)
Total other financing sources and uses	\$ -	\$ -	\$ (150,000)	\$ (150,000)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds		Capital Projects	Total
	Piedmont Court Services	EMS District	Recreation Fund	Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 364,023	\$ 671,877	\$ 9,303	\$ 1,045,203
Total assets	\$ 364,023	\$ 671,877	\$ 9,303	\$ 1,045,203
LIABILITIES				
Accounts payable	\$ 1,491	\$ 767	\$ -	\$ 2,258
Total liabilities	\$ 1,491	\$ 767	\$ -	\$ 2,258
FUND BALANCES				
Assigned:				
Recreation capital projects	\$ -	\$ -	\$ 9,303	\$ 9,303
Special revenue	362,532	671,110	-	1,033,642
Total fund balances	\$ 362,532	\$ 671,110	\$ 9,303	\$ 1,042,945
Total liabilities and fund balances	\$ 364,023	\$ 671,877	\$ 9,303	\$ 1,045,203

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

	Special Revenue Funds		Capital	Total
	Piedmont Court Services	EMS District	Projects Funds Recreation Fund	Nonmajor Governmental Funds
REVENUES				
General property taxes	\$ -	\$ 382,875	\$ -	\$ 382,875
Revenue from the use of money and property	177	-	15	192
Intergovernmental:				
Commonwealth	677,399	-	-	677,399
Total revenues	\$ 677,576	\$ 382,875	\$ 15	\$ 1,060,466
EXPENDITURES				
Public Safety	\$ 667,667	\$ 237,975	\$ -	\$ 905,642
Total expenditures	\$ 667,667	\$ 237,975	\$ -	\$ 905,642
Excess (deficiency) of revenues over (under) expenditures	\$ 9,909	\$ 144,900	\$ 15	\$ 154,824
Net change in fund balances	\$ 9,909	\$ 144,900	\$ 15	\$ 154,824
Fund balances - beginning	352,623	526,210	9,288	888,121
Fund balances - ending	\$ 362,532	\$ 671,110	\$ 9,303	\$ 1,042,945

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

	Capital Projects Funds			Variance with Final Budget Positive (Negative)
	Recreation Fund			
	Budgeted Amounts		Actual	
Original	Final			
REVENUES				
General property taxes	\$ -	\$ -	\$ -	-
Other local taxes	-	-	-	-
Revenue from the use of money and property	-	-	15	15
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental: Commonwealth	-	-	-	-
Total revenues	\$ -	\$ -	\$ 15	\$ 15
EXPENDITURES				
Public safety	\$ -	\$ -	\$ -	-
Total expenditures	\$ -	\$ -	\$ -	-
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 15	\$ 15
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	-
Net change in fund balances	\$ -	\$ -	\$ 15	\$ 15
Fund balances - beginning	-	-	9,288	9,288
Fund balances - ending	\$ -	\$ -	\$ 9,303	\$ 9,303

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

	Special Revenue Funds				Special Revenue Funds			
	Piedmont Court Services			Variance with Final Budget Positive (Negative)	EMS District			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual		Budgeted Amounts		Actual	
Original	Final			Original	Final			
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ 325,500	\$ 325,500	\$ 382,875	\$ 57,375
Other local taxes	-	-	99,991	99,991	-	-	-	-
Revenue from the use of money and property	1,000	1,000	177	(823)	-	-	-	-
Charges for services	83,912	83,912	-	(83,912)	-	-	-	-
Miscellaneous	500	500	-	(500)	-	-	-	-
Intergovernmental:								
Commonwealth	660,596	660,596	677,399	16,803	-	-	-	-
Total revenues	\$ 746,008	\$ 746,008	\$ 777,567	\$ 31,559	\$ 325,500	\$ 325,500	\$ 382,875	\$ 57,375
EXPENDITURES								
Public safety	\$ 746,008	\$ 797,351	\$ 667,667	\$ 129,684	\$ 325,500	\$ 855,024	\$ 237,975	\$ 617,049
Total expenditures	\$ 746,008	\$ 797,351	\$ 667,667	\$ 129,684	\$ 325,500	\$ 855,024	\$ 237,975	\$ 617,049
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (51,343)	\$ 109,900	\$ 161,243	\$ -	\$ (529,524)	\$ 144,900	\$ 674,424
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (51,343)	\$ 109,900	\$ 161,243	\$ -	\$ (529,524)	\$ 144,900	\$ 674,424
Fund balances - beginning	-	51,343	352,623	301,280	-	529,524	526,210	(3,314)
Fund balances - ending	\$ -	\$ -	\$ 462,523	\$ 462,523	\$ -	\$ -	\$ 671,110	\$ 671,110

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

	School Operating Fund	School Cafeteria Fund	School CARES Fund	Underground Storage Tank Fund	School Activity Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 667,810	\$ 675,659	\$ 23,226	\$ 22,870	\$ 295,706	\$ 1,685,271
Receivables (net of allowance for uncollectibles):						
Due from other governmental units	<u>1,557,481</u>	<u>18,752</u>	<u>1,351,684</u>	<u>-</u>	<u>-</u>	<u>2,927,917</u>
Total assets	<u>\$ 2,225,291</u>	<u>\$ 694,411</u>	<u>\$ 1,374,910</u>	<u>\$ 22,870</u>	<u>\$ 295,706</u>	<u>\$ 4,613,188</u>
LIABILITIES						
Accounts payable	\$ 130,073	\$ -	\$ 14,056	\$ -	\$ -	\$ 144,129
Accrued liabilities	1,102,062	54,030	23,226	-	-	1,179,318
Due to primary government	<u>993,156</u>	<u>-</u>	<u>1,337,628</u>	<u>-</u>	<u>-</u>	<u>2,330,784</u>
Total liabilities	<u>\$ 2,225,291</u>	<u>\$ 54,030</u>	<u>\$ 1,374,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,654,231</u>
FUND BALANCES						
Assigned:						
Cafeteria	\$ -	\$ 640,381	\$ -	\$ -	\$ -	\$ 640,381
Underground storage	-	-	-	22,870	-	22,870
School activity	-	-	-	-	295,706	295,706
Total fund balances	<u>\$ -</u>	<u>\$ 640,381</u>	<u>\$ -</u>	<u>\$ 22,870</u>	<u>\$ 295,706</u>	<u>\$ 958,957</u>
Total liabilities and fund balances	<u>\$ 2,225,291</u>	<u>\$ 694,411</u>	<u>\$ 1,374,910</u>	<u>\$ 22,870</u>	<u>\$ 295,706</u>	<u>\$ 4,613,188</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:						
Total fund balances per above						\$ 958,957
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						
Capital assets					32,228,717	
Accumulated depreciation					<u>(21,232,641)</u>	10,996,076
The net pension asset is not an available resource and, therefore, is not reported in the funds						
						558,869
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.						
Pension related items					2,899,115	
OPEB related items					<u>548,346</u>	3,447,461
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.						
Net pension liability					(11,608,466)	
Net OPEB liability					<u>(3,363,038)</u>	(14,971,504)
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					(4,158,243)	
OPEB related items					<u>(1,517,365)</u>	(5,675,608)
Net position of governmental activities						<u>\$ (4,685,749)</u>

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

	School Operating Fund	School Cafeteria Fund	School CARES Fund	Underground Storage Tank Fund	School Activity Fund	Total Governmental Funds
REVENUES						
Revenue from the use of money and property	\$ 5,124	\$ 725	\$ -	\$ -	\$ -	5,849
Charges for services	209,122	82,194	-	-	-	291,316
Miscellaneous	66,007	-	-	-	216,184	282,191
Recovered costs	32,587	-	-	-	-	32,587
Intergovernmental:						
Local government	6,671,837	-	-	-	-	6,671,837
Commonwealth	18,456,474	43,848	-	-	-	18,500,322
Federal	2,049,394	1,714,137	2,784,600	-	-	6,548,131
Total revenues	\$ 27,490,545	\$ 1,840,904	\$ 2,784,600	\$ -	\$ 216,184	\$ 32,332,233
EXPENDITURES						
Current:						
Education	\$ 26,884,535	\$ 1,713,078	\$ 2,619,091	\$ -	\$ 224,365	\$ 31,441,069
Contribution to local government	99,991	-	165,509	-	-	265,500
Debt service:						
Principal retirement	387,818	-	-	-	-	387,818
Interest and other fiscal charges	118,201	-	-	-	-	118,201
Total expenditures	\$ 27,490,545	\$ 1,713,078	\$ 2,784,600	\$ -	\$ 224,365	\$ 32,212,588
Net change in fund balances	\$ -	\$ 127,826	\$ -	\$ -	\$ (8,181)	\$ 119,645
Fund balances - beginning	-	512,555	-	22,870	303,887	839,312
Fund balances - ending	\$ -	\$ 640,381	\$ -	\$ 22,870	\$ 295,706	\$ 958,957

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	\$ 119,645
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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 capital outlays exceeded depreciation in the current period.

Capital asset additions	1,587,304	
Net transfer of joint tenancy assets	(19,289)	
Net disposal of capital assets	(9,134)	
Depreciation expense	(960,604)	598,277

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	2,647,739	
OPEB expense	519,915	3,167,654
Change in net position of governmental activities	\$	<u>3,885,576</u>

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 10,000	\$ 10,000	\$ 5,124	\$ (4,876)
Charges for services	52,802	52,802	209,122	156,320
Miscellaneous	22,000	22,000	66,007	44,007
Recovered costs	277,719	277,719	32,587	(245,132)
Intergovernmental:				
Local government	10,148,308	10,148,308	6,671,837	(3,476,471)
Commonwealth	16,739,064	16,950,068	18,456,474	1,506,406
Federal	2,119,987	3,265,970	2,049,394	(1,216,576)
Total revenues	<u>\$ 29,369,880</u>	<u>\$ 30,726,867</u>	<u>\$ 27,490,545</u>	<u>\$ (3,236,322)</u>
EXPENDITURES				
Current:				
Education	\$ 28,761,036	\$ 30,118,023	\$ 26,884,535	\$ 3,233,488
Contribution to local government	-	-	99,991	(99,991)
Debt service:				
Principal retirement	480,219	480,219	387,818	92,401
Interest and other fiscal charges	128,625	128,625	118,201	10,424
Total expenditures	<u>\$ 29,369,880</u>	<u>\$ 30,726,867</u>	<u>\$ 27,490,545</u>	<u>\$ 3,236,322</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	School 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		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 725	\$ 725
Charges for services	-	-	-	-	108,500	308,500	82,194	(226,306)
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Local government	-	-	-	-	-	-	-	-
Commonwealth	-	-	-	-	35,314	35,314	43,848	8,534
Federal	-	415,000	2,784,600	2,369,600	1,287,592	1,287,592	1,714,137	426,545
Total revenues	\$ -	\$ 415,000	\$ 2,784,600	\$ 2,369,600	\$ 1,431,406	\$ 1,631,406	\$ 1,840,904	\$ 209,498
EXPENDITURES								
Current:								
Education	\$ -	\$ 415,000	\$ 2,619,091	\$ (2,204,091)	\$ 1,431,406	\$ 1,631,406	\$ 1,713,078	\$ (81,672)
Contribution to local government	-	-	165,509	(165,509)	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ 415,000	\$ 2,784,600	\$ (2,369,600)	\$ 1,431,406	\$ 1,631,406	\$ 1,713,078	\$ (81,672)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,826	\$ 127,826
Fund balances - beginning	-	-	-	-	-	-	512,555	512,555
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,381	\$ 640,381

Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,846,604	\$ 8,873,124	\$ 8,729,336	\$ (143,788)
Real and personal public service corporation taxes	610,000	610,000	614,171	4,171
Personal property taxes	6,562,500	6,562,500	6,703,288	140,788
Mobile home taxes	43,500	43,500	56,756	13,256
Machinery and tools taxes	60,000	60,000	100,025	40,025
Merchants' capital taxes	430,000	430,000	347,863	(82,137)
Penalties	185,000	194,940	213,018	18,078
Interest	175,000	175,000	156,085	(18,915)
Total general property taxes	\$ 16,912,604	\$ 16,949,064	\$ 16,920,542	\$ (28,522)
Other local taxes:				
Local sales and use taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,860,740	\$ 360,740
Moped and ATV sales and use taxes	-	-	19,998	19,998
Consumers' utility taxes	300,000	300,000	324,534	24,534
Gross receipts tax	60,000	60,000	54,091	(5,909)
Lodging taxes	20,000	95,600	75,600	(20,000)
Motor vehicle licenses	575,000	575,000	540,667	(34,333)
Taxes on recordation and wills	250,000	250,000	244,386	(5,614)
Restaurant food taxes	-	19,981	24,358	4,377
Total other local taxes	\$ 4,705,000	\$ 4,800,581	\$ 5,144,374	\$ 343,793
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 7,500	\$ 7,500	\$ 4,429	\$ (3,071)
Permits and other licenses	96,000	96,000	292,636	196,636
Total permits, privilege fees, and regulatory licenses	\$ 103,500	\$ 103,500	\$ 297,065	\$ 193,565
Fines and forfeitures:				
Court fines and forfeitures	\$ 203,000	\$ 203,000	\$ 130,931	\$ (72,069)
Revenue from use of money and property:				
Revenue from use of money	\$ 176,527	\$ 176,527	\$ 425,332	\$ 248,805
Revenue from use of property	516,904	516,904	451,535	(65,369)
Total revenue from use of money and property	\$ 693,431	\$ 693,431	\$ 876,867	\$ 183,436
Charges for services:				
Court costs	\$ 73,000	\$ 73,000	\$ 108,252	\$ 35,252
Charges for law library	7,000	7,000	5,590	(1,410)
Charges for courthouse maintenance	10,000	10,000	9,792	(208)
Charges for cannery	17,500	17,500	19,919	2,419
Charges for other protection	85,221	85,221	106,599	21,378
Total charges for services	\$ 192,721	\$ 192,721	\$ 250,152	\$ 57,431
Miscellaneous:				
Expenditure refunds	\$ -	\$ -	\$ 1,115	\$ 1,115
Opioid settlement	-	-	64,756	64,756
Miscellaneous	54,100	170,027	435,062	265,035
Total miscellaneous	\$ 54,100	\$ 170,027	\$ 500,933	\$ 330,906

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Recovered costs:				
Other recovered costs	\$ 101,800	\$ 141,936	\$ 116,123	\$ (25,813)
Circuit court judge	31,378	31,378	36,365	4,987
Total recovered costs	<u>\$ 133,178</u>	<u>\$ 173,314</u>	<u>\$ 152,488</u>	<u>\$ (20,826)</u>
Total revenue from local sources	<u>\$ 22,997,534</u>	<u>\$ 23,285,638</u>	<u>\$ 24,273,352</u>	<u>\$ 987,714</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 60,000	\$ 60,000	\$ 61,009	\$ 1,009
Mobile home titling tax	50,000	50,000	58,146	8,146
Motor vehicle rental tax	-	-	1,386	1,386
State recordation tax	40,000	40,000	-	(40,000)
Communications tax	540,000	540,000	216,018	(323,982)
Personal property tax relief funds	1,305,350	1,305,350	1,305,350	-
Total noncategorical aid	<u>\$ 1,995,350</u>	<u>\$ 1,995,350</u>	<u>\$ 1,641,909</u>	<u>\$ (353,441)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 486,268	\$ 486,268	\$ 409,771	\$ (76,497)
Sheriff	1,240,921	1,240,921	1,281,901	40,980
Commissioner of revenue	110,439	110,439	110,069	(370)
Treasurer	128,167	128,167	132,434	4,267
Registrar/electoral board	78,934	78,934	72,776	(6,158)
Clerk of the Circuit Court	348,842	348,843	362,571	13,728
Total shared expenses	<u>\$ 2,393,571</u>	<u>\$ 2,393,572</u>	<u>\$ 2,369,522</u>	<u>\$ (24,050)</u>
Other categorical aid:				
Emergency medical services	\$ 17,500	\$ 35,296	\$ 36,742	\$ 1,446
Welfare administration and assistance	954,916	954,916	892,866	(62,050)
Litter control grant	7,000	18,294	11,294	(7,000)
Sheriff - jails	-	7,328	8,420	1,092
Comprehensive services act	830,000	830,000	296,555	(533,445)
Victim-witness grant	35,000	35,000	21,678	(13,322)
Fire program funds	60,000	60,000	59,680	(320)
Forfeited assets	-	-	5,800	5,800
VDOT grant	-	364,725	214,725	(150,000)
Other categorical	22,000	658,444	313,008	(345,436)
Total other categorical aid	<u>\$ 1,926,416</u>	<u>\$ 2,964,003</u>	<u>\$ 1,860,768</u>	<u>\$ (1,103,235)</u>
Total categorical aid	<u>\$ 4,319,987</u>	<u>\$ 5,357,575</u>	<u>\$ 4,230,290</u>	<u>\$ (1,127,285)</u>
Total revenue from the Commonwealth	<u>\$ 6,315,337</u>	<u>\$ 7,352,925</u>	<u>\$ 5,872,199</u>	<u>\$ (1,480,726)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Payments in lieu of taxes	\$ 52,951	\$ 127,951	\$ 118,163	\$ (9,788)
Categorical aid:				
Welfare administration and assistance	\$ 1,759,755	\$ 1,759,755	\$ 1,609,074	\$ (150,681)
Highway planning and construction	-	-	328	328
FEMA grant	50,000	90,248	57,469	(32,779)
Emergency management performance grant	94,524	187,563	50,960	(136,603)
Bulletproof vest partnership program	-	9,655	9,655	-
Other federal revenue	-	383,153	381,466	(1,687)
Total categorical aid	\$ 1,904,279	\$ 2,430,374	\$ 2,108,952	\$ (321,422)
Total revenue from the federal government	\$ 1,957,230	\$ 2,558,325	\$ 2,227,115	\$ (331,210)
Total General Fund	\$ 31,270,101	\$ 33,196,888	\$ 32,372,666	\$ (824,222)
Capital Projects Funds:				
Landfill Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 13,000	\$ 13,000	\$ 5,148	\$ (7,852)
Charges for services:				
Tipping fees - non-county users	\$ 350,000	\$ 350,000	\$ 481,427	\$ 131,427
Total revenue from local sources	\$ 363,000	\$ 363,000	\$ 486,575	\$ 123,575
Total Landfill Construction Fund	\$ 363,000	\$ 363,000	\$ 486,575	\$ 123,575
Recreation Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 15	\$ 15
Total revenue from local sources	\$ -	\$ -	\$ 15	\$ 15
Total Recreation Fund	\$ -	\$ -	\$ 15	\$ 15

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Piedmont Court Services Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 1,000	\$ 1,000	\$ 177	\$ (823)
Total revenue from use of money and property	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 177</u>	<u>\$ (823)</u>
Charges for services:				
Other charges for services	\$ 83,912	\$ 83,912	\$ -	\$ (83,912)
Total charges for services	<u>\$ 83,912</u>	<u>\$ 83,912</u>	<u>\$ -</u>	<u>\$ (83,912)</u>
Miscellaneous:				
Other miscellaneous	\$ 500	\$ 500	\$ -	\$ (500)
Total miscellaneous	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ (500)</u>
Total revenue from local sources	<u>\$ 85,412</u>	<u>\$ 85,412</u>	<u>\$ 177</u>	<u>\$ (85,235)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid				
DCJS - community corrections	\$ 660,596	\$ 660,596	\$ 677,399	\$ 16,803
Total categorical aid	<u>\$ 660,596</u>	<u>\$ 660,596</u>	<u>\$ 677,399</u>	<u>\$ 16,803</u>
Total revenue from the Commonwealth	<u>\$ 660,596</u>	<u>\$ 660,596</u>	<u>\$ 677,399</u>	<u>\$ 16,803</u>
Total Piedmont Court Services Fund	<u><u>\$ 746,008</u></u>	<u><u>\$ 746,008</u></u>	<u><u>\$ 677,576</u></u>	<u><u>\$ (68,432)</u></u>
EMS District Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 180,000	\$ 180,000	\$ 186,878	\$ 6,878
Personal property taxes	140,000	140,000	186,475	46,475
Mobile home taxes	800	800	1,159	359
Penalties	3,500	3,500	5,148	1,648
Interest	1,200	1,200	3,215	2,015
Total general property taxes	<u>\$ 325,500</u>	<u>\$ 325,500</u>	<u>\$ 382,875</u>	<u>\$ 57,375</u>
Total revenue from local sources	<u>\$ 325,500</u>	<u>\$ 325,500</u>	<u>\$ 382,875</u>	<u>\$ 57,375</u>
Total EMS District Fund	<u><u>\$ 325,500</u></u>	<u><u>\$ 325,500</u></u>	<u><u>\$ 382,875</u></u>	<u><u>\$ 57,375</u></u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
School Debt Service				
Revenue from local sources:				
Contribution from School Board	\$ -	\$ -	\$ 99,991	\$ 99,991
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 20,349	\$ 20,349
Total revenue from local sources	\$ -	\$ -	\$ 120,340	\$ 120,340
Total School Debt Service Fund	\$ -	\$ -	\$ 120,340	\$ 120,340
Total Primary Government	\$ 32,704,609	\$ 34,631,396	\$ 34,040,047	\$ (591,349)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 10,000	\$ 10,000	\$ 2,533	\$ (7,467)
Revenue from the use of property	-	-	2,591	2,591
Total revenue from use of money and property	\$ 10,000	\$ 10,000	\$ 5,124	\$ (4,876)
Charges for services:				
Charges for education	\$ 52,802	\$ 52,802	\$ 209,122	\$ 156,320
Miscellaneous:				
Other miscellaneous	\$ 22,000	\$ 22,000	\$ 66,007	\$ 44,007
Recovered costs:				
Other recovered costs	\$ 277,719	\$ 277,719	\$ 32,587	\$ (245,132)
Total revenue from local sources	\$ 362,521	\$ 362,521	\$ 312,840	\$ (49,681)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Prince Edward, Virginia	\$ 10,148,308	\$ 10,148,308	\$ 6,671,837	\$ (3,476,471)
Total revenues from local governments	\$ 10,148,308	\$ 10,148,308	\$ 6,671,837	\$ (3,476,471)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 3,103,342	\$ 3,103,342	\$ 3,606,450	\$ 503,108
Basic school aid	6,115,319	6,115,319	5,775,208	(340,111)
Other state funds	7,520,403	7,731,407	9,074,816	1,343,409
Total categorical aid	\$ 16,739,064	\$ 16,950,068	\$ 18,456,474	\$ 1,506,406
Total revenue from the Commonwealth	\$ 16,739,064	\$ 16,950,068	\$ 18,456,474	\$ 1,506,406
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 980,192	\$ 980,192	\$ 1,114,428	\$ 134,236
Title I, neglected and delinquent children	-	-	2,535	2,535
Title II	137,827	137,827	77,740	(60,087)
Title VI-B, special education flow-through	666,829	671,829	457,990	(213,839)
Title VI-B, pre-school	19,904	19,904	15,341	(4,563)
Title IV, Part A	136,453	155,665	125,279	(30,386)
Title V-A	129,362	338,825	49,549	(289,276)
CARES and ARPA	-	912,308	-	(912,308)
Other federal funds	49,420	49,420	206,532	157,112
Total categorical aid	\$ 2,119,987	\$ 3,265,970	\$ 2,049,394	\$ (1,216,576)
Total School Operating Fund	\$ 29,369,880	\$ 30,726,867	\$ 27,490,545	\$ (3,236,322)

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 725	\$ 725
Charges for services:				
Cafeteria sales	\$ 108,500	\$ 308,500	\$ 82,194	\$ (226,306)
Total revenue from local sources	<u>\$ 108,500</u>	<u>\$ 308,500</u>	<u>\$ 82,919</u>	<u>\$ (225,581)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 35,314	\$ 35,314	\$ 43,848	\$ 8,534
Total categorical aid	<u>\$ 35,314</u>	<u>\$ 35,314</u>	<u>\$ 43,848</u>	<u>\$ 8,534</u>
Total revenue from the Commonwealth	<u>\$ 35,314</u>	<u>\$ 35,314</u>	<u>\$ 43,848</u>	<u>\$ 8,534</u>
Revenue from the federal government:				
Categorical aid:				
School nutrition program	\$ 1,287,592	\$ 1,287,592	\$ 1,714,137	\$ 426,545
Total categorical aid	<u>\$ 1,287,592</u>	<u>\$ 1,287,592</u>	<u>\$ 1,714,137</u>	<u>\$ 426,545</u>
Total School Cafeteria Fund	<u>\$ 1,431,406</u>	<u>\$ 1,631,406</u>	<u>\$ 1,840,904</u>	<u>\$ 209,498</u>
Special Revenue Funds:				
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
CARES Act	\$ -	\$ 415,000	\$ 2,784,600	\$ 2,369,600
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 2,784,600</u>	<u>\$ 2,369,600</u>
Total CARES Act Fund	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 2,784,600</u>	<u>\$ 2,369,600</u>

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 177,233	\$ 217,433	\$ 206,646	\$ 10,787
General and financial administration:				
County administrator	\$ 694,526	\$ 703,087	\$ 695,215	\$ 7,872
Legal services	77,225	147,225	168,676	(21,451)
Commissioner of revenue	376,257	388,691	365,446	23,245
Treasurer	486,311	483,196	462,141	21,055
Independent Auditor	85,000	85,000	129,904	(44,904)
Assessor	75,000	18,690	18,690	-
Other general and financial administration	185,940	181,699	180,584	1,115
Total general and financial administration	\$ 1,980,259	\$ 2,007,588	\$ 2,020,656	\$ (13,068)
Board of elections:				
Electoral board and officials	\$ 93,588	\$ 75,505	\$ 70,638	\$ 4,867
Registrar	200,408	208,509	191,664	16,845
Total board of elections	\$ 293,996	\$ 284,014	\$ 262,302	\$ 21,712
Total general government administration	\$ 2,451,488	\$ 2,509,035	\$ 2,489,604	\$ 19,431
Judicial administration:				
Courts:				
Circuit court	\$ 68,614	\$ 70,639	\$ 61,336	\$ 9,303
General district court	10,100	10,100	8,649	1,451
Office of the magistrates	2,925	2,925	2,102	823
Juvenile and domestic court	7,740	7,740	7,549	191
Clerk of the circuit court	556,350	612,317	609,537	2,780
Law library	7,600	7,600	4,762	2,838
Sheriff - courts	402,909	523,043	512,853	10,190
Victim and witness assistance	78,055	81,072	79,246	1,826
Total courts	\$ 1,134,293	\$ 1,315,436	\$ 1,286,034	\$ 29,402
Commonwealth's attorney:				
Commonwealth's attorney	\$ 713,394	\$ 740,424	\$ 651,626	\$ 88,798
Total judicial administration	\$ 1,847,687	\$ 2,055,860	\$ 1,937,660	\$ 118,200
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,617,668	\$ 2,952,902	\$ 2,937,938	\$ 14,964
Emergency services	15,018	73,698	72,065	1,633
Line of Duty Act payments	-	20,107	20,107	-
Total law enforcement and traffic control	\$ 2,632,686	\$ 3,046,707	\$ 3,030,110	\$ 16,597
Fire and rescue services:				
Fire department	\$ 631,600	\$ 1,477,678	\$ 1,262,777	\$ 214,901
Ambulance and rescue services	163,000	160,796	159,988	808
Forestry service	11,716	11,716	11,716	-
Total fire and rescue services	\$ 806,316	\$ 1,650,190	\$ 1,434,481	\$ 215,709

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Regional jail and juvenile detention	\$ 1,532,053	\$ 1,352,607	\$ 1,788,134	\$ (435,527)
Inspections:				
Building	\$ 195,972	\$ 210,209	\$ 187,368	\$ 22,841
Other protection:				
Animal control	\$ 200,680	\$ 204,991	\$ 202,607	\$ 2,384
Other protection	5,000	6,189	4,870	1,319
Medical examiner (coroner)	-	-	160	(160)
Total other protection	\$ 205,680	\$ 211,180	\$ 207,637	\$ 3,543
Total public safety	\$ 5,372,707	\$ 6,470,893	\$ 6,647,730	\$ (176,837)
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	\$ 976,935	\$ 1,111,891	\$ 1,096,825	\$ 15,066
Total public works	\$ 983,935	\$ 1,118,891	\$ 1,096,825	\$ 22,066
Health and welfare:				
Health:				
Supplement of local health department	\$ 174,000	\$ 178,740	\$ 174,000	\$ 4,740
Mental health and mental retardation:				
Crossroads Community Services Board	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
Welfare:				
Welfare administration and assistance	\$ 113,593	\$ 113,593	\$ 119,774	\$ (6,181)
Tax relief for the elderly	-	-	86,599	(86,599)
Comprehensive services act	1,001,000	601,000	381,872	219,128
Other welfare programs	3,388,528	3,388,528	2,979,313	409,215
Total welfare	\$ 4,503,121	\$ 4,103,121	\$ 3,567,558	\$ 535,563
Total health and welfare	\$ 4,737,121	\$ 4,341,861	\$ 3,801,558	\$ 540,303
Education:				
Other instructional costs:				
Contributions to community college	\$ 10,432	\$ 10,432	\$ 10,432	\$ -
Contribution to County School Board	10,148,308	10,148,308	6,506,328	3,641,980
Total education	\$ 10,158,740	\$ 10,158,740	\$ 6,516,760	\$ 3,641,980

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 68,000	\$ 58,000	\$ 58,000	\$ -
Cultural enrichment:				
Museums	\$ 13,800	\$ 8,500	\$ 8,500	\$ -
Contribution to regional library	\$ 287,472	\$ 287,472	\$ 287,472	\$ -
Total parks, recreation, and cultural	\$ 369,272	\$ 353,972	\$ 353,972	\$ -
Community development:				
Planning and community development:				
Planning	\$ 270,036	\$ 226,863	\$ 220,824	\$ 6,039
Community development	49,355	49,355	49,080	275
Contribution to Industrial Development Auth.	-	122,863	101,307	21,556
Economic development	138,721	114,561	98,422	16,139
Tourism	91,070	115,175	102,713	12,462
Total planning and community development	\$ 549,182	\$ 628,817	\$ 572,346	\$ 56,471
Environmental management:				
Soil and water conservation	\$ 17,840	\$ 17,840	\$ 19,730	\$ (1,890)
Cooperative extension program:				
Cooperative extension program	\$ 53,608	\$ 53,608	\$ 52,741	\$ 867
Cannery	112,940	90,740	87,294	3,446
Total cooperative extension program	\$ 166,548	\$ 144,348	\$ 140,035	\$ 4,313
Total community development	\$ 733,570	\$ 791,005	\$ 732,111	\$ 58,894
Nondepartmental:				
Other nondepartmental	\$ 707,061	\$ 234,474	\$ 210,324	\$ 24,150
Total nondepartmental	\$ 707,061	\$ 234,474	\$ 210,324	\$ 24,150
Capital projects:				
Computer system	\$ 115,000	\$ 64,322	\$ 64,322	\$ -
Sandy River reservoir project	412,500	1,540,988	1,669,132	(128,144)
Business Park development	-	861,521	1,767,149	(905,628)
Courthouse renovation	-	701,187	701,187	-
Other capital projects	898,508	1,102,152	443,490	658,662
Total capital projects	\$ 1,426,008	\$ 4,270,170	\$ 4,645,280	\$ (375,110)
Debt service:				
Principal retirement	\$ 850,376	\$ 900,488	\$ 1,020,875	\$ (120,387)
Interest and other fiscal charges	241,293	241,293	221,197	20,096
Total debt service	\$ 1,091,669	\$ 1,141,781	\$ 1,242,072	\$ (100,291)
Total General Fund	\$ 29,879,258	\$ 33,446,682	\$ 29,673,896	\$ 3,772,786

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

Fund, Function, Activity, and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
Piedmont Court Services Fund:				
Public safety:				
Correction and detention:				
Piedmont Court Services	\$ 746,008	\$ 797,351	\$ 667,667	\$ 129,684
Total other protection	\$ 746,008	\$ 797,351	\$ 667,667	\$ 129,684
Total public safety	\$ 746,008	\$ 797,351	\$ 667,667	\$ 129,684
Total Piedmont Court Services Fund	<u>\$ 746,008</u>	<u>\$ 797,351</u>	<u>\$ 667,667</u>	<u>\$ 129,684</u>
EMS District Fund:				
Public safety:				
Fire and rescue:				
EMS District fire and rescue	\$ 325,500	\$ 855,024	\$ 237,975	\$ 617,049
Total public safety	\$ 325,500	\$ 855,024	\$ 237,975	\$ 617,049
Total EMS District Fund	<u>\$ 325,500</u>	<u>\$ 855,024</u>	<u>\$ 237,975</u>	<u>\$ 617,049</u>
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction	\$ 21,645,684	\$ 23,002,671	\$ 20,236,644	\$ 2,766,027
Administration, attendance, and health	1,804,764	1,804,764	1,592,498	212,266
Pupil transportation services	1,953,263	1,953,263	1,081,543	871,720
Operation and maintenance services	1,888,318	1,888,318	1,862,027	26,291
Technology	1,319,007	1,319,007	1,112,037	206,970
Facilities	150,000	150,000	999,786	(849,786)
Total education	<u>\$ 28,761,036</u>	<u>\$ 30,118,023</u>	<u>\$ 26,884,535</u>	<u>\$ 3,233,488</u>
Contribution to local government	\$ -	\$ -	\$ 99,991	\$ (99,991)
Debt service:				
Principal retirement	\$ 480,219	\$ 480,219	\$ 387,818	\$ 92,401
Interest and other fiscal charges	128,625	128,625	118,201	10,424
Total debt service	<u>\$ 608,844</u>	<u>\$ 608,844</u>	<u>\$ 506,019</u>	<u>\$ 102,825</u>
Total School Operating Fund	<u>\$ 29,369,880</u>	<u>\$ 30,726,867</u>	<u>\$ 27,490,545</u>	<u>\$ 3,336,313</u>
Special Revenue Funds:				
School CARES Fund:				
Education:				
School food services:				
Instruction	\$ -	\$ 415,000	\$ 2,619,091	\$ (2,204,091)
Contribution to local government	\$ -	\$ -	\$ 165,509	\$ (165,509)
Total education	<u>-</u>	<u>415,000</u>	<u>2,784,600</u>	<u>(2,369,600)</u>
Total School Cafeteria Fund	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 2,784,600</u>	<u>\$ (2,369,600)</u>
Special Revenue Funds:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,431,406	\$ 1,631,406	\$ 1,713,078	\$ (81,672)
Total School Cafeteria Fund	<u>\$ 1,431,406</u>	<u>\$ 1,631,406</u>	<u>\$ 1,713,078</u>	<u>\$ (81,672)</u>

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 annual comprehensive financial reports for the relevant year.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 2,080,125	\$ 2,289,146	\$ 1,858,573	\$ 228,916	\$ 1,288,819
Restricted	-	95,258	95,258	87,685	88,483
Unrestricted	<u>6,126,366</u>	<u>(476,746)</u>	<u>(105,149)</u>	<u>4,521,689</u>	<u>5,032,824</u>
Total governmental activities net position	<u>\$ 8,206,491</u>	<u>\$ 1,907,658</u>	<u>\$ 1,848,682</u>	<u>\$ 4,838,290</u>	<u>\$ 6,410,126</u>
Business-type activities					
Net investment in capital assets	\$ (353,000)	\$ (275,337)	\$ (191,305)	\$ (97,927)	\$ 334,066
Unrestricted	<u>(4,056)</u>	<u>(324,456)</u>	<u>(642,461)</u>	<u>(963,915)</u>	<u>(39,272)</u>
Total business-type activities net position	<u>\$ (357,056)</u>	<u>\$ (599,793)</u>	<u>\$ (833,766)</u>	<u>\$ (1,061,842)</u>	<u>\$ 294,794</u>
Primary government					
Net investment in capital assets	\$ 1,727,125	\$ 2,013,809	\$ 1,667,268	\$ 130,989	\$ 1,622,885
Restricted	-	95,258	95,258	87,685	88,483
Unrestricted	<u>6,122,310</u>	<u>(801,202)</u>	<u>(747,610)</u>	<u>3,557,774</u>	<u>4,993,552</u>
Total primary government net position	<u>\$ 7,849,435</u>	<u>\$ 1,307,865</u>	<u>\$ 1,014,916</u>	<u>\$ 3,776,448</u>	<u>\$ 6,704,920</u>

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

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental activities					
Net investment in capital assets	\$ 7,558,474	\$ 3,113,156	\$ 4,043,524	\$ 2,342,665	\$ 7,237,005
Restricted	88,482	1,855,737	942,213	2,091,793	130,760
Unrestricted	<u>3,660,161</u>	<u>12,210,851</u>	<u>20,015,818</u>	<u>23,987,919</u>	<u>28,309,995</u>
Total governmental activities net position	<u>\$ 11,307,117</u>	<u>\$ 17,179,744</u>	<u>\$ 25,001,555</u>	<u>\$ 28,422,377</u>	<u>\$ 35,677,760</u>
Business-type activities					
Net investment in capital assets	\$ 586,262	\$ 2,205,097	\$ 2,329,416	\$ 1,952,932	\$ 2,529,378
Unrestricted	<u>(1,064,618)</u>	<u>(5,654,630)</u>	<u>(7,151,237)</u>	<u>(5,838,590)</u>	<u>(6,287,398)</u>
Total business-type activities net position	<u>\$ (478,356)</u>	<u>\$ (3,449,533)</u>	<u>\$ (4,821,821)</u>	<u>\$ (3,885,658)</u>	<u>\$ (3,758,020)</u>
Primary government					
Net investment in capital assets	\$ 8,144,736	\$ 5,318,253	\$ 6,372,940	\$ 4,295,597	\$ 9,766,383
Restricted	88,482	1,855,737	942,213	2,091,793	130,760
Unrestricted	<u>2,595,543</u>	<u>6,556,221</u>	<u>12,864,581</u>	<u>18,149,329</u>	<u>22,022,597</u>
Total primary government net position	<u>\$ 10,828,761</u>	<u>\$ 13,730,211</u>	<u>\$ 20,179,734</u>	<u>\$ 24,536,719</u>	<u>\$ 31,919,740</u>

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

	2014	2015	2016	2017	2018
Expenses					
Governmental activities:					
General government administration	\$ 4,967,094	\$ 1,836,885	\$ 1,978,261	\$ 1,879,121	\$ 2,042,261
Judicial administration	1,320,809	1,228,338	2,183,197	1,230,677	1,315,062
Public safety	5,243,483	4,988,167	4,988,608	4,676,477	4,886,784
Public works	2,032,088	1,991,833	1,783,830	1,900,935	1,798,146
Health and welfare	3,810,158	3,873,482	4,200,104	4,488,190	4,261,484
Education	8,126,108	11,968,460	8,197,715	9,217,509	7,669,358
Parks, recreation and cultural	365,365	284,325	315,351	278,804	282,598
Community development	906,637	572,714	660,282	450,083	638,456
Interest on long-term debt	344,386	315,615	380,944	236,844	387,718
Total governmental activities expenses	\$ 27,116,128	\$ 27,059,819	\$ 24,688,292	\$ 24,358,640	\$ 23,281,867
Business-type activities:					
Water	\$ 181,343	\$ 178,144	\$ 170,631	\$ 167,039	\$ 121,832
Sewer	69,773	67,707	65,993	63,639	46,855
Landfill	-	-	-	-	366,017
Total business-type activities expenses	\$ 251,116	\$ 245,851	\$ 236,624	\$ 230,678	\$ 534,704
Total primary government expenses	\$ 27,367,244	\$ 27,305,670	\$ 24,924,916	\$ 24,589,318	\$ 23,816,571
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	\$ -	\$ -	\$ -	\$ 77,574	\$ 922,028
Judicial administration	182,240	200,947	148,791	220,831	230,047
Public safety	202,472	194,988	187,308	179,619	223,106
Public works	603,518	575,946	583,490	717,693	339,844
Community development	11,600	14,308	13,985	13,096	11,591
Operating grants and contributions	5,616,484	5,595,435	5,813,572	5,991,324	5,923,691
Capital grants and contributions	2,337	-	-	-	-
Total governmental activities program revenues	\$ 6,618,651	\$ 6,581,624	\$ 6,747,146	\$ 7,200,137	\$ 7,650,307
Business-type activities:					
Charges for services:					
Water	\$ 778	\$ 1,134	\$ 1,063	\$ 862	\$ 778
Sewer	1,780	1,980	1,588	1,740	1,516
Landfill	-	-	-	-	646,512
Total business-type activities program revenues	\$ 2,558	\$ 3,114	\$ 2,651	\$ 2,602	\$ 648,806
Total primary government program revenues	\$ 6,621,209	\$ 6,584,738	\$ 6,749,797	\$ 7,202,739	\$ 8,299,113
Net (expense) / revenue					
Governmental activities					
Total primary government net expense	\$ (20,497,477)	\$ (20,478,195)	\$ (17,941,146)	\$ (17,158,503)	\$ (15,631,560)
Governmental activities					
Total primary government net expense	\$ (20,746,035)	\$ (20,720,932)	\$ (18,175,119)	\$ (17,386,579)	\$ (15,517,458)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,076,090	\$ 11,877,989	\$ 11,867,596	\$ 12,934,371	\$ 13,232,616
Local sales and use taxes	2,585,962	2,722,713	2,714,379	2,807,361	2,864,176
Taxes on recordation and wills	140,040	157,890	205,362	203,446	205,308
Motor vehicle licenses taxes	460,643	548,133	417,138	492,489	483,347
Consumer utility taxes	306,197	307,372	307,536	309,779	313,830
Other local taxes	71,768	60,260	65,589	64,690	64,408
Unrestricted grants and contributions	1,693,827	1,850,727	1,774,380	1,756,921	1,728,039
Unrestricted revenues from use of money and property	341,618	360,957	331,892	336,954	832,179
Miscellaneous	103,941	128,268	198,298	42,697	187,120
Transfers	-	-	-	-	(1,242,534)
Total governmental activities	\$ 16,780,086	\$ 18,014,309	\$ 17,882,170	\$ 18,948,708	\$ 18,668,489
Business-type activities:					
Unrestricted revenues from use					
of money and property	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers	-	-	-	-	1,242,534
Total business-type activities	\$ -	\$ -	\$ -	\$ -	\$ 1,242,534
Total primary government	\$ 16,780,086	\$ 18,014,309	\$ 17,882,170	\$ 18,948,708	\$ 19,911,023
Change in Net Position					
Governmental activities					
Business-type activities	\$ (248,558)	\$ (242,737)	\$ (233,973)	\$ (228,076)	\$ 1,356,636
Total primary government	\$ (3,965,949)	\$ (2,706,623)	\$ (292,949)	\$ 1,562,129	\$ 4,393,565

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

	2019	2020	2021	2022	2023
Expenses					
Governmental activities:					
General government administration	\$ 2,202,773	\$ 2,418,085	\$ 4,521,214	\$ 3,935,124	\$ 3,382,876
Judicial administration	1,150,670	1,355,074	1,935,600	1,628,677	2,209,008
Public safety	5,392,741	5,679,796	7,511,966	6,394,093	8,287,187
Public works	1,081,261	1,065,039	1,076,927	1,235,951	1,187,177
Health and welfare	4,012,545	5,210,055	4,433,939	3,945,533	4,209,245
Education	7,853,856	6,731,628	5,455,100	6,969,938	6,009,662
Parks, recreation and cultural	299,078	327,380	326,430	326,930	376,550
Community development	590,515	2,438,879	1,085,266	732,791	781,675
Interest on long-term debt	304,047	648,421	465,242	414,042	252,888
Total governmental activities expenses	\$ 22,887,486	\$ 25,874,357	\$ 26,811,684	\$ 25,583,079	\$ 26,696,268
Business-type activities:					
Water	\$ 102,939	\$ 138,240	\$ 144,849	\$ 126,068	\$ 121,488
Sewer	41,587	54,302	52,368	49,391	56,435
Landfill	1,173,888	1,536,492	1,449,227	1,971,115	2,410,857
Total business-type activities expenses	\$ 1,318,414	\$ 1,729,034	\$ 1,646,444	\$ 2,146,574	\$ 2,588,780
Total primary government expenses	\$ 24,205,900	\$ 27,603,391	\$ 28,458,128	\$ 27,729,653	\$ 29,285,048
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	\$ 933,900	\$ 1,025,046	\$ 962,928	\$ 1,001,989	\$ 1,504,618
Judicial administration	222,815	228,057	198,881	197,404	254,565
Public safety	291,622	254,168	204,925	353,416	111,028
Public works	356,559	390,181	683,643	437,373	481,427
Community development	9,944	17,282	20,849	26,466	-
Operating grants and contributions	5,718,072	6,298,691	10,505,705	7,055,826	7,133,563
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	\$ 7,532,912	\$ 8,213,425	\$ 12,576,931	\$ 9,072,474	\$ 9,485,201
Business-type activities:					
Charges for services:					
Water	\$ 834	\$ 680	\$ 515	\$ 244	\$ 596
Sewer	1,841	2,380	896	950	4,261
Landfill	729,047	726,586	272,745	700,620	635,620
Total business-type activities program revenues	\$ 731,722	\$ 729,646	\$ 274,156	\$ 701,814	\$ 640,477
Total primary government program revenues	\$ 8,264,634	\$ 8,943,071	\$ 12,851,087	\$ 9,774,288	\$ 10,125,678
Net (expense) / revenue					
Governmental activities	\$ (15,354,574)	\$ (17,660,932)	\$ (14,234,753)	\$ (16,510,605)	\$ (17,211,067)
Total primary government net expense	\$ (15,941,266)	\$ (18,660,320)	\$ (15,607,041)	\$ (17,955,365)	\$ (19,159,370)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 13,842,076	\$ 15,110,342	\$ 14,774,168	\$ 15,865,574	\$ 17,876,894
Local sales and use taxes	2,986,074	3,076,209	3,515,613	3,657,477	3,880,738
Taxes on recordation and wills	156,349	183,848	237,440	335,712	244,386
Motor vehicle licenses taxes	547,162	579,777	546,871	580,993	540,667
Consumer utility taxes	316,994	306,609	294,311	350,703	324,534
Other local taxes	78,914	92,052	66,582	85,340	154,049
Unrestricted grants and contributions	1,712,077	1,792,821	1,746,252	2,002,050	2,180,638
Unrestricted revenues from use of money and property	348,973	636,557	569,800	597,348	708,356
Miscellaneous	76,488	182,355	305,196	201,494	500,933
Transfers	-	(1,463,230)	-	(1,118,527)	(2,075,932)
Total governmental activities	\$ 20,065,107	\$ 20,497,340	\$ 22,056,233	\$ 22,558,164	\$ 24,335,263
Business-type activities:					
Unrestricted revenues from use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 9
Transfers	-	1,463,230	-	1,118,527	2,075,932
Total business-type activities	\$ -	\$ 1,463,230	\$ -	\$ 1,118,527	\$ 2,075,941
Total primary government	\$ 20,065,107	\$ 21,960,570	\$ 22,056,233	\$ 23,676,691	\$ 26,411,204
Change in Net Position					
Governmental activities	\$ 4,710,533	\$ 2,836,408	\$ 7,821,480	\$ 6,047,559	\$ 7,124,196
Business-type activities	(586,692)	463,842	(1,372,288)	(326,233)	127,638
Total primary government	\$ 4,123,841	\$ 3,300,250	\$ 6,449,192	\$ 5,721,326	\$ 7,251,834

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
2023	\$ 17,876,894	\$ 3,880,738	\$ 324,534	\$ 540,667	\$ 244,386	22,867,219
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

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General fund					
Nonspendable:					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Community Development Authority	-	95,258	95,258	87,685	88,483
Forfeited assets	-	-	-	-	-
Committed:					
Economic Development	-	-	-	-	-
Unassigned	<u>9,038,328</u>	<u>9,811,281</u>	<u>9,672,556</u>	<u>12,112,059</u>	<u>12,832,402</u>
Total general fund	<u>\$ 9,038,328</u>	<u>\$ 9,906,539</u>	<u>\$ 9,767,814</u>	<u>\$ 12,199,744</u>	<u>\$ 12,920,885</u>
All other governmental funds					
Restricted:					
Debt service	\$ 910,353	\$ 1,043,470	\$ 1,179,675	\$ 1,319,176	\$ 1,461,991
Committed:					
Special projects	-	-	-	-	-
Assigned:					
Landfill construction	1,784,386	2,092,086	1,278,266	1,203,394	1,536,362
Recreation capital projects	20,468	20,492	14,038	8,085	8,146
Special revenue	<u>337,125</u>	<u>301,945</u>	<u>290,950</u>	<u>306,612</u>	<u>332,111</u>
Total all other governmental funds	<u>\$ 3,052,332</u>	<u>\$ 3,457,993</u>	<u>\$ 2,762,929</u>	<u>\$ 2,837,267</u>	<u>\$ 3,338,610</u>

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General fund					
Nonspendable:					
Prepaid items	\$ -	\$ 41,890	\$ -	\$ 1,529	\$ 1,529
Restricted for:					
Community Development Authority	88,482	88,482	88,508	88,508	88,508
Forfeited assets	-	9,233	33,156	39,575	42,252
Committed:					
Economic Development	-	315,697	292,027	457,786	457,786
Unassigned	<u>9,940,731</u>	<u>12,928,470</u>	<u>19,415,912</u>	<u>17,476,443</u>	<u>18,492,153</u>
Total general fund	<u>\$ 10,029,213</u>	<u>\$ 13,383,772</u>	<u>\$ 19,829,603</u>	<u>\$ 18,063,841</u>	<u>\$ 19,082,228</u>
All other governmental funds					
Restricted:					
Debt service	\$ 1,608,189	\$ 1,758,022	\$ 820,549	\$ 879,660	\$ -
Committed:					
Special projects	-	-	-	4,417,265	4,769,903
Assigned:					
Landfill construction	1,885,520	2,269,885	2,639,693	3,090,270	3,576,845
Recreation capital projects	8,214	9,234	9,272	9,288	9,303
Special revenue	<u>400,302</u>	<u>432,736</u>	<u>417,983</u>	<u>878,833</u>	<u>1,033,642</u>
Total all other governmental funds	<u>\$ 3,902,225</u>	<u>\$ 4,469,877</u>	<u>\$ 3,887,497</u>	<u>\$ 9,275,316</u>	<u>\$ 9,389,693</u>

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2014	2015	2016	2017	2018
Revenues					
General property taxes	\$ 10,868,709	\$ 12,164,324	\$ 11,988,352	\$ 12,659,333	\$ 13,311,281
Other local taxes	3,564,610	3,796,368	3,710,005	3,877,548	3,930,605
Permits, privilege fees and regulatory licenses	69,529	79,339	98,002	73,445	84,435
Fines and forfeitures	156,204	171,827	120,200	192,680	201,017
Revenue from use of money and property	341,618	360,957	331,891	374,453	416,291
Charges for services	774,097	735,023	715,374	865,332	519,598
Miscellaneous	236,145	283,391	198,298	143,516	171,290
Recovered costs	119,153	101,411	124,292	79,193	98,397
Intergovernmental:					
Local - Component Unit	-	-	-	-	-
Commonwealth	5,899,638	6,027,849	6,087,230	6,131,076	5,978,835
Federal	1,413,010	1,418,313	1,500,721	1,617,169	1,697,047
Total revenues	\$ 23,442,713	\$ 25,138,802	\$ 24,874,365	\$ 26,013,745	\$ 26,408,796
Expenditures					
General government administration	\$ 1,788,018	\$ 1,556,430	\$ 1,564,514	\$ 1,626,463	\$ 1,612,576
Judicial administration	1,712,847	1,640,931	1,645,993	1,607,932	1,580,707
Public safety	4,720,230	4,680,697	4,780,666	4,470,112	4,470,448
Public works	1,926,912	2,074,408	1,875,840	1,763,373	1,462,747
Health and welfare	3,806,903	3,970,706	4,304,800	4,487,585	4,274,895
Education	8,301,411	8,031,503	8,303,927	7,393,077	8,068,635
Parks, recreation and cultural	362,013	288,890	319,851	282,804	280,598
Community development	844,138	579,448	650,874	478,395	661,489
Capital projects	247,877	80,702	1,308,827	486,154	535,553
Nondepartmental	74,015	65,554	67,188	32,560	104,186
Debt service					
Principal	565,424	573,861	587,247	607,248	648,407
Interest and other fiscal charges	346,833	321,800	298,427	271,774	265,038
Total expenditures	\$ 24,696,621	\$ 23,864,930	\$ 25,708,154	\$ 23,507,477	\$ 23,965,279
Excess (deficiency) of revenues over (under) expenditures	\$ (1,253,908)	\$ 1,273,872	\$ (833,789)	\$ 2,506,268	\$ 2,443,517
Other financing sources (uses)					
Transfers in	\$ 110,153	\$ 110,153	\$ 110,153	\$ 110,153	\$ 110,153
Transfers out	(110,153)	(110,153)	(110,153)	(110,153)	(1,352,687)
Refunding bonds issued	-	-	-	-	2,391,777
General obligation refunding bonds issued	-	-	-	-	-
Premium on bonds issued	-	-	-	-	390,793
Issuance of note payable	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(2,761,069)
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ (1,221,033)
Net change in fund balances	\$ (1,253,908)	\$ 1,273,872	\$ (833,789)	\$ 2,506,268	\$ 1,222,484
Debt service as a percentage of noncapital expenditures	3.73%	3.77%	3.63%	3.82%	3.98%

Note: Does not include discretely presented component unit.

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2019	2020	2021	2022	2023
Revenues					
General property taxes	\$ 14,078,027	\$ 15,042,742	\$ 15,055,989	\$ 15,899,565	17,303,417
Other local taxes	4,085,494	4,238,495	4,660,817	5,010,225	5,144,374
Permits, privilege fees and regulatory licenses	96,743	87,525	96,349	122,539	297,065
Fines and forfeitures	192,265	198,232	177,992	171,718	130,931
Revenue from use of money and property	427,671	710,353	729,754	739,724	902,556
Charges for services	592,033	604,186	833,702	720,596	731,579
Miscellaneous	76,488	156,811	266,080	175,013	500,933
Recovered costs	130,236	136,102	647,896	96,164	152,488
Intergovernmental:					
Local - Component Unit	-	-	-	-	99,991
Commonwealth	5,774,580	5,948,595	5,850,558	5,995,091	6,549,598
Federal	1,655,569	2,144,124	6,397,964	3,063,593	2,764,603
Total revenues	\$ 27,109,106	\$ 29,267,165	\$ 34,717,101	\$ 31,994,228	34,577,535
Expenditures					
General government administration	\$ 1,596,311	\$ 1,833,581	\$ 6,757,573	\$ 2,069,352	2,877,092
Judicial administration	1,627,710	1,687,924	1,686,592	1,733,643	1,937,660
Public safety	4,796,629	5,406,213	5,156,683	5,368,163	7,553,372
Public works	763,086	808,615	846,712	1,002,192	1,096,825
Health and welfare	4,019,977	4,223,046	4,332,351	3,848,593	3,801,558
Education	8,272,402	7,224,947	6,020,389	7,398,518	6,516,760
Parks, recreation and cultural	299,078	327,380	326,430	326,930	353,972
Community development	841,366	2,545,274	759,903	718,653	732,111
Capital projects	6,458,113	7,509,744	432,441	1,676,929	4,645,280
Nondepartmental	91,379	30,968	219,081	433,318	210,324
Debt service					
Principal	471,528	813,215	1,660,717	784,418	2,020,875
Interest and other fiscal charges	199,584	220,978	654,749	408,233	221,197
Total expenditures	\$ 29,437,163	\$ 32,631,885	\$ 28,853,621	\$ 25,768,942	31,967,026
Excess (deficiency) of revenues over (under) expenditures	\$ (2,328,057)	\$ (3,364,720)	\$ 5,863,480	\$ 6,225,286	2,610,509
Other financing sources (uses)					
Transfers in	\$ 110,153	\$ 452,546	\$ 149,333	\$ 4,466,993	1,104,704
Transfers out	(110,153)	(1,915,776)	(149,333)	(5,585,520)	(3,180,636)
Refunding bonds issued	-	-	-	-	-
General obligation refunding bonds issued	-	5,900,000	-	-	-
Premium on bonds issued	-	1,268,789	-	-	-
Issuance of note payable	-	-	-	-	467,000
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 5,705,559	\$ -	\$ (1,118,527)	(1,608,932)
Net change in fund balances	\$ (2,328,057)	\$ 2,340,839	\$ 5,863,480	\$ 5,106,759	1,001,577
Debt service as a percentage of noncapital expenditures	2.36%	3.27%	8.32%	4.82%	7.25%

Note: Does not include discretely presented component unit.

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

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Recordation and Wills Tax	Gross Receipts Tax	Total
2023	\$ 16,920,542	\$ 3,880,738	\$ 324,534	\$ 540,667	\$ 244,386	\$ 54,091	21,964,958
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

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

<u>Fiscal Year</u>	<u>Real Estate (1)</u>	<u>Personal Property (1)</u>	<u>Mobile Homes</u>	<u>Machinery and Tools</u>	<u>Merchants' Capital</u>
2023	\$ 1,836,360,764	\$ 208,584,922	\$ 12,073,448	\$ 2,148,900	\$ 44,341,500
2022	1,836,924,083	124,215,964	9,699,625	1,364,850	57,199,550
2021	1,546,903,214	145,373,327	8,531,925	1,374,000	62,627,050
2020	1,544,953,850	147,670,586	8,000,650	1,198,870	57,016,125
2019	1,531,213,900	127,082,800	7,743,810	727,550	57,081,500
2018	1,518,645,315	122,819,551	7,578,860	1,047,631	66,188,415
2017	1,501,993,440	119,922,383	7,460,730	1,067,695	58,950,650
2016	1,476,787,676	109,881,928	7,201,680	909,060	55,491,150
2015	1,593,856,675	105,257,875	9,292,235	737,600	57,499,650
2014	1,584,918,225	105,312,817	9,283,568	910,900	56,631,950

(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

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

Fiscal Year	Public Service (2)	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2023	\$ 120,046,991	\$ 2,223,558,548	2,223,558,548	100.00%
2022	124,215,964	2,153,622,058	2,153,622,058	100.00%
2021	113,821,736	1,878,633,273	1,878,633,273	100.00%
2020	113,383,476	1,872,225,577	1,872,225,577	100.00%
2019	100,876,583	1,824,728,162	1,824,728,162	100.00%
2018	98,806,317	1,815,088,107	1,815,088,107	100.00%
2017	103,798,120	1,793,195,035	1,793,195,035	100.00%
2016	94,692,680	1,744,966,190	1,744,966,190	100.00%
2015	94,140,180	1,860,786,230	1,860,786,230	100.00%
2014	89,731,651	1,846,791,125	1,846,791,125	100.00%

- (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

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
2023	\$ 0.51	\$ 4.50	\$ 0.51	\$ 4.20	\$ 0.70
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

(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					
2023	\$ 18,199,097	\$ 16,007,113	87.96%	\$ 913,429	\$ 16,920,542	92.97%	\$ 2,552,654	14.03%
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%

(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 2023		Fiscal Year 2014	
	2022 Assessed Valuation	% of Total Assessed Valuation	2013 Assessed Valuation	% of Total Assessed Valuation
Southside Holding	\$ 6,102,000	0.27%	\$ 4,549,700	0.25%
Southside Community Nursing	22,474,200	1.01%	17,362,500	0.95%
Statewide Realty Co.	1,035,700	0.05%	2,637,900	0.14%
Southgate Associates II	2,315,700	0.10%	4,588,100	0.25%
Wright, Shelton	3,619,900	0.16%	3,754,300	0.21%
Davis Real Properties LLC	3,104,100	0.14%	4,353,700	0.24%
Garnett, James	908,400	0.04%	1,444,500	0.08%
Landon G. Atkins Revocable Trust	-	0.00%	61,700	0.00%
Farmville Partners, LLC	-	0.00%	6,803,800	0.37%
Andrews Large & Whidden Inc	1,447,000	0.07%	-	0.00%
Longwood Village Shopping Center	7,892,200	0.35%	7,742,700	0.42%
Shoppes at College Park LLC	8,047,400	0.36%	-	0.00%
	<u>\$ 56,946,600</u>	<u>2.56%</u>	<u>\$ 53,298,900</u>	<u>2.91%</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				
2023	\$ 6,863,442	\$ 317,000	\$ 5,493,145	\$ 2,814,835	\$ 15,488,422	1.79%	706	
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	

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)
2023	\$ 5,265,647	\$ -	5,265,647	0.24%	240
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

(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.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate
2023	21,927	\$ 866,655,000	\$ 39,525	32.2	1,883	4.50%
2022	21,932	697,704,000	31,812	32.1	1,886	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%

Source: Virginia Employment Commission, Annual school report - prepared by the School Board, www.fedstats.gov

(1) Information is not updated annually

(2) School enrollment includes pre-K

Full-time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government administration	17.0	17.0	17.0	16.5	17.0	17.0	21.0	21.0	21.0	21.0
Judicial administration	23.0	23.0	23.0	24.0	25.0	25.0	25.0	26.0	26.0	27.0
Public safety										
Sheriffs department	32.0	32.0	32.0	32.0	34.0	34.0	46.0	40.0	40.0	40.0
Animal control	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Building official	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Public works										
General maintenance	6.0	6.0	6.0	6.0	6.0	7.0	7.0	8.0	8.0	8.0
Refuse Collection & Disposal	13.0	13.0	13.0	13.0	13.0	13.0	19.0	18.0	18.0	19.0
Landfill	-	-	-	-	5.0	7.0	6.0	8.0	8.0	8.0
Biosolids	1.0	-	-	-	-	-	-	-	-	-
Health and welfare										
Department of social services	32.0	32.0	32.0	34.0	36.0	36.0	29.0	30.0	30.0	33.0
Culture and recreation										
Parks and recreation	-	-	-	-	-	-	1.0	1.0	1.0	-
Community development										
Planning	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Economic Development	2.0	2.0	2.0	1.0	1.0	2.0	1.0	1.0	1.0	2.0
Cannery	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Extension	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals	<u>131.0</u>	<u>131.0</u>	<u>131.0</u>	<u>132.5</u>	<u>143.0</u>	<u>148.0</u>	<u>164.0</u>	<u>162.0</u>	<u>162.0</u>	<u>167.0</u>

Source: Individual County departments

Operating Indicators by Function
Last Ten Fiscal Years (1)

Function	2014	2015	2016	2017	2018	2,019.0	2020	2021	2022	2023
Public safety										
Sheriffs department:										
Physical arrests	393.0	377.0	483.0	113.0	95.0	814.0	337.0	399.0	478.0	403.0
Civil papers	8,820.0	8,637.0	8,298.0	7,910.0	8,717.0	8,395.0	5,942.0	5,858.0	7,364.0	5,943.0
Building inspections:										
Permits issued (2)	535.0	485.0	596.0	457.0	591.0	697.0	783.0	766.0	971.0	900.0
Public works										
Landfill:										
Refuse collected (tons/day)	54.6	43.7	41.7	77.7	106.0	97.4	108.9	112.0	116.0	128.0
Recycling (tons/day)	4.4	8.2	6.5	8.5	7.5	9.8	9.7	10.0	6.2	11.4
Health and welfare										
Department of Social Services:										
Caseload	8,503.0	9,127.0	11,097.0	10,206.0	11,305.0	10,580.0	10,353.0	7,791.0	7,710.0	8,204.0
Community development										
Planning:										
Zoning permits issued	81.0	74.0	79.0	63.0	83.0	80.0	148.0	159.0	184.0	212.0
Component Unit - School Board										
Education:										
Number of teachers	211.0	207.0	206.4	202.5	196.0	195.3	168.8	157.0	192.6	-
Local expenditures per pupil	3,789.0	3,774.0	4,030.0	3,284.0	4,088.0	4,339.0	4,639.0	4,101.0	3,419.0	-

Source: Individual County departments
(1) Information has been reported where available.

Compliance



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

**To the Honorable Members of
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, 2023, 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 January 19, 2024.

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.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia
January 19, 2024



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

To the Honorable Members of
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, 2023. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of 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.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

January 19, 2024

COUNTY OF PRINCE EDWARD, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass Through Payments:			
Virginia Department of Social Services:			
Guardianship Assistance	93.090	0950122/0950121	\$ 104
Title IV-E Prevention Program	93.472	1140123/1140122	3,921
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	18,256
Temporary Assistance to Needy Families	93.558	0400122/0400123	219,633
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122/0500123	886
Low-income Home Energy Assistance	93.568	0600422/0600423	44,634
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122/0760123	52,086
Chafee Education and Training Vouchers Program	93.599	09220109	3,157
Stephanie Tubbs Jones Child Welfare Services Programs	93.645	0900122/0900123	417
Foster Care - Title IV-E	93.658	1100122/1100123	131,019
Adoption Assistance	93.659	1120122/1120123	253,555
Social Services Block Grant	93.667	1000122/1000123	173,894
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	5,229
Elder Abuse Prevention Interventions Program	93.747	80000222	488
Children's Health Insurance Program	93.767	0540122/0540123	2,013
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200123	237,839
Total Department of Health and Human Services-pass through			\$ 1,147,131
Total Department of Health and Human Services			\$ 1,147,131
Department of Agriculture:			
Pass Through Payments:			
Virginia Department of Agriculture:			
Child and Adult Care Food Program	10.558	Unknown	\$ 5,865
Virginia Department of Agriculture: Fresh Fruit and Vegetable Program (Child Nutrition Cluster)	10.582	2023IL160341 / 2023IL160341	57,443
Virginia Department of Agriculture: Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ 133,781
Virginia Department of Education: National School Lunch Program (Child Nutrition Cluster)	10.555	2022IN109941 / 2023IN109941	1,098,512 1,232,293
Virginia Department of Education: School Breakfast Program (Child Nutrition Cluster)	10.553	2023IN109941 / 2022IN109941	415,401
Total Child Nutrition Cluster			\$ 1,705,137
Virginia Department of Education: COVID-19 - Pandemic EBT Administrative Costs	10.649	202121S900941	\$ 3,135
Virginia Department of Social Services: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0010123/0040122/0040123	\$ 461,943
Total Department of Agriculture - pass-through payments			\$ 2,176,080
Total Department of Agriculture			\$ 2,176,080
Department of Justice:			
Pass Through Payments:			
Virginia Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	Unknown	\$ 50,582
Bulletproof Vest Partnership Program	16.607	Unknown	9,655
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	378
Total Department of Justice			\$ 60,615

COUNTY OF PRINCE EDWARD, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Transportation:			
Pass through payments:			
Virginia Department of Motor Vehicles:			
State and Community Highway Safety (Highway Safety Cluster)	20.600	Unknown	\$ <u>328</u>
Department of the Treasury:			
Pass through payments:			
Virginia Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	\$ <u>730,741</u>
Department of Homeland Security			
Pass Through Payments:			
Virginia Department of Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	\$ 57,469
Assistance to Firefighters Grant	97.044	Unknown	<u>381,466</u>
Total Department of Homeland Security			\$ <u>438,935</u>
Department of Education:			
Pass Through Payments:			
Virginia Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	S101A230046/S010A220046	\$ 1,114,428
Special Education-Grants to States (Special Education Cluster)	84.027	H027A230107/H027A220107	\$ 506,432
Special Education-Preschool Grants (Special Education Cluster)	84.173	H173A230112/H173A220112	<u>18,584</u> 525,016
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	Unknown	2,535
Career and Technical Education Basic Grants to States	84.048	V048A220046	76,701
Rural Education	84.358	S358B220046	17,658
Supporting Effective Instruction State Grants	84.367	S367A230044/S367A220044	77,740
School Improvement Grants	84.377	Unknown	161,722
Student Support and Academic Enrichment Program	84.424	S424A210048/S424A220048	125,279
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	<u>2,539,662</u>
Total Department of Education			\$ <u>4,640,741</u>
Total Expenditures of Federal Awards			\$ <u>9,194,571</u>

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, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Prince Edward, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of 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	\$ 2,227,115
ARPA Fund	537,488
	<u>2,764,603</u>

Less: Amounts not recorded on Schedule of Expenditures of Federal Awards

Payment in Lieu of Taxes	<u>(118,163)</u>
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Total primary government	<u>\$ 2,646,440</u>
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Component Unit School Board:

School Operating Fund	\$ 2,049,394
School Cafeteria Fund	1,714,137
School CARES Fund	<u>2,784,600</u>

Total Component Unit School Board	<u>\$ 6,548,131</u>
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Total federal expenditures per basic financial statements	<u>\$ 9,194,571</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 9,194,571</u></u>
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COUNTY OF PRINCE EDWARD, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
10.553	Child Nutrition Cluster
84.010	Title I

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, 2023 (Continued)

Section IV - Commonwealth of Virginia Findings

2023-001 Compliance Finding - Annual School Report

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 FY2023 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 file annually.

COUNTY OF PRINCE EDWARD, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Commonwealth of Virginia Findings

2022-001 Compliance Finding - Annual School Report

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 2023-001.