

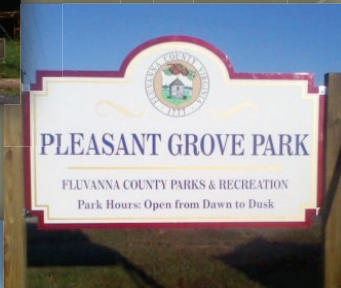


County of Fluvanna, Virginia

Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2022

*A great place to live,
learn, work, and play!*



COUNTY OF FLUVANNA, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

Prepared By:

Department of Finance
County of Fluvanna, Virginia
Eric Dahl, Tori Melton

COUNTY OF FLUVANNA, VIRGINIA

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

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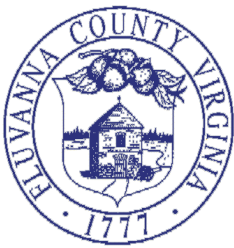
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COUNTY OF FLUVANNA

"Responsive & Responsible Government"

132 Main Street
P.O. Box 540
Palmyra, VA 22963
(434) 591-1910
Fax (434) 591-1911
www.fluvannacounty.org

BOARD OF SUPERVISORS

John M. "Mike" Sheridan
Chair
Columbia District

Anthony P. "Tony" O'Brien
Vice Chair
Rivanna District

Mozell H. Booker
Fork Union District

Patricia B. Eager
Palmyra District

Christopher Fairchild
Cunningham District

COUNTY ADMINISTRATION

Eric M. Dahl
County Administrator

Caitlin Solis
Clerk to the Board

December 15, 2022

To the Citizens of Fluvanna County, Virginia To the Honorable Members of the Board of Supervisors of Fluvanna County

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the County of Fluvanna (the "County") for the fiscal year ended June 30, 2022. The *Code of Virginia* requires that local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This report has been prepared by the Department of Finance in accordance with the standards of financial reporting as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) where applicable, and the Auditor of Public Accounts (APA).

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and fairness of presentation of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed to ensure compliance with applicable laws, regulations and County policies, to safeguard the County's assets, and to compile sufficient reliable information for the preparation of the County financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and accurate in all material respects, and presents fairly the financial position and results of operations of the various funds and component units of the County.

This report is intended to provide informative and relevant financial information for the citizens of the County, the Board of Supervisors (the Board), investors, creditors and other concerned readers. All are encouraged to contact the Department of Finance with any comments or questions concerning this report.

The County's financial statements have been audited by Robinson, Farmer, Cox, Associates, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2022 are fairly presented in all material respects, in conformity with GAAP. The auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's compliance with the financial and administrative requirements applicable to each of the County's major federal programs. These reports are available in the Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

The County was established in 1777 after several divisions from other counties with the final division from Albemarle County. Fluvanna County was once part of Henrico County, one of the original shires of the Virginia Colony. In 1727, Henrico County was divided and Fluvanna County became a part of Goochland County. Goochland County was divided in 1744 and Fluvanna became a part of Albemarle County. In 1777, Albemarle County was divided to create Fluvanna County. The County was named for the Fluvanna River, the name given to the James River west of Columbia. Fluvanna is Latin for "Anne's River" – in honor of Queen Anne of England. Palmyra was made the county seat in 1828 and remains the county seat today. It quickly became a thriving town after the courthouse was completed in 1830. While Palmyra has changed and modernized over the years, it still possesses an aura of tranquility.

The County operates under the traditional board form of government as defined under Virginia law. The governing body of the County is the Board of Supervisors, which establishes policies for the administration of the County. The Board of Supervisors consists of five members representing the five electoral districts in the County: Columbia, Cunningham, Fork Union, Palmyra, and Rivanna. The Board of Supervisors appoints a County

Administrator to serve as the administrative manager of the County. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and directs business and administrative procedures within the County government. The County has taxing powers subject to statewide restriction and tax limits.



Fluvanna County is centrally located in the heart of Virginia, 120 miles south of Washington, D.C., 60 miles west of Richmond, Virginia, and 25 miles southeast of Charlottesville, Virginia. The location of the County can be described as the Piedmont Plateau Physiographic Province and is characterized by gently rolling hills. The County encompasses a land area of 282 square miles. Two U.S. primary and two State primary routes traverse the County. The County is bounded, in effect, by Interstate 64 to the north and by the James River to the south. The Rivanna River, the Commonwealth's first designated "Scenic River", bisects the county and joins the James at the historic town of Columbia. Agriculture remains important in Fluvanna's economy. Two-thirds of the county's land is forested with most open land devoted to farming and grazing.

In addition to the elected Board of Supervisors, five constitutional officers are elected. These officers include the Clerk of the Circuit Court, the Sheriff, the Commonwealth's Attorney, the Treasurer, and the Commissioner of the Revenue. Two officials are elected to serve as County representatives on the Thomas Jefferson Soil & Water Conservation District Board. Five officials are elected to serve as the Fluvanna County School Board.

The departments of the Board of Supervisors, County Administrator, County Attorney, Commissioner of the Revenue, Treasurer, Information Technology, Finance, Registrar, and Human Resources constitute the general government administration of the County. The County Administrator, Constitutional officers, along with the Directors of the various departments, implement the laws and policies of the County by developing and executing the procedures that are necessary in order to provide general support services to County residents.

The Court system is made up of the Circuit Court, General District Court, Juvenile and Domestic Relations Court, Clerk of the Circuit Court, Court Services, and Commonwealth's Attorney. The public safety operations of the County include the Sheriff, Emergency Communications, Emergency Management, Fire and Rescue Squads, Animal Control, Building Inspections, Blue Ridge Juvenile Detention, and Central Virginia Regional Jail.

Public Works is comprised of the departments of Facilities, Utilities, and Public Works which administers capital projects of the County and oversees solid waste management, Sewer, the Zion Crossroads Water and Sewer System and the Fork Union Sanitary District.

The Department of Social Services determines eligibility for public assistance programs, which are mandated by federal and state law. The Community Services Board provides mental health, mental retardation, and substance abuse services. In addition, it provides adult services, group home services, and supervised living services. Fluvanna is served by the Thomas Jefferson Health District along with Charlottesville, and Albemarle, Greene, Louisa, and Nelson counties.

Parks and Recreation provides and promotes leisure services including park activities, educational and hobby programs, senior citizen activities, youth programs, adult athletic leagues, special events, and other activities for County residents. The Fluvanna County Library provides public library service to the County.

The Planning and Zoning Department provides numerous services that relate to the well-being and orderly development of the community. Primary areas of responsibility include the Comprehensive Plan, current and long range planning, and code enforcement. This Department also maintains the geographic information system (GIS) for developing, maintaining, and distributing geographic related data sets and applications. The Economic Development Department has responsibility for attracting and retaining high quality business and industry.

The County provides education through its own school system administered by the Fluvanna County School Board (the School Board). The County promotes commerce through the Economic Development Authority of Fluvanna County, Virginia (the EDA). These agencies have been classified as discretely presented component units in the financial reporting entity because they are legally separate entities for which the County is financially accountable. The EDA has the power to issue tax-exempt industrial development revenue bonds on behalf of qualifying enterprises wishing to utilize that form of financing, as well as to finance County facilities. Those bonds do not constitute a debt or pledge of the faith and credit of the County but represent limited obligations of the EDA payable solely from the revenue and receipts derived from the projects funded with the proceeds.

The School Board administers its own appropriations within the categories defined by the Commonwealth of Virginia. The Board of Supervisors' financial accountability over the School Board is also limited to approving transfers to the education funds and authorizing school debt issuances. The Fluvanna County Public Schools is the single largest service provided by the County. The elected School Board is composed of five members who represent the five electoral districts. The School Board appoints a Superintendent to administer the policies of the School Board. The school system is comprised of one high school, one middle school, and three elementary schools. The K-12 End-of-Year Membership as of June 2022 totaled 3,265 students. The Fluvanna High School Completion Rate is 95.7% (VA On-Time Graduation Rate) with 73.8% of graduates seeking higher education.

Virginia law requires the County to maintain a balanced budget in each fiscal year. The annual budget serves as the foundation of the County's financial planning and control. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund and capital projects fund are included in the annual appropriated budget. All agencies and departments of the County are required to submit requests for appropriation to the County Administrator by the date established in the budget calendar. The County Administrator uses these requests as the starting point for developing a proposed budget. Then, the County Administrator presents the proposed budget to the Board who begin a series of work sessions. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year, as required by 15.2-2503, Code of Virginia of 1950, as amended. A budget is not required for fiduciary funds. The appropriated budget is prepared by fund and function (e.g., public safety) with the appropriations resolution adopted by the Board placing legal restrictions on expenditures at the fund and function level.

When necessary, the Board of Supervisors approves amendments to the adopted budget in accordance with 15.2-2507, Code of Virginia of 1950, as amended. Budgetary compliance is monitored and reported at the department level. The budget is implemented through appropriations that the Board makes annually, with supplemental appropriations made as required. These appropriations, except those to incur mandated expenditures, may be greater or less than contemplated in the budget.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Fluvanna County operates.

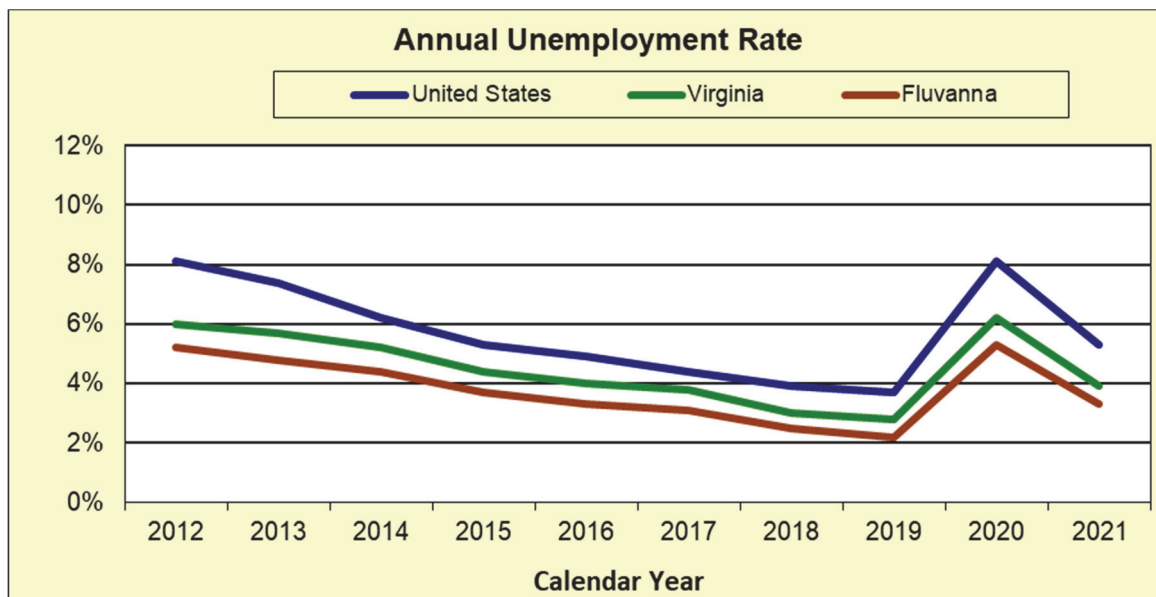
COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. On March 12, 2020, Governor Ralph S. Northam issued Executive Order Fifty-One, declaring a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic. On March 13, 2020, the President of the United States declared a national emergency, beginning March 1, 2020, in response to the spread of COVID-19. In response to negative effects on global and local economies, the federal government made resources available to the Commonwealth and its localities.

The County received \$4.8 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funds in FY21, which the County utilized to mitigate the immediate impacts of COVID-19. Also in FY21, the County received \$2.65 million in American Rescue Plan Act (ARPA) funds. These funds provide substantial flexibility for each jurisdiction to meet local needs—including replacing lost revenue, support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure. In FY22, the County received the second \$2.65 million installment payment of ARPA funds, for a total of \$5.3 million. The County has utilized some these funds to date for necessary broadband infrastructure and public safety needs.

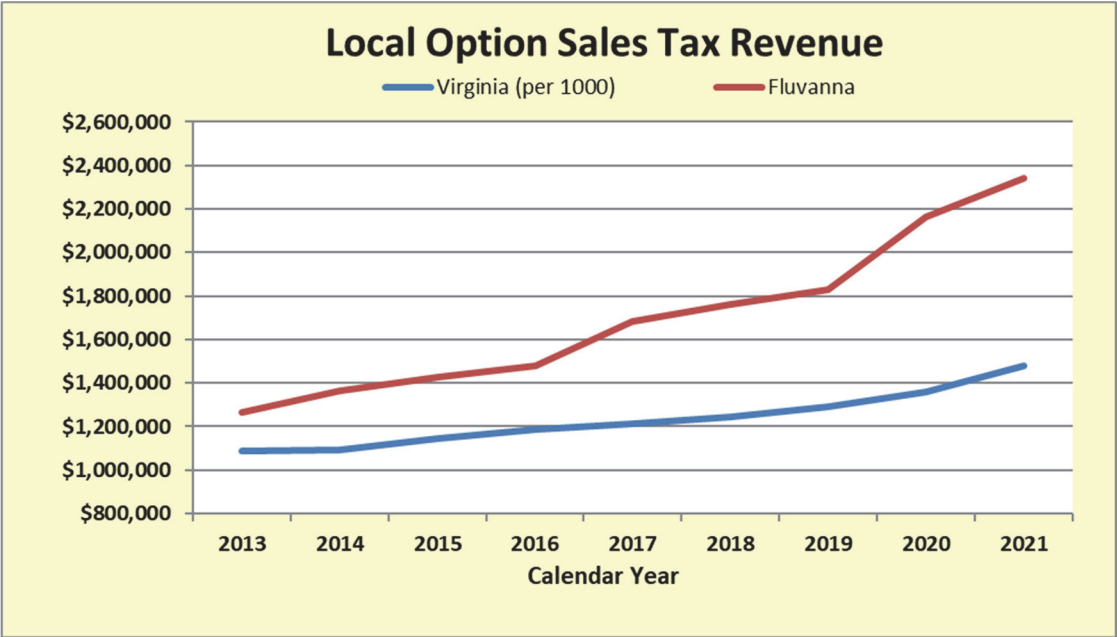
Local Economy

Based on available economic data, the annual local unemployment rate for 2021 was 3.3%, 2.0% lower than the 5.3% annual local unemployment rate for 2020. The local unemployment rate compares favorably to the state and national rate of 3.9% and 5.3%, respectively. The predominant industries are government, education, administrative and support services, health care, and retail trade. As seen in the chart below, annual unemployment in Fluvanna County has experienced a significant decrease in 2021 like many other areas, due to easing restrictions from the coronavirus pandemic. As of June 2022, monthly unemployment data reflects rates trending back toward 2019 pre-pandemic levels at 2.7%.



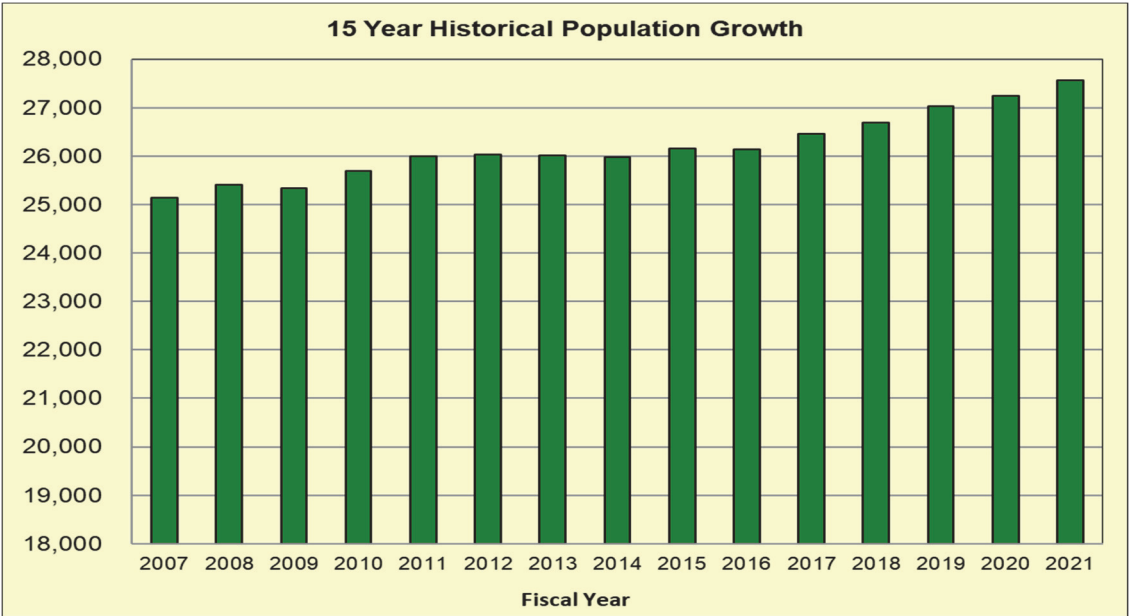
Source: Virginia Employment Commission, Local Area Unemployment Statistics - Annual, Not Seasonally Adjusted

Sales tax revenue can also be an indicator of the overall condition of the County’s economy. As seen in the chart below, there has been strong growth in the Local Option Sales Tax revenue in Fluvanna County over the past three years. Local Option Sales Tax revenue has increased 8.3% over the previous year and 58.5% from 2016 to 2021. In contrast, Virginia has seen a 24.3% increase during the same time period. Within the last ten years, Fluvanna County experienced its highest single year increase from 2019 to 2020 at 18.4%. This can be directly attributed to changes implemented from the Commonwealth for online retailers making more than \$100,000 in annual gross sales to collect and pay sales tax starting July 1, 2019. Another reason for the County seeing the Local Option Sales Tax increase is due to residents shopping more local since the Coronavirus pandemic.



Source: Virginia Department of Taxation, Revenue Forecasting – Annual

The population growth in the County has increased over the years due to competitively priced housing, a rural setting, and approximation to major urban centers, including Charlottesville and Richmond. Fluvanna County saw an increase of 28.2% in population growth between the 2000 and the 2010 census. However, population growth has moderated from the 2010 to 2020 census at a rate of 6.1%.



Source: Weldon Cooper Center for Public Service, Demographics & Workforce Group - July 1st Estimates

The County received its first formal public credit ratings in July 2008. Standard & Poor's provided a rating of AA- with remarks of "strong wealth and income levels, developing local economy has access to the Charlottesville core based statistical area, and solid financial performance with positive operating results and strong reserves." In May 2014, Standard & Poor's raised its long-term rating for Fluvanna County to AA, with a more recent reaffirmation. In November 2022, Moody's reaffirmed its existing rating of Aa2 for the County.

Financial Policies

Fluvanna continues to adhere to a conservative fund balance policy that maintains unassigned fund balance at a minimum of 12% of General Fund revenues plus Component Unit School Fund revenues, less the operating transfer from the General Fund.

MAJOR INITIATIVES

For fiscal year 2022, following the priorities established by the County of Fluvanna Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and agencies implemented and continued a number of specific projects designed to provide County residents with cost efficient government while enhancing their home and employment environment. Major initiatives begun, continued, or completed during this fiscal year are:

- The Zion Crossroads Water and Sewer system will provide water and sewer infrastructure for Fluvanna County's growth corridor from the intersection of U.S. Route 250/Route 15, going west approximately 2.5 miles on U.S. Route 250 towards Charlottesville and going south approximately 1 mile on Route 15. The Board of Supervisors has to date appropriated \$775,000 from unassigned fund balance for the design of the Zion Crossroads Water and Sewer System. In August 2017, a Water and Sewer Revenue Bond was issued, providing \$8.5 million in project funds. The final design was completed and approved by the Board of Supervisors in November 2017. An Invitation for Bid for construction was issued in May 2018 and all bids were received in October 2018. Construction Notice to Proceed was issued for March 11, 2019 and substantial completion was achieved September 2022. The County is currently pursuing completion of the punchlist items and the first commercial connection application was received October 2022.
- The Zion Crossroads West Waterline Extension expands the above original project 1.1 miles west on Route 250. The original creation for the project was necessitated by the request from the Virginia Department of Environmental Quality (DEQ) to provide clean drinking water for six households with contaminated private wells. When the County entered into an agreement in July 2020, the total project cost was estimated at \$1.5 million, with DEQ to provide \$1.0 million toward engineering and construction costs. Final design is complete and the County is expected to release an Invitation for Bid for construction in early spring of 2023.
- The James River Water Authority (JRWA) Water System is supported 50/50 and created by Fluvanna and Louisa County. This project will construct a raw water intake system and pipeline from the James River to serve the 50 year water supply needs of Fluvanna and Louisa County. The pipeline from the water intake system will terminate around Route 6 in the southeast corner of Fluvanna County. Both County's will have access to the water system and be responsible for building any future pipelines that connect to the system. In May 2016, a Revenue Bond was issued, providing \$9.0 million in project funds. The project is currently undergoing Phase 2 archaeological survey work to determine an alternative intake location. It is anticipated the James River Water Authority will have the necessary archeological report complete in January 2023 to further solidify the selection an alternative intake location. The project will take 18-24 months to complete after construction begins.

- Development of a County-owned business park is underway in the Fork Union area of the County on 112 acres of County-owned property behind the Fluvanna Community Center and Fork Union Fire Station. Three additional adjoining parcels were purchased in prior fiscal years and \$111,360 was allocated for initial engineering, due diligence and a master plan report to make the property more marketable.
- Broadband expansion has been a priority for the County the last couple of years and funding of \$2.2 million (Virginia Telecommunication Initiative grant, CARES Act, ARPA and General Fund) has been committed to advance this utility necessity for the community. It is projected that the County will have 100% broadband coverage by December 2024.

FUTURE BUDGET CONSIDERATIONS

For fiscal year 2023, the Board of Supervisors approved an Operating Budget of \$98.0 million, inclusive of a General Fund budget of \$55.9 million and a Capital Improvement budget of \$3.9 million. The Board of Supervisors decreased the real estate tax rate to \$0.87 per \$100 of assessed value for calendar year 2022, due to strong real estate value increases.

Below is the real estate tax rate history for 15 years.



AWARDS AND ACKNOWLEDGMENTS

The Governmental Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting (ACFR) to the County of Fluvanna for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This is the twelfth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the cooperation and dedication of the staff of the Fluvanna County Finance Department, Robinson Farmer Cox Associates, and all County agencies and departments that assisted and contributed to the preparation of this Report. Credit also must be given to the Board of Supervisors for their unwavering support for maintaining the highest standards of professionalism in the management of Fluvanna County's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Eric M. Dahl', with a stylized, cursive script.

Eric M. Dahl
County Administrator

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COUNTY OF FLUVANNA, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS
June 30, 2022

Board of Supervisors

John M. Sheridan, Chair Columbia District
Anthony P. O'Brien, Vice Chair Rivanna District
Mozell H. Booker Fork Union District
Patricia B. Eager Palmyra District
Chris Fairchild Cunningham District
Caitlin Solis Clerk

Constitutional Officers

Andrew M. Sheridan Commissioner of Revenue
Linda H. Lenherr Treasurer
Jeffrey W. Haislip Commonwealth's Attorney
Eric B. Hess Sheriff
Tristana Treadway Clerk of the Circuit Court

County Administrative Officials

Eric M. Dahl County Administrator

School Board

Dr. James Kelly, Chair Palmyra District
Perrie Johnson, Vice Chair Fork Union District
Charles Rittenhouse Cunningham District
Andrew Pullen Columbia District
Gequetta Murray-Key Rivanna District
Brandi Critzer Clerk

School Administrative Officials

Dr. Peter Gretz Superintendent of Schools

Social Services Board

Sandra Patterson, Chair Columbia District
Martha Brown, Vice Chair Palmyra District
Deborah T. Johnson Fork Union District
Vacant Rivanna District
Gene Ott Cunningham District
Patricia B. Eager Board of Supervisor's Representative

Social Services Administrative Official

Kimberly Mabe Director of Social Services

Other Officials

Hon. Richard E. Moore Judge of the Circuit Court
Hon. Theresa W. Carter Judge of the General District Court
Hon. Barbara G. Lowe Judge of the Juvenile and Domestic Relations District Court

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Government Finance Officers Association

Certificate of
Achievement
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Presented to

**County of Fluvanna
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

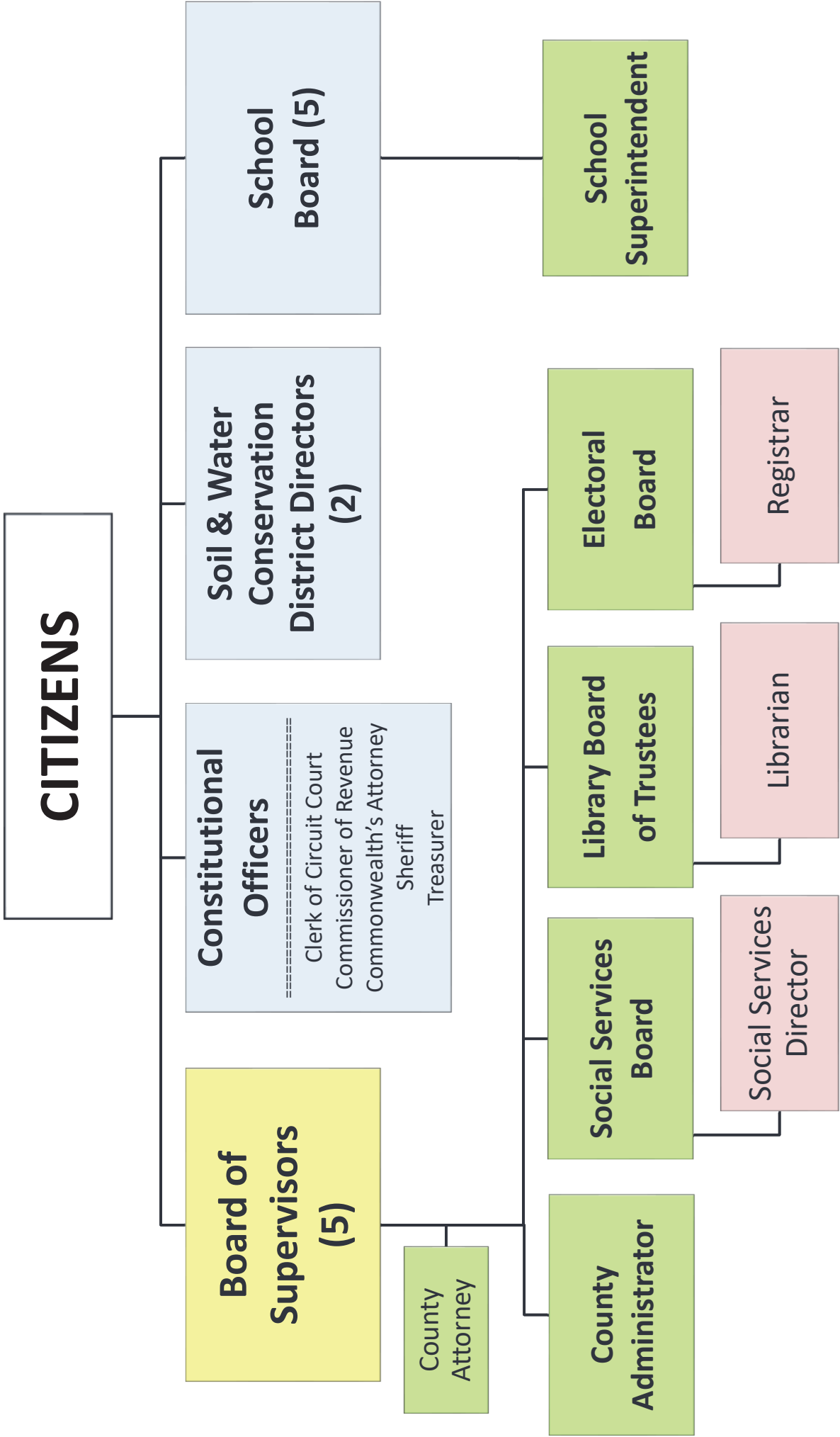
Executive Director/CEO

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County Organization

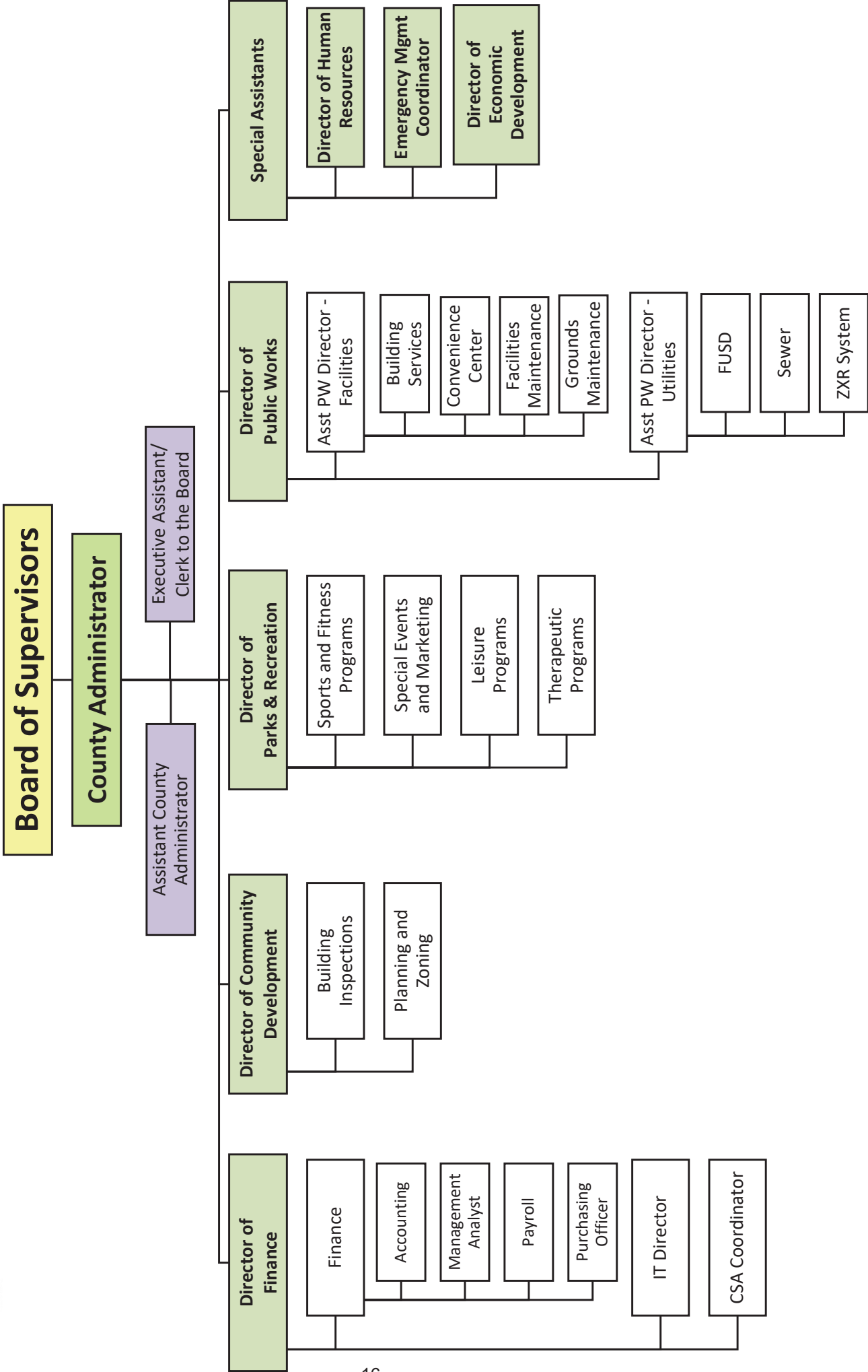
August 2021





County Administration Structure

June 2022





ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Fluvanna, 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 Fluvanna, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 Fluvanna, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 Fluvanna, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 24, to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 87, *Leases* and 92, *Omnibus*. 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of County of Fluvanna, 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 Fluvanna, 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 Fluvanna, Virginia's internal control over financial reporting and compliance.

Holmes, Hannel, Cox Associates

Charlottesville, Virginia
December 15, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors To the Citizens of Fluvanna County County of Fluvanna, Virginia

The management of the County of Fluvanna, Virginia presents the following discussion and analysis as an overview of the County's financial activities for the fiscal year ended June 30, 2022. We encourage readers to read this discussion and analysis in conjunction with the transmittal letter in the Introductory Section of this report, and the County's financial statements which follow this discussion and analysis.

Financial Highlights

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$60.0 million (net position). Of this amount, \$36.2 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$7.5 million, of which the governmental activities increased by \$6.7 million and business-type activities increased by \$900,000.
- As of the close of fiscal year 2022, the County's governmental funds reported combined ending fund balances of \$41.4 million. Approximately 63.7% of this amount (\$26.4 million) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of committed, assigned, and unassigned components of fund balance) for the general fund was \$32.4 million, or approximately 62.2% of total general fund expenditures.
- The total long-term obligations for Primary Government decreased by \$900,000 during fiscal year 2022 (Note 7). This net decrease was the result of retirements on existing debt and the issuance of a school general obligation bond and a capital lease.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) are designed to report information about the County as a whole using accounting methods similar to those found in the private sector. They also report the County's net position and how it has changed during the fiscal year. These statements provide both short-term and long-term information about the County's overall financial status.

The *statement of net position* (Exhibit 1) presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources including governmental activities, business-type activities, and component unit activities. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows, which provides a measure of the County's financial health, or financial condition. Over time increases or decreases in the net position may serve as an indicator of whether the County's financial condition is improving or deteriorating. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The *statement of activities* (Exhibit 2) presents information using the accrual basis of accounting, and shows how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenue is generated for the express purpose of providing services.

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

Governmental activities: Most of the County's basic services are reported here, including general governmental; judicial administration; public safety; public works; health and welfare; education; parks, recreation and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.

Business-type activities: The County charges fees to users to cover all, or a significant portion, of the costs associated with the provision of certain services. These business-type activities of Fluvanna County are intended to be self-supporting and include the Fork Union Sanitary District, Palmyra Sewer and the Zion Crossroads Water and Sewer System.

Component units: The County has two component units, the Fluvanna County Public Schools (School Board) and the Economic Development Authority of Fluvanna County, which are included in this annual financial report. Although legally separate, the discretely presented component units are important because the County is financially accountable for them. A primary government is accountable for an organization if the primary government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for its operation. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

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

Governmental funds – Most of the County’s basic services are included in governmental funds, which focus on (1) the in flows and out flows of cash and other financial assets that can be readily converted to cash, and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the fund financial statements to explain the relationship (or differences). The County has two major funds, the General Fund and the Capital Projects Fund. The General fund is the main operating account of the County and therefore, the largest of the governmental funds. The Capital Projects Fund is used to account for major capital projects, primarily construction related. It provides control over resources that have been segregated for specific capital projects. All other governmental funds, which include special revenue funds, are collectively referred to as non-major governmental funds.

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

Proprietary funds – The County currently only maintains Enterprise Funds as a Proprietary Fund. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer programs. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer activities, which are considered to be major funds of the County.

Fiduciary funds – The County is the trustee, or fiduciary, for the County’s *agency funds*. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The County excludes these activities from the County’s government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain *required supplementary information* for 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 Overall Financial Analysis

Statement of Net Position

Table 1 summarizes the Statement of Net Position (Exhibit 1 in the Financial Section of the Annual Comprehensive Financial Report) for the primary government as of June 30, 2022 and 2021.

Table 1

County of Fluvanna, Virginia
Summary of Net Position
(\$ in millions)

	Primary Government					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 76.0	57.9	\$ 1.7	1.9	\$ 77.7	59.8
Capital assets	81.5	85.5	16.2	16.0	97.7	101.5
Total assets	\$ 157.5	\$ 143.4	\$ 17.9	17.9	\$ 175.4	161.3
Total deferred outflows of resources	\$ 12.2	\$ 13.2	\$ -	-	\$ 12.2	13.2
Long-term liabilities outstanding	\$ 77.3	78.4	\$ 9.9	10.5	\$ 87.2	88.9
Other liabilities	15.2	12.3	0.8	1.1	16.0	13.4
Total liabilities	\$ 92.5	\$ 90.7	\$ 10.7	11.6	\$ 103.2	102.3
Total deferred inflows of resources	\$ 24.2	\$ 19.6	\$ 0.2	-	\$ 24.4	19.6
Net position:						
Net investment in capital assets	\$ 15.1	15.7	\$ 6.7	4.5	\$ 21.8	20.2
Restricted	2.1	0.4	-	-	2.1	0.4
Unrestricted	35.8	30.2	0.3	1.7	36.1	31.9
Total net position	\$ 53.0	\$ 46.3	\$ 7.0	6.2	\$ 60.0	52.5

As noted earlier, net position over time may serve as a useful indicator of a County's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$60.0 million at the close of the most recent fiscal year. The County's overall net position increased \$7.5 million from the prior year. The reasons for the overall increase are discussed in the following sections for governmental and business-type activities.

The County's investment in capital assets of \$21.8 million, or 36.3% of total net position, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens, like schools, libraries, law enforcement, fire and emergency medical services. Consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets is of a permanent nature, as assets acquired are generally not sold or otherwise disposed of during their useful life).

The remaining \$38.2 million balance of net position contains \$36.1 million unrestricted, which may be used to meet the County's ongoing obligations to citizens and creditors, and \$2.1 million restricted, due to an assets liability.

Statement of Activities

Table 2 summarizes the Statement of Activities (Exhibit 2 in the Financial Section of the Annual Comprehensive Financial Report) for the primary government.

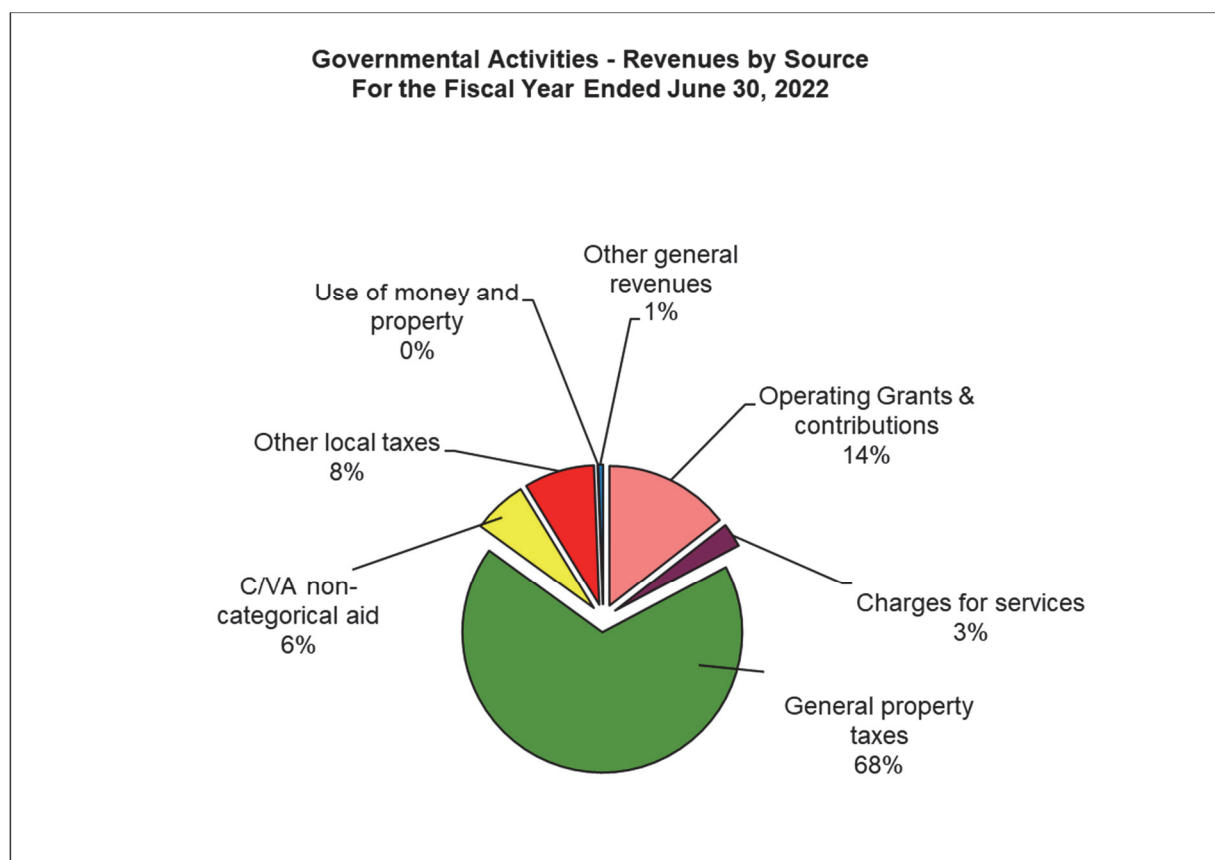
Table 2

County of Fluvanna, Virginia
Changes in Net Position
(\$ in millions)

	Primary Government					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 1.6	\$ 1.2	\$ 0.4	\$ 0.3	\$ 2.0	\$ 1.5
Operating grants and contributions	8.5	9.8	-	-	8.5	9.8
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
General property taxes	40.0	37.9	-	-	40.0	37.9
Other local taxes	4.8	4.5	-	-	4.8	4.5
Use of money and property	-	0.1	0.1	-	0.1	0.1
C/VA non-categorical aid	3.7	3.7	-	-	3.7	3.7
Other general revenues	0.3	0.6	0.1	-	0.4	0.6
Total revenues	\$ 58.9	\$ 57.8	\$ 0.6	\$ 0.3	\$ 59.5	\$ 58.1
Expenses:						
General government						
administration	\$ 3.1	\$ 3.1	\$ -	\$ -	\$ 3.1	\$ 3.1
Judicial administration	1.5	1.5	-	-	1.5	1.5
Public safety	10.9	12.1	-	-	10.9	12.1
Public works	2.6	2.7	-	-	2.6	2.7
Health and welfare	7.1	6.5	-	-	7.1	6.5
Education	20.3	22.9	-	-	20.3	22.9
Parks, recreation, and cultural	1.0	1.0	-	-	1.0	1.0
Community development	1.4	1.2	-	-	1.4	1.2
Interest and other fiscal charges	3.0	3.0	-	-	3.0	3.0
Fork Union Sanitary District	-	-	0.4	0.3	0.4	0.3
Zion Crossroads Water & Sewer	-	-	0.4	0.4	0.4	0.4
Palmyra Sewer	-	-	0.2	0.2	0.2	0.2
Total expenses	\$ 50.9	\$ 54.0	\$ 1.0	\$ 0.9	\$ 51.9	\$ 54.9
Increase in net position before transfers	\$ 8.0	\$ 3.8	\$ (0.4)	\$ (0.6)	\$ 7.6	\$ 3.2
Transfers	(1.3)	(0.8)	1.3	0.8	-	-
Increase in net position	\$ 6.7	\$ 3.0	\$ 0.9	\$ 0.2	\$ 7.6	\$ 3.2
Net position, July 1, 2021	46.3	43.3	6.1	5.9	52.4	49.2
Net position, June 30, 2022	\$ 53.0	\$ 46.3	\$ 7.0	\$ 6.1	\$ 60.0	\$ 52.4

The net position for governmental activities increased \$6.7 million for the current fiscal year, for an ending balance of \$53.0 million. Generally, net asset changes are the result of the difference between revenues and expenses. Total revenues exceeded expenses by \$8.0 million in the current fiscal year and transfers of \$1.3 million reduced the net position to \$6.7 million. Revenues for fiscal year 2022 increased by \$1.1 million over the previous year and the key revenue elements include:

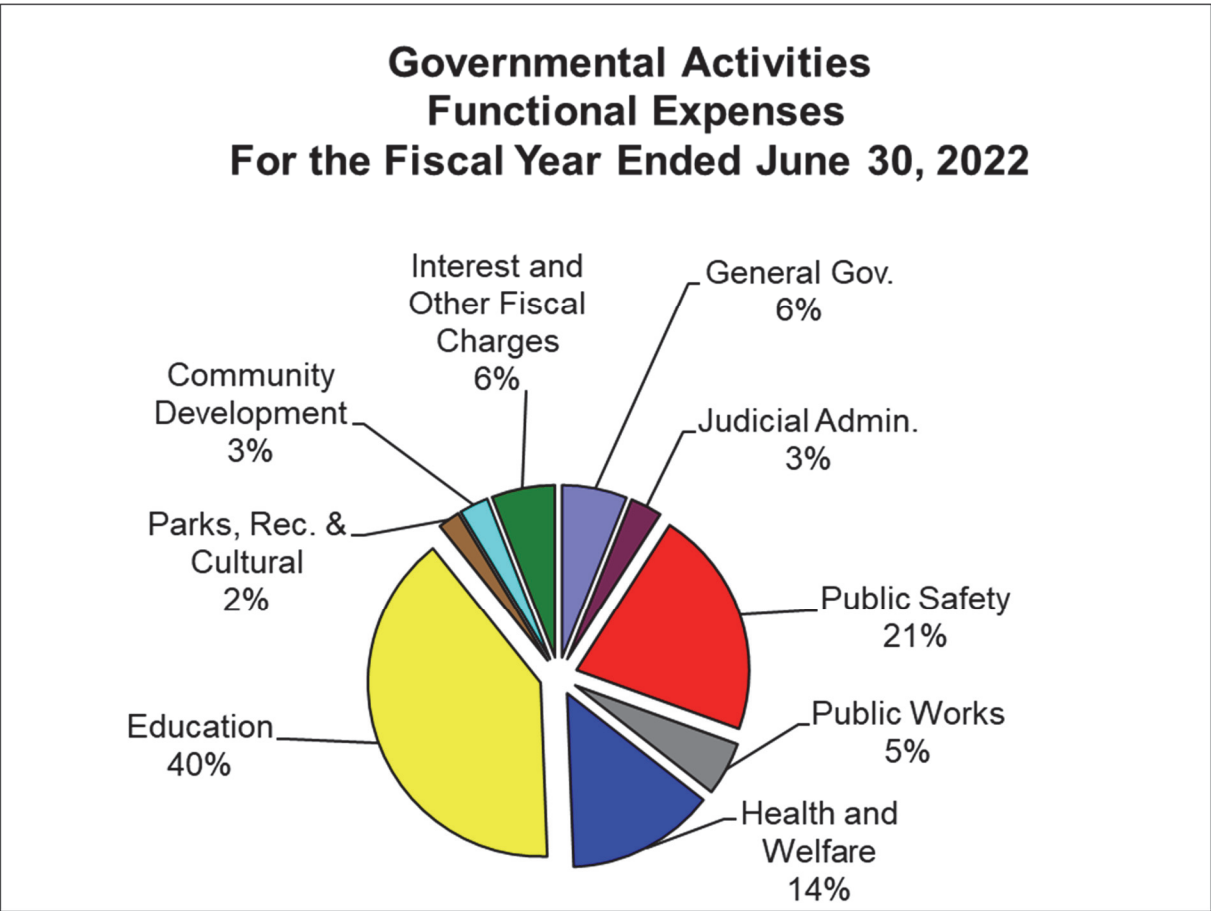
- General Property Taxes are the largest source of County revenue, totaling \$40.0 million for fiscal year 2022, an increase of \$2.1 million, in comparison to fiscal year 2021. The County has experienced steady new residential growth since 2019, with an average of 198 new home construction building permits issued each in calendar year 2020 and 2021. In contrast, only an average of 122 new home construction building permits were issued in calendar year 2018 and 2019. In addition, there has been a significant increase in personal property tax assessed values for FY22.
- Operating Grants and Contributions decreased \$1.3 million, mainly to reflect a reduction in funds the County recognized for the Coronavirus, Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan (ARPA) Act.
- Charges for Services increased \$400,000 from EMS Cost Recovery, due to the full transition and billing implementation for a new service provider.



For the fiscal year June 30, 2022, the expenses for governmental activities totaled \$50.9 million, a decrease of \$3.1 million compared to the prior fiscal year. Key expense elements include:

- Public Safety decreased \$1.2 million mainly from a reduction in CARES and ARPA expenditures.
- Health and Welfare increased \$600,000 due to expenditures related to CARES and ARPA funds.
- Education expenses decreased by \$2.6 million over the previous fiscal year from COVID-19 operational changes.

The following graph illustrates the County's expenses for each functional area comprising its governmental activities. Education continues to be the County's largest program and highest priority, with Public Safety and Health and Welfare the County's next two largest functional expenses.



Business-Type Activities – For the County's business-type activities, the net position for the current fiscal year increased \$900,000 for an ending balance of \$7.0 million. Expenses exceeded revenues by \$400,000 for fiscal year 2022. A transfer from the General Fund of \$1.3 million resulted in the net position increasing.

Financial Analysis of the Governmental Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

Governmental Funds

At June 30, 2022, the County's governmental funds reported combined ending fund balances of \$41.4 million (Exhibit 3), increasing in comparison with the prior year by \$12.0 million. Of the \$41.4 million fiscal year 2022 fund balance: \$2.6 million is classified as nonspendable for prepaid amounts and contractual reasons; \$6.4 million is classified as restricted to indicate that it can only be spent for specific purposes as stipulated by external resource providers such as debt covenants; \$6.0 million is classified as committed to indicate that it has been set aside for specific purposes by the County's Board of Supervisors; and \$26.4 million is unassigned or available for any purpose, but maintained at targeted levels in accordance with sound financial management practices.

The General Fund is the main operating fund of the County. The fund balance of the General Fund increased by \$3.7 million (Exhibit 4) at \$32.6 million during fiscal year 2022; of which \$6.0 million is committed, \$26.5 million is unassigned and \$72,379 remains between nonspendable and restricted. The excess of revenues over expenditures was \$5.6 million, offset by \$2.0 million of interfund transfers for the Capital Improvements Fund, Zion Crossroads Water and Sewer Fund and the Sewer Fund. General Fund revenues fell short of budget by \$2.1 million; with \$2.1 million of American Rescue Plan Act (ARPA) funding being deferred to FY23. General Fund expenditures came in below budget by \$8.0 million; with \$600,000 in savings from Public Safety, \$2.7 million from Health & Welfare, \$1.3 million from Education, \$1.7 million in Debt Service and \$1.7 million from all other functions combined. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund revenues. Unassigned fund balance represents 45.9% of General Fund revenues for fiscal year 2022. The Board of Supervisors uses a policy to maintain unassigned General Fund balance at a minimum of 12% of the total General Fund revenues and component unit – school board operating revenues, reduced by the General Fund contribution. The unassigned fund balance policy minimum for June 30, 2022 is \$10.2 million and the unassigned General Fund balance exceeds this policy by \$16.3 million.

The fund balance in the Capital Projects Fund increased by \$8.4 million, to a balance of \$8.9 million for fiscal year 2022 from a bond issuance and a new capital lease.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Operations of the proprietary funds were included in the discussion of business-type activities.

General Fund Budgetary Highlights

General fund budget amendments resulted in a net increase of \$4,258,879 between the original budget and the final budget. Significant changes included:

- \$2,366,266 increase – Health and Welfare
 - Increase due to ARPA funds received
- \$592,000 increase – Judicial Administration
 - Increase due to Drug Court department creation and implementation
- \$587,860 increase - Public Safety
 - Increase due to Public Safety salary adjustments
- \$674,297 increase - Community Development
 - Increase in Economic Development for broadband expansion grant

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets as of June 30, 2022 totals \$97.7 million, net of accumulated depreciation. This represents a decrease of \$3.8 million, or 0.4% below fiscal year 2021. Capital assets are illustrated in Table 3 below.

Table 3

(\$ in millions)

	Governmental Activities	Business-type Activities	Totals at June 30	
			2022	2021
Land and improvements	\$ 2.1	\$ 0.3	\$ 2.4	\$ 2.4
Construction in progress - jointly owned	0.3	-	0.3	-
Construction in progress	-	11.8	11.8	11.9
Subtotal, capital assets not being depreciated	\$ 2.4	\$ 12.1	\$ 14.5	\$ 14.3
Buildings and improvements	\$ 34.1	\$ -	\$ 34.1	\$ 34.1
Equipment	11.8	0.2	12.0	11.2
Leased Equipment	0.3	-	0.3	-
Infrastructure	-	7.3	7.3	7.0
Jointly owned assets	70.2	-	70.2	71.7
Subtotal, capital assets being depreciated	\$ 116.4	\$ 7.5	\$ 123.9	\$ 124.0
Less: accumulated depreciation	\$ 37.3	\$ 3.4	\$ 40.7	\$ 37.2
Net capital assets being depreciated	\$ 79.1	\$ 4.1	\$ 83.2	\$ 86.8
Capital assets, net	\$ 81.5	\$ 16.2	\$ 97.7	\$ 101.1

Additional information on the County's capital assets can be found in Note 6 of this report.

Long-term debt

Table 4 illustrates the County's outstanding debt at June 30, 2022.

Table 4

(\$ in millions)

	Governmental Activities	Business-type Activities	Totals at June 30	
			2022	2021
General obligations bonds	\$ 65.6	\$ -	\$ 65.6	\$ 66.5
Qualified energy conservation revenue bonds	5.5	-	5.5	6.0
State moral obligation bonds	0.8	-	0.8	1.3
Revenue bonds	-	9.5	9.5	10.0
Notes payable	7.7	-	7.7	3.6
Total	\$ 79.6	\$ 9.5	\$ 89.1	\$ 87.4

The County has adopted two debt ratios as a management tool. The first ratio adopted limits the annual general governmental debt service to no more than 12% of total General Fund revenues. In fiscal year 2022, the County's debt service to revenue ratio was 15.47%, which decreased from the previous fiscal year (Table 11). The second ratio is the net general obligation of debt to assessed value which should not exceed 3.5%. This ratio measures the relationship between County's tax-supported debts to the taxable value of property in the County. In fiscal year 2022, this ratio decreased 0.14%, to 2.06% (Table 10).

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

Economic Factors and Next Year's Budgets and Rates

Economic Factors

The annual local unemployment rate was 3.3% for calendar year 2022, which is a 2.0% decrease from 5.3% for calendar year 2021. The local unemployment rate compares favorably to the State's rate of 3.9% and national rate of 5.3% for calendar year 2021. Currently, monthly unemployment data reflects rates trending back to 2019 pre-pandemic levels.

Fiscal Year 2023 Budget and Rates

For the fiscal year ending June 30, 2023, the adopted total budget is \$98.0 million, a decrease of \$12.6 million from fiscal year 2022. This decrease over the previous fiscal year was primarily the result of the following:

- \$21.1 million decrease for Capital Projects
- \$1.9 million increase for County operations
- \$0.5 million decrease for Debt Service
- \$7.1 million increase for Education

For calendar year 2022, the real estate tax rate decreased from \$0.884 to \$0.87 per \$100 of assessed value.

Key factors that are expected to impact future budgets include:

- Continued gradual increases in assessed property values
- Options for new revenue sources and enhancing existing sources
- State mandates on the localities
- Economic Development opportunities for Zions Crossroads and the County as a whole
- Maintenance, repair and replacement of County government and school buildings
- Increases for Public Safety services, personnel, vehicles and equipment

Requests for Information

This financial report is designed to provide a general overview of the County of Fluvanna, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 132 Main Street, Fluvanna, Virginia 22963.

BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Position
At June 30, 2022

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	Fluvanna County EDA
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 41,588,837	\$ 1,450,182	\$ 43,039,019	\$ 2,813,358	\$ 61,924
Receivables (net of allowance for uncollectibles):					
Property taxes	26,362,188	-	26,362,188	-	-
Accounts receivable	551,036	35,318	586,354	7,507	-
Leases receivable	182,770	246,671	429,441	-	-
Prepaid expenses	2,629,387	-	2,629,387	-	-
Due from other governments	2,814,117	-	2,814,117	1,874,816	-
Total Current Assets	\$ 74,128,335	\$ 1,732,171	\$ 75,860,506	\$ 4,695,681	\$ 61,924
Noncurrent Assets					
Net other postemployment benefit asset	\$ 213,583	\$ -	\$ 213,583	\$ 373,832	\$ -
Net pension asset	1,653,958	-	1,653,958	1,189,858	-
Total Noncurrent Assets	\$ 1,867,541	\$ -	\$ 1,867,541	\$ 1,563,690	\$ -
Capital assets:					
Land and construction in progress	\$ 2,361,837	\$ 12,087,258	\$ 14,449,095	\$ 935,731	\$ -
Other capital assets, net of accumulated depreciation	79,146,827	4,081,224	83,228,051	29,347,328	-
Total capital assets	\$ 81,508,664	\$ 16,168,482	\$ 97,677,146	\$ 30,283,059	\$ -
Total Noncurrent Assets	\$ 83,376,205	\$ 16,168,482	\$ 99,544,687	\$ 31,846,749	\$ -
Total Assets	\$ 157,504,540	\$ 17,900,653	\$ 175,405,193	\$ 36,542,430	\$ 61,924
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	\$ 10,639,819	\$ -	\$ 10,639,819	\$ -	\$ -
OPEB deferrals	180,130	-	180,130	1,097,077	-
Pension deferrals	1,366,331	-	1,366,331	6,813,291	-
Total Deferred Outflows of resources	\$ 12,186,280	\$ -	\$ 12,186,280	\$ 7,910,368	\$ -
Total Assets and Deferred Outflows of Resources	\$ 169,690,820	\$ 17,900,653	\$ 187,591,473	\$ 44,452,798	\$ 61,924
LIABILITIES					
Current Liabilities					
Accounts payable and other current liabilities	\$ 1,130,760	\$ 110,420	\$ 1,241,180	\$ 3,140,862	\$ -
Amounts held for others	204,052	-	204,052	-	-
Unearned revenue - grants	4,739,878	2,419	4,742,297	-	-
Accrued interest payable	1,208,136	89,885	1,298,021	-	-
Current portion of long-term obligations	7,954,317	583,668	8,537,985	246,185	-
Total Current Liabilities	\$ 15,237,143	\$ 786,392	\$ 16,023,535	\$ 3,387,047	\$ -
Noncurrent Liabilities					
Noncurrent portion of long-term obligations	77,287,665	9,857,016	87,144,681	24,461,892	-
Total Liabilities	\$ 92,524,808	\$ 10,643,408	\$ 103,168,216	\$ 27,848,939	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues - taxes	\$ 20,324,633	\$ -	\$ 20,324,633	\$ -	\$ -
Lease deferrals	177,800	239,990	417,790	-	-
Items related to measurement of net OPEB liability/asset	254,063	-	254,063	982,288	-
Items related to measurement of net pension liability/asset	3,428,625	-	3,428,625	15,475,909	-
Total Deferred Inflows of resources	\$ 24,185,121	\$ 239,990	\$ 24,425,111	\$ 16,458,197	\$ -
NET POSITION					
Net investment in capital assets	\$ 15,069,588	\$ 6,715,499	\$ 21,785,087	\$ 30,109,298	\$ -
Restricted for:					
Net other postemployment benefit asset	213,583	-	213,583	373,832	-
Net pension asset	1,653,958	-	1,653,958	1,189,858	-
Opioid settlement	227,109	-	227,109	-	-
Debt service	59,520	-	59,520	-	-
Unrestricted	35,757,133	301,756	36,058,889	(31,527,326)	61,924
Total Net Position	\$ 52,980,891	\$ 7,017,255	\$ 59,998,146	\$ 145,662	\$ 61,924
Total Liabilities, Deferred Outflows of Resources, and Net Position	\$ 169,690,820	\$ 17,900,653	\$ 187,591,473	\$ 44,452,798	\$ 61,924

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

COUNTY OF FLUVANNA, VIRGINIA

Statement of Activities
Year Ended June 30, 2022

Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,103,112	\$ -	\$ 366,465	\$ -
Judicial administration	1,521,053	78,121	687,826	-
Public safety	10,929,548	1,362,690	3,318,838	-
Public works	2,567,283	151,397	7,633	-
Health and welfare	7,073,948	-	3,771,910	-
Education	20,338,559	-	-	-
Parks, recreation, and cultural	1,059,115	47,307	118,389	-
Community development	1,389,699	-	-	-
Interest on long-term debt	3,026,271	-	256,863	-
Total governmental activities	\$ 51,008,587	\$ 1,639,515	\$ 8,527,924	\$ -
Business-type activities:				
Fork Union Sanitary District	\$ 378,920	\$ 328,091	\$ -	\$ -
Zion Crossroads Water & Sewer	375,159	-	-	-
Sewer	240,938	21,601	-	-
Total business-type activities	\$ 995,017	\$ 349,692	\$ -	\$ -
Total primary government	\$ 52,003,604	\$ 1,989,207	\$ 8,527,924	\$ -
COMPONENT UNITS:				
School Board	\$ 45,097,578	\$ 16,026	\$ 29,513,341	\$ -
Fluvanna County EDA	914,682	1,750	-	-
Total component units	\$ 46,012,260	\$ 17,776	\$ 29,513,341	\$ -
General revenues:				
General property taxes				
Local sales and use taxes				
Consumer utility taxes				
Motor vehicle license taxes				
Recordation taxes				
Other local taxes				
Commonwealth of Virginia non-categorical aid				
Unrestricted revenues from use of money and property				
Miscellaneous				
Contributions				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	Component Unit
Governmental Activities	Business Type Activities	Total	School Board	Fluvanna County EDA
\$ (2,736,647)	\$ -	\$ (2,736,647)	\$ -	\$ -
(755,106)	-	(755,106)	-	-
(6,248,020)	-	(6,248,020)	-	-
(2,408,253)	-	(2,408,253)	-	-
(3,302,038)	-	(3,302,038)	-	-
(20,338,559)	-	(20,338,559)	-	-
(893,419)	-	(893,419)	-	-
(1,389,699)	-	(1,389,699)	-	-
(2,769,408)	-	(2,769,408)	-	-
<u>\$ (40,841,148)</u>	<u>\$ -</u>	<u>\$ (40,841,148)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (50,829)	\$ (50,829)	\$ -	\$ -
-	(375,159)	(375,159)	-	-
-	(219,337)	(219,337)	-	-
<u>\$ -</u>	<u>\$ (645,325)</u>	<u>\$ (645,325)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (40,841,148)</u>	<u>\$ (645,325)</u>	<u>\$ (41,486,473)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (15,568,211)	\$ -
-	-	-	-	(912,932)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,568,211)</u>	<u>\$ (912,932)</u>
\$ 39,997,154	\$ -	\$ 39,997,154	\$ -	\$ -
2,571,149	-	2,571,149	-	-
455,032	-	455,032	-	-
861,080	-	861,080	-	-
612,310	-	612,310	-	-
311,685	-	311,685	-	-
3,687,130	-	3,687,130	-	-
(26,737)	93,741	67,004	53,380	19
327,892	81,513	409,405	865,170	-
-	-	-	18,348,020	903,177
(1,268,330)	1,268,330	-	-	-
<u>\$ 47,528,365</u>	<u>\$ 1,443,584</u>	<u>\$ 48,971,949</u>	<u>\$ 19,266,570</u>	<u>\$ 903,196</u>
\$ 6,687,217	\$ 798,259	\$ 7,485,476	\$ 3,698,359	\$ (9,736)
46,293,674	6,218,996	52,512,670	(3,552,697)	71,660
<u>\$ 52,980,891</u>	<u>\$ 7,017,255</u>	<u>\$ 59,998,146</u>	<u>\$ 145,662</u>	<u>\$ 61,924</u>

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Fund Financial Statements

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Balance Sheet - Governmental Funds
At June 30, 2022

	Governmental Funds		Total Governmental Funds
	General	Capital Projects	
ASSETS			
Cash and cash equivalents	\$ 35,060,414	\$ 6,528,423	\$ 41,588,837
Cash in custody of others	-	-	-
Receivables (Net of allowance for uncollectibles):			
Taxes, including penalties	26,362,188	-	26,362,188
Accounts receivable	551,036	-	551,036
Lease receivable	182,770	-	182,770
Prepaid items	-	2,629,387	2,629,387
Due from other governmental units	2,814,117	-	2,814,117
Total assets	<u>\$ 64,970,525</u>	<u>\$ 9,157,810</u>	<u>\$ 74,128,335</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 834,486	\$ 296,274	\$ 1,130,760
Unearned revenue - grants	4,739,878	-	4,739,878
Amounts held for others	204,052	-	204,052
Total liabilities	<u>\$ 5,778,416</u>	<u>\$ 296,274</u>	<u>\$ 6,074,690</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 26,228,584	\$ -	\$ 26,228,584
Unavailable revenue - opioid settlement	219,220	-	219,220
Lease deferrals	177,800	-	177,800
Total deferred inflows of resources	<u>\$ 26,625,604</u>	<u>\$ -</u>	<u>\$ 26,625,604</u>
FUND BALANCES			
Nonspendable	\$ 4,970	\$ 2,629,387	\$ 2,634,357
Restricted	67,409	6,313,215	6,380,624
Committed	5,974,681	50,000	6,024,681
Unassigned	26,519,445	(131,066)	26,388,379
Total fund balances	<u>\$ 32,566,505</u>	<u>\$ 8,861,536</u>	<u>\$ 41,428,041</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 64,970,525</u>	<u>\$ 9,157,810</u>	

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

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.	\$ 81,508,664
The net OPEB asset is not an available resource and, therefore, is not reported in the funds.	213,583
The net pension asset is not an available resource and, therefore, is not reported in the funds.	1,653,958
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(1,208,136)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay current-period expenditures. Those assets (for example, receivables) are offset by unavailable revenues in the governmental funds and thus are not included in the fund balance.	
Unavailable revenue - property taxes	5,903,951
Unavailable revenue - opioid settlement	219,220
Items related to measurement of net pension liability/asset	(3,428,625)
Items related to measurement of net OPEB liability/asset	(254,063)
Deferred outflows - Pension deferrals	1,366,331
Deferred outflows - OPEB deferrals	180,130
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position.	(74,602,163)
Net position of General Government Activities	<u>\$ 52,980,891</u>

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

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

	Governmental Funds		Total Governmental Funds
	General	Capital Projects	
Revenues:			
General property taxes	\$ 38,898,133	\$ -	\$ 38,898,133
Other local taxes	4,811,256	-	4,811,256
Permits, privilege fees and regulatory licenses	421,308	-	421,308
Fines and forfeitures	40,495	-	40,495
Revenue from use of money and property	(36,902)	10,165	(26,737)
Charges for services	1,177,712	-	1,177,712
Miscellaneous	108,672	-	108,672
Recovered costs	86,412	-	86,412
Intergovernmental:			
Commonwealth	9,406,886	-	9,406,886
Federal	2,808,168	-	2,808,168
Total revenues	\$ 57,722,140	\$ 10,165	\$ 57,732,305
Expenditures:			
Current:			
General government administration	\$ 2,954,950	\$ 2,346	\$ 2,957,296
Judicial administration	1,371,150	-	1,371,150
Public safety	9,551,712	689,411	10,241,123
Public works	2,449,103	223,192	2,672,295
Health and welfare	7,128,419	-	7,128,419
Education	17,348,937	451,256	17,800,193
Parks, recreation, and cultural	1,002,001	-	1,002,001
Community development	1,312,087	14,790	1,326,877
Nondepartmental	43,963	-	43,963
Debt service:			
Principal retirement	6,239,472	-	6,239,472
Interest and other fiscal charges	2,691,965	-	2,691,965
Total expenditures	\$ 52,093,759	\$ 1,380,995	\$ 53,474,754
Excess (deficiency) of revenues over (under) expenditures	\$ 5,628,381	\$ (1,370,830)	\$ 4,257,551
Other financing sources (uses):			
Transfers in	\$ -	\$ 720,376	\$ 720,376
Transfers (out)	(1,988,706)	-	(1,988,706)
Issuance of lease revenue bonds	-	8,501,501	8,501,501
Bond premium	-	494,953	494,953
Total other financing sources (uses)	\$ (1,988,706)	\$ 9,716,830	\$ 7,728,124
Changes in fund balances	\$ 3,639,675	\$ 8,346,000	\$ 11,985,675
Fund balances at beginning of year	28,926,830	515,536	29,442,366
Fund balances at end of year	\$ 32,566,505	\$ 8,861,536	\$ 41,428,041

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

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

		Primary Government Governmental Funds
Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds	\$	11,985,675
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 depreciation exceeded capital outlays in the current period. The following details support this adjustment.		
Capital outlay	\$	964,013
Depreciation expense		(3,948,475)
		(2,984,462)
Transfer of joint tenancy assets from Primary Government to the Component Unit		(1,006,262)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of the change in unavailable taxes.		
Unearned revenue - property taxes	\$	1,099,021
Unearned revenue - opioid settlement		219,220
(Increase) decrease in deferred inflows related to the measurement of the net OPEB liability/asset		(85,895)
(Increase) decrease in deferred inflows related to the measurement of the net pension liability		(3,308,304)
		(2,075,958)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. A summary of items supporting this adjustment is as follows:		
Proceeds from debt issued	\$	(8,501,501)
Premium on issuance of debt		(494,953)
Principal retired on school general obligation bonds		4,114,442
Principal retired on public facility note		440,000
Principal retired on qualified energy conservation revenue bonds		489,530
Principal retired on note payable obligations		1,195,500
Principal retired on state literary fund loans		63,389
Landfill postclosure costs		30,160
		(2,663,433)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:		
Change in compensated absences	\$	(109,578)
Change in net OPEB asset		(77,687)
Deferred amount on refunding		(754,998)
Amortization of bond discount		(31,696)
Amortization of bond premium		520,999
Change in net pension liability		2,367,711
Change in net pension asset		1,653,958
Change in net GLI OPEB liability		187,783
Change in net HIC OPEB liability		30,430
Change in deferred outflows related to pensions		(274,895)
Change in deferred outflows related to OPEB		(11,760)
Change in accrued interest payable		(68,610)
		3,431,657
Change in net position of governmental activities	\$	6,687,217

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

Statement of Net Position
Proprietary Funds
At June 30, 2022

	Business-type Activities - Enterprise Funds			
	Fork Union Sanitary District	Zion Crossroads Water & Sewer	Sewer	Totals
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 167,030	\$ 679,177	\$ 603,975	\$ 1,450,182
Accounts receivable	33,199	-	2,119	35,318
Lease receivable - current portion	73,665	-	-	73,665
Total Current Assets	<u>\$ 273,894</u>	<u>\$ 679,177</u>	<u>\$ 606,094</u>	<u>\$ 1,559,165</u>
Noncurrent Assets				
Lease receivable - noncurrent portion	\$ 173,006	\$ -	\$ -	\$ 173,006
Capital assets:				
Land and construction in progress	11,736	\$ 11,791,082	\$ 284,440	\$ 12,087,258
Other capital assets, net of depreciation	1,518,596	-	2,562,628	4,081,224
Total capital assets, net	<u>1,530,332</u>	<u>11,791,082</u>	<u>2,847,068</u>	<u>16,168,482</u>
Total Noncurrent Assets	<u>\$ 1,703,338</u>	<u>\$ 11,791,082</u>	<u>\$ 2,847,068</u>	<u>\$ 16,341,488</u>
Total Assets	<u><u>\$ 1,977,232</u></u>	<u><u>\$ 12,470,259</u></u>	<u><u>\$ 3,453,162</u></u>	<u><u>\$ 17,900,653</u></u>
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	\$ -	\$ 106,936	\$ 3,484	\$ 110,420
Accrued interest payable	-	89,885	-	89,885
Unearned revenue	2,419	-	-	2,419
Current portion of long-term obligations	49,871	473,797	60,000	583,668
Total Current Liabilities	<u>\$ 52,290</u>	<u>\$ 670,618</u>	<u>\$ 63,484</u>	<u>\$ 786,392</u>
Noncurrent Liabilities				
Noncurrent portion of long-term obligations	<u>\$ 187,246</u>	<u>\$ 9,429,770</u>	<u>\$ 240,000</u>	<u>\$ 9,857,016</u>
Total Liabilities	<u>\$ 239,536</u>	<u>\$ 10,100,388</u>	<u>\$ 303,484</u>	<u>\$ 10,643,408</u>
DEFERRED INFLOWS OF RESOURCES				
Lease deferrals	<u>\$ 239,990</u>	<u>-</u>	<u>-</u>	<u>\$ 239,990</u>
NET POSITION				
Net investment in capital assets	\$ 1,293,215	\$ 2,875,216	\$ 2,547,068	\$ 6,715,499
Unrestricted	<u>204,491</u>	<u>(505,345)</u>	<u>602,610</u>	<u>301,756</u>
Total Net Position	<u>\$ 1,497,706</u>	<u>\$ 2,369,871</u>	<u>\$ 3,149,678</u>	<u>\$ 7,017,255</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 1,977,232</u></u>	<u><u>\$ 12,470,259</u></u>	<u><u>\$ 3,453,162</u></u>	<u><u>\$ 17,900,653</u></u>

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

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

	Business-type Activities - Enterprise Funds			
	Fork Union Sanitary District	Zion Crossroads Water & Sewer	Sewer	Totals
Operating revenues:				
Charges for services	\$ 328,091	\$ -	\$ 21,601	\$ 349,692
Total operating revenues	\$ 328,091	\$ -	\$ 21,601	\$ 349,692
Operating expenses:				
Contractual services	\$ 40,902	\$ 39,655	\$ 19,566	\$ 100,123
Other charges	249,916	76,256	124,175	450,347
Depreciation	76,259	-	97,197	173,456
Total operating expenses	\$ 367,077	\$ 115,911	\$ 240,938	\$ 723,926
Operating income (loss)	\$ (38,986)	\$ (115,911)	\$ (219,337)	\$ (374,234)
Nonoperating revenues (expenses):				
Interest income	\$ 7,740	\$ 86,001	\$ -	\$ 93,741
Interest expense	(11,843)	(259,248)	-	(271,091)
Miscellaneous	81,513	-	-	81,513
Total nonoperating revenues (expenses)	\$ 77,410	\$ (173,247)	\$ -	\$ (95,837)
Income (loss) before contributions and transfers	\$ 38,424	\$ (289,158)	\$ (219,337)	\$ (470,071)
Transfers				
Transfers in	\$ 290,250	\$ 736,088	\$ 241,992	\$ 1,268,330
Change in net position	\$ 328,674	\$ 446,930	\$ 22,655	\$ 798,259
Net position at beginning of year	1,169,032	1,922,941	3,127,023	6,218,996
Net position at end of year	\$ 1,497,706	\$ 2,369,871	\$ 3,149,678	\$ 7,017,255

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

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

	Business-Type Activities - Enterprise Funds			
	Zion			
	Fork Union Sanitary District	Crossroads Water & Sewer	Sewer	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 309,124	\$ -	\$ 21,311	\$ 330,435
Payments to suppliers	(309,413)	(519,548)	(143,316)	(972,277)
Net cash provided by (used for) operating activities	\$ (289)	\$ (519,548)	\$ (122,005)	\$ (641,842)
Cash flows from noncapital financing activities:				
Transfers in	\$ 290,250	\$ 736,088	\$ 241,992	\$ 1,268,330
Cash flows from capital and related financing activities:				
Construction and acquisition of capital assets	\$ (316,750)	\$ (38,601)	\$ (5,825)	\$ (361,176)
Interest expense	(11,844)	(259,248)	-	(271,092)
Retirement of indebtedness	(47,678)	(463,780)	(60,000)	(571,458)
Net cash provided by (used for) capital and related financing activities	\$ (376,272)	\$ (761,629)	\$ (65,825)	\$ (1,203,726)
Cash flows from investing activities:				
Interest income	\$ 7,740	\$ 86,001	\$ -	\$ 93,741
Lease income	81,513	-	-	81,513
Net cash provided by (used for) investing activities	\$ 89,253	\$ 86,001	\$ -	\$ 175,254
Increase (decrease) in cash and cash equivalents	\$ 2,942	\$ (459,088)	\$ 54,162	\$ (401,984)
Cash and cash equivalents at beginning of year	164,088	1,138,265	549,813	1,852,166
Cash and cash equivalents at end of year	\$ 167,030	\$ 679,177	\$ 603,975	\$ 1,450,182
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (38,986)	\$ (115,911)	\$ (219,337)	\$ (374,234)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:				
Depreciation	\$ 76,259	\$ -	\$ 97,197	\$ 173,456
Changes in operating assets, liabilities, and deferred inflows/outflows of resources:				
(Increase)/decrease in accounts receivable	(14,705)	-	(290)	(14,995)
(Increase)/decrease in lease receivable	69,986	-	-	69,986
(Increase)/decrease in deferred inflows	(76,667)	-	-	(76,667)
Increase/(decrease) in unearned revenue	2,419	-	-	2,419
Increase/(Decrease) in accounts payable and accrued expenses	(18,595)	(403,637)	425	(421,807)
Total adjustments	\$ 38,697	\$ (403,637)	\$ 97,332	\$ (267,608)
Net cash provided by (used for) operating activities	\$ (289)	\$ (519,548)	\$ (122,005)	\$ (641,842)

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 At June 30 2022

	Other Post - Employment Benefits Trust	Custodial Fund Special Welfare
ASSETS		
Cash and cash equivalents	\$ -	\$ 217,239
Investments:		
Fixed income	543,013	-
Stocks	1,396,318	-
Real Estate	181,005	-
Alternative investments	465,439	-
	<u>2,585,775</u>	<u>-</u>
Total investments	\$ <u>2,585,775</u>	\$ <u>-</u>
	<u>2,585,775</u>	<u>217,239</u>
Total assets	\$ <u>2,585,775</u>	\$ <u>217,239</u>
NET POSITION		
Restricted - postemployment benefits other than pensions	\$ 2,585,775	\$ -
Restricted - social services clients	<u>-</u>	<u>217,239</u>
	<u>2,585,775</u>	<u>217,239</u>
Total net position	\$ <u>2,585,775</u>	\$ <u>217,239</u>

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Year Ended June 30, 2022

	Other Post - Employment Benefits Trust	Custodial Fund Special Welfare
ADDITIONS		
Contributions:		
Employer	\$ -	\$ -
Private contributions	-	150,509
Total contributions	<u>\$ -</u>	<u>\$ 150,509</u>
Investment income or (loss)		
Net increase(decrease) in the fair market value of investments	\$ (266,633)	\$ -
Total investment earnings	<u>\$ (266,633)</u>	<u>\$ -</u>
Total additions	<u>\$ (266,633)</u>	<u>\$ 150,509</u>
DEDUCTIONS		
Benefits	\$ -	\$ -
Administrative expenses	-	-
Recipient payments	-	15,340
Total deductions	<u>\$ -</u>	<u>\$ 15,340</u>
Change in net position	\$ (266,633)	\$ 135,169
Net Position		
Net position - beginning	2,852,408	217,239
Net position - ending	<u><u>\$ 2,585,775</u></u>	<u><u>\$ 352,408</u></u>

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements At June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its components unit. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. 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 report all capital assets in the government-wide Statement of Net Position and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government is 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).

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Statement of Activities: (Continued)

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

Fund Financial Statements

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

Budgetary Comparison Schedules

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Fluvanna, 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.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units:

School Board: The School Board operates the County Public School System. Members are currently elected by popular vote. The School Board adopts an annual budget for the schools. The School Board submits an appropriation request to the Board of Supervisors. The Board of Supervisors can decline to fund the entire appropriation which they adopt (as modified) in the annual County Budget. A separate financial report for the School Board is not prepared.

Economic Development Authority: The Economic Development Authority of Fluvanna County, Virginia (the EDA) was established by the Fluvanna County Board of Supervisors pursuant to the Industrial Development and Revenue Bond Act (Chapter 33, Title 15.1, Code of Virginia of 1950, as amended) so that such authorities may be able to promote industry and develop trade in the Commonwealth. The County appoints the board members of the EDA. The County may significantly influence the fiscal affairs of the Authority. The EDA does not issue separate financial statements.

Other Related Organizations included in the County's ACFR: None

C. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease 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.

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

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

1. Governmental Funds

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

a. General Fund

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

b. Capital Projects Fund

The Capital Projects Fund (Capital Improvements) 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.

2. Proprietary Funds

Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is based upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds and Internal Service Funds.

Enterprise Funds

Enterprise 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Enterprise funds consist of Fork Union Sanitary District (F.U.S.D.), Sewer, Zion Crossroads Water and Sewer.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

3. 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 an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's only Custodial Fund is the Special Welfare Fund. The County's only Trust Fund is the Other Post Employment Benefits Fund.

D. 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.
4. The Appropriations Resolution places legal restrictions on expenditures at the function level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; and 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 for the General Fund and the Capital Project Fund. The School Fund is integrated only at the level of legal adoption.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

E. Cash and Cash Equivalents

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.

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. All other investments are stated at fair value which approximates market; no investments are valued at cost. Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents. Investments consist of assets held by a trustee. Bond proceeds are maintained to comply with the provisions of the Internal Revenue Tax Code and various bond indentures. Bond proceeds are deposited in the State Non-Arbitrage Program (SNAP). Values of shares in the SNAP reflect fair value. Capital lease proceeds are held in escrow and deposited in money market funds.

State statutes authorize the County government and the School Board to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the Local Government Investment Pool.

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 balances between funds are reported as "advances to/from other funds." (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$787,206 at June 30, 2022 and is comprised of the following:

Fork Union Sanitary District	\$ 11,860
Sewer	1,220
Property Taxes	<u>774,126</u>
Total	<u>\$ 787,206</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

G. Receivables and Payables: (Continued)

Property Tax Calendar

The County collects real and personal property taxes semiannually. Real and personal property taxes are levied as of January 1 for a calendar year and are due on June 5 and December 5; penalties and interest accrue on all unpaid balances as of these dates. Unpaid real and personal property taxes constitute a lien against the property as of the due date of the tax. The County bills and collects its own property taxes.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The County records prepaids using the consumption method.

I. Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	40 to 50
Building improvements	30 to 40
Vehicles and equipment	5 to 10
Leased equipment	5 to 10
Water and sewer system	20 to 50
Buses	12

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-term Obligations

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

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

L. Fund Balances

Financial Policies

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

Fund balances are required to be reported according to the following classifications:

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

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution) by the government's highest level of decision-making authority.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Fund Balances: (Continued)

Financial Policies: (Continued)

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

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

When fund balance resources are available for a specific purpose in more than one classification, it is 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 committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the County that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors may also assign fund balance as it does through the adoption or amendment of the budget as intended for specific purpose. 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. Please see detail of County’s Fund Balances on the following page.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

L. Fund Balances: (Continued)

Financial Policies: (Continued)

Category	General Fund	Capital Projects Fund	Component Unit School Board
Nonspendable:			
Prepaid Items	\$ -	\$ 2,629,387	\$ -
Receivables	4,970	-	-
Total Nonspendable	<u>\$ 4,970</u>	<u>\$ 2,629,387</u>	<u>\$ -</u>
Restricted:			
Unexpended Bond Proceeds - VPSA 2021	\$ -	\$ 3,773,068	\$ -
Unexpended Note Proceeds - JPM 2021	-	2,540,147	-
Opioid Settlement	7,889	-	-
USDA Debt Reserve	59,520	-	-
Total Restricted	<u>\$ 67,409</u>	<u>\$ 6,313,215</u>	<u>\$ -</u>
Committed:			
Capital Projects:			
Recoat Central Waste Water Treatment Plant	\$ 70,000	\$ -	\$ -
Library & Public Safety - Combined Water System	50,000	-	-
School Board Office Renovations	61,302	-	-
Pleasant Grove Road Paving	98,000	-	-
County Capital Reserve	563,098	-	-
School Capital Reserve	421,882	-	-
Fleet Replacement - F&R Apparatus and Vehicles	31,000	-	-
Fleet Replacement - County Government Vehicles	12,878	-	-
Fleet Replacement - Sheriff Vehicles	5,612	-	-
Fleet Replacement - Social Service Vehicles	11,475	-	-
Fleet Replacement - School Buses	245,935	-	-
Fleet Replacement - School Student Transport/ Facilities Vehicles	4,905	-	-
Carysbrook Softball Field	12,070	-	-
Historic Courthouse	219,919	-	-
Columbia Sewer Study	1,343	-	-
Pleasant Grove Playground Expansion	-	50,000	-
Master Water and Sewer Plan	11,981	-	-
Abrams Building Upgrades	188,760	-	-
Fork Union Site Development	6,080	-	-
Middle School Roof Replacement	25,528	-	-
Pleasant Grove Park Field Amenities	50,000	-	-
FY23 Operational Budget - Use of Fund Balance	1,228,073	-	-
FY23 Budget Capital Improvement Plan - Use of Fund Balance	2,089,540	-	-
Other Carryforwards	565,300	-	-
Total Committed	<u>\$ 5,974,681</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Assigned:			
Activities fund	\$ -	\$ -	\$ 467,113
Cafeteria	-	-	1,087,706
Total Assigned	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,554,819</u>
Unassigned:	<u>\$ 26,519,445</u>	<u>\$ (131,066)</u>	<u>\$ -</u>
Total Fund Balance	<u>\$ 32,566,505</u>	<u>\$ 8,861,536</u>	<u>\$ 1,554,819</u>

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

M. 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.

N. 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.

O. Component Unit – School Board Capital Asset and Debt Presentation

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the Code of Virginia requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net Position, this scenario presents a dilemma for the County. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the County. The corresponding capital assets are reported as assets of the Component Unit-School Board (title holder), thereby increasing its net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

O. Component Unit – School Board Capital Asset and Debt Presentation: (Continued)

The Virginia General Assembly amended the Code of Virginia to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in 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. The other item is comprised of certain items certain items related to pension and OPEB For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, 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 multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related pension, OPEB, opioid settlement, and leases are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Q. Pensions

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

R. Other Postemployment Benefits (OPEB)

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

S. 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.

Lessee

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

Lessor

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

S. Leases: (Continued)

Key Estimates and Judgments

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS:

Deposits

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

Investments

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-.

The County's rated debt investments as of June 30, 2022 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments' Values			
Rated Debt Investments	Fair Value	AAAm	AA+f
VACo/VML VIP Stable NAV Liquidity Pool	\$ 29,309,444	\$ 29,309,444	\$ -
VACo/VML VIP High Quality Bond Fund	2,896,943	-	2,896,943
Virginia State Non-Arbitrage Program	<u>3,773,067</u>	<u>3,773,067</u>	<u>-</u>
Total	<u>\$ 35,979,454</u>	<u>\$ 33,082,511</u>	<u>\$ 2,896,943</u>

Interest Rate Risk

The County Investment Policy requires that investment cash flows be optimized to match expected cash flow needs and are limited to investments with an average life of 5 years or less.

Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1 Year	1 - 5 Years
VACo/VML VIP Stable NAV Liquidity Pool	\$ 29,309,444	\$ 29,309,444	\$ -
VACo/VML VIP High Quality Bond Fund	2,896,943	2,896,943	-
Virginia State Non-Arbitrage Program	<u>3,773,067</u>	<u>3,773,067</u>	<u>-</u>
Total	<u>\$ 35,979,454</u>	<u>\$ 35,979,454</u>	<u>\$ -</u>

Custodial Credit Risk

The County's investments are all insured, registered in the County's name and held in an account in the County's name, or invested in an external investment pool.

Fair Value Measurements:

Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above investments at the net asset value (NAV). There are no withdrawal limitations or restrictions imposed on participants.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS: (CONTINUED)

External Investment Pool:

The fair values of the positions in the SNAP is the same as the value of the pool shares. As these pools are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. SNAP is amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

NOTE 3 - DUE FROM OTHER GOVERNMENTAL UNITS:

Receivables due from other governmental units consist of the following at June 30, 2022:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 432,059	\$ -
Communication tax	95,773	-
Public assistance and welfare administration	26,316	-
State sales tax	-	897,176
School security grant		131,759
PPTRA	1,438,261	-
Shared expenses	173,532	-
Children's services	426,465	-
Federal Government:		
School grants	-	845,881
Public assistance and welfare administration	89,424	-
Four 4 Life	-	-
Interest rate subsidy	82,674	-
Other	49,613	-
Totals	<u>\$ 2,814,117</u>	<u>\$ 1,874,816</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 4 - INTERFUND OBLIGATIONS/TRANSFERS:

There were no Interfund obligations at June 30, 2022.

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government		
General Fund	\$ -	\$ 1,988,706
Sewer	241,992	-
Zion Crossroads Water & Sewer	736,088	
Fork Union Sanitary District	290,250	-
Capital Projects Fund	720,376	-
	<u> </u>	<u> </u>
Total	\$ 1,988,706	\$ 1,988,706

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

NOTE 5 - DUE TO/FROM PRIMARY GOVERNMENT/COMPONENT UNIT:

There were no interfund obligations between the primary government and its component unit.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 6 - CAPITAL ASSETS:

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

	Beginning Balance July 1, 2021*	Additions	Deletions	Ending Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 2,075,281	\$ -	\$ -	\$ 2,075,281
Construction in progress-jointly owned assets	-	286,556	-	286,556
Construction in progress	127,253	2,346	129,599	-
Total capital assets not being depreciated	\$ 2,202,534	\$ 288,902	\$ 129,599	\$ 2,361,837
Capital assets being depreciated:				
Buildings and improvements	\$ 34,146,204	\$ -	\$ -	\$ 34,146,204
Equipment	11,027,967	804,710	52,619	11,780,058
Leased equipment	344,115	-	-	344,115
Jointly owned assets	71,666,989	-	1,503,626	70,163,363
Total capital assets being depreciated	\$ 117,185,275	\$ 804,710	\$ 1,556,245	\$ 116,433,740
Less accumulated depreciation for:				
Buildings and improvements	\$ 12,513,938	\$ 1,322,264	\$ -	\$ 13,836,202
Equipment	8,384,921	739,365	52,619	9,071,667
Leased equipment	-	68,186	-	68,186
Jointly owned assets	12,989,562	1,818,660	497,364	14,310,858
Total accumulated depreciation	\$ 33,888,421	\$ 3,948,475	\$ 549,983	\$ 37,286,913
Total capital assets being depreciated, net	\$ 83,296,854	\$ (3,143,765)	\$ 1,006,262	\$ 79,146,827
Governmental activities capital assets, net	\$ 85,499,388	\$ (2,854,863)	\$ 1,135,861	\$ 81,508,664

* Beginning balances have been adjusted to reflect implementation of GASB 87

Tenancy in Common – State legislation enacted in 2002, Section 15.2-1800.1 of the Code of Virginia, (1950), as amended, granted the County a tenancy in common with the School Board when the County incurs a financial obligation for school property which is payable over more than one fiscal year. For financial reporting purposes, the net book value of School capital assets financed by the County guaranteed debt is shown under the County up to the amount of outstanding debt. At June 30, 2022, the School component unit capital assets financed by the outstanding County guaranteed debt with a book value of \$56,139,601 were reported in the Primary Government as tenant in common with the School Board.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Business-type Activities:				
<u>Fork Union Sanitary District:</u>				
Capital assets, not being depreciated:				
Land	\$ 11,736	\$ -	\$ -	\$ 11,736
Total capital assets not being depreciated	\$ 11,736	\$ -	\$ -	\$ 11,736
Capital assets being depreciated:				
Buildings and improvements	\$ 18,079	\$ -	\$ -	\$ 18,079
Infrastructure	3,140,487	316,750	-	3,457,237
Equipment	163,911	-	-	163,911
Total capital assets being depreciated	\$ 3,322,477	\$ 316,750	\$ -	\$ 3,639,227
Less accumulated depreciation for:				
Buildings and improvements	\$ 17,415	\$ 221	\$ -	\$ 17,636
Infrastructure	1,863,046	76,038	-	1,939,084
Equipment	163,911	-	-	163,911
Total accumulated depreciation	\$ 2,044,372	\$ 76,259	\$ -	\$ 2,120,631
Total capital assets being depreciated, net	\$ 1,278,105	\$ 240,491	\$ -	\$ 1,518,596
Fork Union Sanitary District capital assets, net	\$ 1,289,841	\$ 240,491	\$ -	\$ 1,530,332
<u>Zion Crossroads Water & Sewer:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 11,752,481	\$ 38,601	\$ -	\$ 11,791,082
Total capital assets not being depreciated	\$ 11,752,481	\$ 38,601	\$ -	\$ 11,791,082
Zion Crossroads Water & Sewer capital assets, net	\$ 11,752,481	\$ 38,601	\$ -	\$ 11,791,082

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Business-type Activities: (continued)				
<u>Sewer Fund:</u>				
Capital assets, not being depreciated:				
Land	\$ 284,440	\$ -	\$ -	\$ 284,440
Total capital assets not being depreciated	\$ 284,440	\$ -	\$ -	\$ 284,440
Capital assets being depreciated:				
Infrastructure	\$ 3,864,580	\$ 5,825	\$ -	\$ 3,870,405
Total capital assets being depreciated	\$ 3,864,580	\$ 5,825	\$ -	\$ 3,870,405
Less accumulated depreciation for:				
Infrastructure	\$ 1,210,580	\$ 97,197	\$ -	\$ 1,307,777
Total accumulated depreciation	\$ 1,210,580	\$ 97,197	\$ -	\$ 1,307,777
Total capital assets being depreciated, net	\$ 2,654,000	\$ (91,372)	\$ -	\$ 2,562,628
Sewer capital assets, net	\$ 2,938,440	\$ (91,372)	\$ -	\$ 2,847,068
Business-type activities capital assets, net	\$ 15,980,762	\$ 187,720	\$ -	\$ 16,168,482

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

	<u>Beginning Balance July 1, 2021*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2022</u>
Discretely Presented Component-Unit School Board:				
Capital assets, not being depreciated:				
Land	\$ 359,782	\$ -	\$ -	\$ 359,782
Construction in progress-jointly owned assets	-	(286,556)	-	(286,556)
Construction in progress	<u>304,707</u>	<u>286,556</u>	<u>15,314</u>	<u>575,949</u>
Total capital assets not being depreciated	<u>\$ 664,489</u>	<u>\$ -</u>	<u>\$ 15,314</u>	<u>\$ 649,175</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 122,962,268	\$ 29,218	\$ -	\$ 122,991,486
Equipment	10,042,075	191,802	883,339	9,350,538
Leased equipment	206,856	9,355	-	216,211
Jointly owned assets	<u>(71,666,989)</u>	<u>-</u>	<u>(1,503,626)</u>	<u>(70,163,363)</u>
Total capital assets being depreciated	<u>\$ 61,544,210</u>	<u>\$ 230,375</u>	<u>\$ (620,287)</u>	<u>\$ 62,394,872</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 37,562,291	\$ 3,120,356	\$ -	\$ 40,682,647
Equipment	6,456,935	689,338	799,969	6,346,304
Leased equipment	-	42,895	-	42,895
Jointly owned assets	<u>(12,989,562)</u>	<u>(1,818,660)</u>	<u>(497,364)</u>	<u>(14,310,858)</u>
Total accumulated depreciation	<u>\$ 31,029,664</u>	<u>\$ 2,033,929</u>	<u>\$ 302,605</u>	<u>\$ 32,760,988</u>
Total capital assets being depreciated, net	<u>\$ 30,514,546</u>	<u>\$ (1,803,554)</u>	<u>\$ (922,892)</u>	<u>\$ 29,633,884</u>
School Board capital assets, net	<u>\$ 31,179,035</u>	<u>\$ (1,803,554)</u>	<u>\$ (907,578)</u>	<u>\$ 30,283,059</u>

* Beginning balances have been adjusted to reflect implementation of GASB 87

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 6 - CAPITAL ASSETS: (CONTINUED)

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

Governmental Activities:

General government administration	\$ 222,749
Judicial administration	197,718
Public safety	1,359,193
Public works	172,160
Health and welfare	24,685
Education	1,818,660
Parks, recreation and cultural	78,585
Community development	74,725
Total	<u>\$ 3,948,475</u>

Business-Type Activities:

Fork Union Sanitary District	<u>\$ 76,259</u>
Sewer	<u>\$ 97,197</u>

Component Unit School Board	<u>\$ 2,033,929</u> (1)
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(1) Depreciation Expense	\$ 3,852,589
Accumulated depreciation on joint tenancy asset transfer	<u>(1,818,660)</u>
Total additions to accumulated depreciation	<u>\$ 2,033,929</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS:

The following is a summary of changes in long-term obligation transactions for the fiscal year ended June 30, 2022:

	<u>Balance July 1, 2021*</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Direct Borrowings and Direct Placements:					
School general obligation bonds	\$ 66,462,026	\$ 3,270,000	\$ 4,114,442	\$ 65,617,584	\$ 4,286,073
Premium on general obligation bonds	3,598,345	494,953	488,698	3,604,600	523,057
Discount on general obligation bonds	(190,179)	-	(31,697)	(158,482)	(31,697)
Infrastructure and state moral obligation revenue bonds	1,275,000	-	440,000	835,000	205,000
Premium on infrastructure revenue bonds	80,697	-	32,301	48,396	21,701
Qualified energy conservation revenue bonds	5,982,715	-	489,530	5,493,185	495,233
Landfill postclosure costs	615,781	6,062	36,222	585,621	36,222
Notes payable	3,635,101	5,231,500	1,195,500	7,671,101	1,535,889
Lease liabilities	344,115	-	63,389	280,726	63,329
Net pension liability	2,367,711	3,759,208	6,126,919	-	-
Net OPEB liability:					
Net Group Life Insurance OPEB liability	\$ 631,487	\$ 146,072	\$ 333,855	\$ 443,704	\$ -
Net Health Insurance Credit OPEB liability	31,467	13,174	43,604	1,037	-
Total net OPEB liability	\$ 662,954	\$ 159,246	\$ 377,459	\$ 444,741	\$ -
Compensated absences	709,932	180,571	70,993	819,510	819,510
Total governmental activities	<u>\$ 85,544,198</u>	<u>\$ 13,101,540</u>	<u>\$ 13,403,756</u>	<u>\$ 85,241,982</u>	<u>\$ 7,954,317</u>

The general fund revenues are used to liquidate compensated absences and other long-term obligations.

* Beginning balances have been adjusted to reflect implementation of GASB 87

	<u>Balance July 1, 2021</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Business-type Activities:					
Direct Borrowings and Direct Placements:					
Water facilities bonds	\$ 284,795	\$ -	\$ 47,678	\$ 237,117	\$ 49,871
Sewer system revenue bonds	360,000	-	60,000	300,000	60,000
Water and sewer system revenue bonds	9,345,000	-	355,000	8,990,000	370,000
Premium on revenue bonds	1,022,347	-	108,780	913,567	103,797
Total business-type activities	<u>\$ 11,012,142</u>	<u>\$ -</u>	<u>\$ 571,458</u>	<u>\$ 10,440,684</u>	<u>\$ 583,668</u>
Total Primary Government	<u>\$ 96,556,340</u>	<u>\$ 13,101,540</u>	<u>\$ 13,975,214</u>	<u>\$ 95,682,666</u>	<u>\$ 8,537,985</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government

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

	Direct Borrowings and Direct Placements					
	General		Infrastructure and			
	Obligation Bonds		State Moral Obligation			
			Revenue Bond		Lease liabilities	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 4,286,073	\$ 2,307,077	\$ 205,000	\$ 37,541	63,329	2,616
2024	4,292,128	2,086,299	220,000	26,650	23,804	2,149
2025	4,633,030	1,902,927	230,000	15,119	20,857	1,945
2026	4,809,210	1,724,139	180,000	4,612	21,751	1,735
2027	4,602,143	1,547,103	-	-	22,674	1,517
2028	4,400,000	1,370,065	-	-	23,627	1,289
2029	4,555,000	1,216,817	-	-	24,612	1,052
2030	4,710,000	1,060,915	-	-	25,629	804
2031	4,485,000	876,975	-	-	26,680	547
2032	4,670,000	692,842	-	-	27,763	280
2033	4,710,000	526,831	-	-	-	-
2034	4,680,000	383,791	-	-	-	-
2035	4,825,000	241,261	-	-	-	-
2036	4,975,000	95,780	-	-	-	-
2037	155,000	40,558	-	-	-	-
2038	160,000	33,900	-	-	-	-
2039	160,000	26,940	-	-	-	-
2040	165,000	19,666	-	-	-	-
2041	170,000	11,960	-	-	-	-
2042	175,000	4,036	-	-	-	-
Totals	\$ 65,617,584	\$ 16,169,882	\$ 835,000	\$ 83,922	\$ 280,726	\$ 13,934

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year	Direct Borrowings and Direct Placements		Direct Borrowings and Direct Placements							
	Qualified		Revenue Bonds							
	Energy Conservation		Water							
	Revenue Bonds		Facilities Bond							
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 495,233	\$ 203,528	\$ 1,535,889	\$ 99,598	\$ 49,871	\$ 9,649	\$ 60,000	\$ -	\$ 370,000	\$ 354,950
2024	501,002	184,201	1,777,901	71,689	52,162	7,358	60,000	-	390,000	337,375
2025	506,839	164,649	557,463	55,877	54,559	4,961	60,000	-	410,000	317,925
2026	512,744	144,869	565,099	48,187	57,065	2,455	60,000	-	425,000	297,528
2027	518,717	124,859	572,842	40,392	23,460	209	60,000	-	445,000	276,234
2028	524,760	104,615	580,689	32,490	-	-	-	-	470,000	252,788
2029	530,873	84,136	588,645	24,480	-	-	-	-	495,000	228,634
2030	537,058	63,418	490,770	17,086	-	-	-	-	525,000	204,713
2031	543,315	42,459	497,494	10,317	-	-	-	-	545,000	180,497
2032	549,644	21,255	504,309	3,455	-	-	-	-	570,000	156,563
2033	273,000	5,296	-	-	-	-	-	-	590,000	133,538
2034	-	-	-	-	-	-	-	-	615,000	110,534
2035	-	-	-	-	-	-	-	-	635,000	89,103
2036	-	-	-	-	-	-	-	-	655,000	68,947
2037	-	-	-	-	-	-	-	-	680,000	46,463
2038	-	-	-	-	-	-	-	-	700,000	22,100
2039	-	-	-	-	-	-	-	-	155,000	8,341
2040	-	-	-	-	-	-	-	-	155,000	5,047
2041	-	-	-	-	-	-	-	-	160,000	1,700
Totals	\$ 5,493,185	\$ 1,143,285	\$ 7,671,101	\$ 403,571	\$ 237,117	\$ 24,632	\$ 300,000	\$ -	\$ 8,990,000	\$ 3,092,978

Detail of Long-Term Obligations

	Amount Outstanding	Amounts Due Within One Year
Governmental Activities:		
Direct Borrowings and Direct Placements:		
<u>Infrastructure and State Moral Obligation Revenue Bonds:</u>		
\$3,520,000 Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds Series 2014C, issued November 19, 2014 maturing annually in installments ranging from \$180,000 to \$440,000 through October 1, 2025. Interest payable semiannually at ranging 3.007% to 5.125%.	\$ 835,000	\$ 205,000
Premium on School Bonds 2014C	48,396	21,701
Total infrastructure and state moral obligation revenue bonds	\$ 883,396	\$ 226,701

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<i><u>School General Obligation Bonds:</u></i>		
\$6,411,957 School Bonds, 2005A, issued November 10, 2005, maturing annually in installments ranging from \$273,104 to \$372,067 through July 15, 2025, interest payable semiannually at 5.1%.	\$ 1,451,869	\$ 353,930
\$5,420,000 School Bonds, 2009A, issued November 13, 2009, maturing annually in installments ranging from \$135,500 to \$387,143 through September 15, 2026. The interest rate is 0.0%.	1,935,715	387,143
Discount on School Bonds 2009A	(158,482)	(31,697)
\$66,120,000 School Refunding Bonds, 2012B, issued December 20, 2012, maturing annually in installments ranging from \$345,000 to \$4,825,000 through June 30, 2036, interest payable semiannually ranging from 1.25% to 5.00%.	54,325,000	2,950,000
Premium on School Bonds 2012B	2,834,534	388,348
\$3,995,000 School Bonds, 2012, issued November 15, 2012, maturing annually in installments ranging from \$135,000 to \$305,000 through July 15, 2032, interest payable semiannually ranging from 2.05% to 5.05%.	1,855,000	305,000
Premium on School Bonds 2012	66,651	12,797
\$4,420,000 School Bonds, 2014C, issued November 20, 2014, maturing annually in installments ranging from \$170,000 to \$405,000 through July 15, 2029, interest payable semiannually at ranging from 2.05% to 5.05%.	2,780,000	290,000
Premium on School Bonds 2014C	208,462	49,172
\$3,270,000 School Bonds, 2021, issued November 9, 2021, maturing annually in installments ranging from \$150,000 to \$255,000 through July 15, 2041, interest payable semiannually at ranging from 2.05% to 5.05%.	3,270,000	-
Premium on School Bonds 2021	494,953	72,740
Total school general obligation bonds	\$ 69,063,702	\$ 4,777,433

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<u>Qualified Energy Conservation Revenue Bonds:</u>		
\$7,653,740 Qualified Energy Conservation Revenue Bonds, Series 2017, issued February 28, 2017, maturing annually in installments ranging from \$236,000 to \$549,644 through August 1, 2032, interest payable semiannually at 3.88%.	\$ 5,493,185	\$ 495,233
<u>Notes Payable:</u>		
\$8,223,125 note payable dated October 31, 2016 maturing annually in installments ranging from \$1,096,159 to \$1,227,973 through September 1, 2023. Interest payable semiannually at 1.34%. Note is for Radio Equipment.	\$ 2,439,601	\$ 1,211,628
\$5,231,500 note payable dated February 3, 2022 maturing annually in installments ranging from \$399,286 to \$613,390 through 2032 . Interest payable annually at 1.37%. Note is for various equipment and vehicles.	5,231,500	324,261
Total notes payable	\$ 7,671,101	\$ 1,535,889
<u>Lease liabilities:</u>		
Lease for communication tower payable in annual payments of \$26,434 through July 2031. Discount rate at 1.00%.	\$ 232,740	\$ 44,174
Lease for building space payable in monthly payments ranging from \$3,596 to \$3,812 through July 2023.	47,986	19,155
Total lease liabilities	\$ 280,726	\$ 63,329
Landfill postclosure costs	\$ 585,621	\$ 36,222
Net Group Life Insurance OPEB liability	\$ 443,704	\$ -
Net Health Insurance Credit OPEB liability	\$ 1,037	\$ -
Compensated absences	\$ 819,510	\$ 819,510
Total Governmental Activities	\$ 85,241,982	\$ 7,954,317

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Detail of Long-Term Obligations: (Continued)

	<u>Amount Outstanding</u>	<u>Amounts Due Within One Year</u>
<u><i>Business-type Activities:</i></u>		
<u>Direct Borrowings and Direct Placements:</u>		
Water Facilities Bond:		
\$1,000,000, Series 1998-A, authorized June 25, 1998, due in monthly installments of \$4,960, including principal and interest. The interest rate is 4.5% and final payment is due October 31, 2026.	\$ 237,117	\$ 49,871
Sewer System Revenue Bond:		
\$1,200,000, Series 2006, authorized August 1, 2006, due in semi-annual installments of \$30,000, principal only. The interest rate is 0.0% and final payment is due March 1, 2027.	300,000	60,000
Water and Sewer System Revenue Bond:		
\$7,715,000, Series 2017B, authorized August 16, 2017, due in annual installments ranging from \$250,000 to \$550,000 through October 1, 2037, interest payable semiannually ranging from 2.825% to 5.125%	8,990,000	370,000
Premium on revenue bonds	913,567	103,797
Total Business-type Activities Obligations	\$ 10,440,684	\$ 583,668
Total Primary Government	\$ 95,682,666	\$ 8,537,985

Direct Borrowings and Placements

In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2-2659 of the Code of Virginia, 1950 as amended.

Revenue bonds totaling \$15,618,185 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issuance as due and payable.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

USDA Revenue Bond

Under the terms of the USDA Revenue Bonds, the County is required to establish a reserve equal to 10% of the monthly installments of principal and interest until an amount equal to twelve monthly installments has been established. The funds are not required to be held in a separate bank account. The County has established this reserve and has a balance of \$59,520. The reserve had been reflected as restricted fund balance in the General Fund in the accompanying financial statements.

Component Unit School Board

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

	Balance			Balance	Amounts
	July 1, 2021*	Increases	Decreases	June 30, 2022	Due Within
					One Year
Compensated absences	\$ 1,905,581	\$ 320,037	\$ 190,558	\$ 2,035,060	\$ 203,506
Lease liabilities	206,856	9,355	42,450	173,761	42,679
Net OPEB liability:					
Net Group Life Insurance OPEB liability	\$ 1,876,313	\$ 379,886	\$ 985,614	\$ 1,270,585	\$ -
Net Health Insurance Credit OPEB liability	3,241,672	499,447	634,781	3,106,338	-
Total net OPEB liability	\$ 5,117,985	\$ 879,333	\$ 1,620,395	\$ 4,376,923	\$ -
Net pension liability	35,093,258	6,129,277	23,100,202	18,122,333	-
Total	\$ 42,323,680	\$ 7,338,002	\$ 24,953,605	\$ 24,708,077	\$ 246,185

* Beginning balances have been adjusted to reflect implementation of GASB 87

The School Operating and School Cafeteria Funds are used to liquidate the School Board's compensated absences liability.

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

Year Ending June 30,	Lease Liabilities	
	Principal	Interest
2023	\$ 42,679	\$ 1,544
2024	43,108	1,115
2025	43,541	682
2026	43,978	245
2027	455	1
Total	\$ 173,761	\$ 3,587

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 7 - LONG-TERM OBLIGATIONS: (CONTINUED)

Lease Liabilities

Lease for copiers payable in monthly installments of \$3,553 through June 2026, discount rate at 1.00%	\$ 166,169
Lease for equipment payable in quarterly payments of \$457 through September 2026, discount rate at 1.00%	<u>7,592</u>
Total	<u>\$ 173,761</u>

NOTE 8 – LEASES RECEIVABLE:

The County leases tower space to companies under various lease contracts. In fiscal year 2022, the County governmental activities recognized lease and interest revenue in the amount of \$4,970 and \$5,858 , respectively. A description of the leases is as follows:

<u>Lease Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Length of Lease Term (in months)</u>	<u>Payment Frequency</u>	<u>Discount Rate</u>	<u>Receivable Balance</u>
Governmental Activities:						
AT&T Tower	7/1/2021	2/1/2025	44	Monthly	3.00%	\$ 101,815
US Cellular Tower	7/1/2021	3/1/2025	45	Monthly	3.00%	80,955
Total governmental activities						<u>\$ 182,770</u>
Business-type Activities:						
US Cellular Tower	7/1/2021	3/1/2025	45	Monthly	3.00%	\$ 80,955
T-Mobile Tower	7/1/2021	5/1/2024	35	Monthly	3.00%	38,222
Verizon Water Tower	7/1/2021	10/1/2026	64	Monthly	3.00%	127,494
Total business-type activities						<u>\$ 246,671</u>
Total Primary Government:						<u>\$ 429,441</u>

NOTE 9 - PENSION PLAN:

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.

The business-type activities recognized lease and interest revenue in the amount of \$6,680 and \$7,740, respectively.

NOTE 9 - PENSION PLAN: (CONTINUED)

Benefit Structures

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

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

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

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

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

Employees Covered by Benefit Terms

As of the June 30, 2020 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	103	51
Inactive members:		
Vested inactive members	39	16
Non-vested inactive members	64	46
Inactive members active elsewhere in VRS	<u>111</u>	<u>34</u>
Total inactive members	214	96
Active members	<u>157</u>	<u>93</u>
Total covered employees	<u><u>474</u></u>	<u><u>240</u></u>

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2022 was 8.73% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$697,023 and \$633,079 for the years ended June 30, 2022 and June 30, 2021, respectively.

NOTE 9 - PENSION PLAN: (CONTINUED)

Contributions (Continued)

The Component Unit School Board’s contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 4.08% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board’s nonprofessional employees were \$74,276 and \$68,738 for the years ended June 30, 2022 and June 30, 2021 , respectively.

Net Pension Liability (Asset)

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

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2019 using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Mortality rates:

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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	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 FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which is 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 2.5%.

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	\$ 27,056,708	\$ 24,688,997	\$ 2,367,711
Changes for the year:			
Service cost	\$ 888,479	\$ -	\$ 888,479
Interest	1,786,452	-	1,786,452
Changes of assumptions	927,623	-	927,623
Differences between expected and actual experience	140,083	-	140,083
Contributions - employer	-	633,079	(633,079)
Contributions - employee	-	367,291	(367,291)
Net investment income	-	6,779,865	(6,779,865)
Benefit payments, including refunds of employee contributions	(1,181,499)	(1,181,499)	-
Administrative expenses	-	(16,571)	16,571
Other changes	-	642	(642)
Net changes	\$ 2,561,138	\$ 6,582,807	\$ (4,021,669)
Balances at June 30, 2021	\$ 29,617,846	\$ 31,271,804	\$ (1,653,958)

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 7,476,557	\$ 7,413,775	\$ 62,782
Changes for the year:			
Service cost	\$ 184,290	\$ -	\$ 184,290
Interest	490,763	-	490,763
Changes of assumptions	242,277		242,277
Differences between expected and actual experience	(15,568)	-	(15,568)
Contributions - employer	-	68,453	(68,453)
Contributions - employee	-	93,402	(93,402)
Net investment income	-	1,997,427	(1,997,427)
Benefit payments, including refunds of employee contributions	(411,986)	(411,986)	-
Administrative expenses	-	(5,068)	5,068
Other changes	-	188	(188)
Net changes	\$ 489,776	\$ 1,742,416	\$ (1,252,640)
Balances at June 30, 2021	\$ 7,966,333	\$ 9,156,191	\$ (1,189,858)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 2,302,558	\$ (1,653,958)	\$ (4,902,748)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (176,929)	\$ (1,189,858)	\$ (2,028,700)

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$258,553 and \$(18,125), respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,813	\$ 46,955	\$ 30,961	\$ 9,693
Change in assumptions	581,495	-	150,852	-
Net difference between projected and actual earnings on pension plan investments	-	3,381,670	-	989,538
Employer contributions subsequent to the measurement date	697,023	-	74,276	-
Total	<u>\$ 1,366,331</u>	<u>\$ 3,428,625</u>	<u>\$ 256,089</u>	<u>\$ 999,231</u>

\$697,023 and \$74,276 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2023	\$ (441,624)	\$ (115,419)
2024	(504,683)	(170,634)
2025	(789,009)	(230,245)
2026	(1,024,001)	(301,120)
Thereafter	-	-

Pension Plan Data

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

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. 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 \$3,350,988 and \$3,259,369 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

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

At June 30, 2022, the school division reported a liability of \$18,122,333 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .23344% as compared to .24087% at June 30, 2022.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)**Component Unit School Board (professional) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

For the year ended June 30, 2022, the school division recognized pension expense of \$(266,997). 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.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,543,550
Change in assumptions	3,174,985	-
Net difference between projected and actual earnings on pension plan investments	-	11,420,209
Changes in proportion and differences between employer contributions and proportionate share of contributions	31,229	1,512,919
Employer contributions subsequent to the measurement date	<u>3,350,988</u>	<u>-</u>
Total	<u>\$ 6,557,202</u>	<u>\$ 14,476,678</u>

\$3,350,988 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2023	\$ (2,748,769)
2024	(2,446,167)
2025	(2,650,134)
2026	(3,426,571)
Thereafter	1,177

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

- Pre-Retirement:
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement:
Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

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

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

Net Pension Liability

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Net Pension Liability: (Continued)

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

Long-Term Expected Rate of Return

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

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

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

	Rate		
	<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 (Asset)	\$ 34,975,121	\$ 18,122,333	\$ 4,258,663

Pension Plan Fiduciary Net Position

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 9 - PENSION PLAN: (CONTINUED)

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,366,331	\$ 3,428,625	\$ (1,653,958)	\$ 258,553	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	256,089	999,231	(1,189,858)	(18,125)
School Board Professional	-	-	-	-	6,557,202	14,476,678	18,122,333	(266,997)
Totals	<u>\$ 1,366,331</u>	<u>\$ 3,428,625</u>	<u>\$ (1,653,958)</u>	<u>\$ 258,553</u>	<u>\$ 6,813,291</u>	<u>\$ 15,475,909</u>	<u>\$ 16,932,475</u>	<u>\$ (285,122)</u>

NOTE 10 - COMPENSATED ABSENCES:

The County has accrued the liability arising from outstanding claims and judgments and compensated absences.

The County employees earn vacation and sick leave based on years of service at the rate of eight hours per month for each full-time employee with less than 5 years of service. Twenty-five percent of the unused sick leave or \$2,500 for County or \$5,000 for Social Services, whichever is less, will be paid to an employee who leaves county employment after five or more years of service. Accumulated vacation is paid upon termination based on length of employment as defined in the County's personnel policy. The County has accrued vacation and sick leave pay as follows:

Governmental Activities	\$ 819,510
Component Unit School Board	\$ 2,035,060

NOTE 11 - SELF INSURANCE/RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County contracts with the Virginia Association of Counties Municipal Liability Pool to provide insurance coverage for these risk losses. The County pays an annual premium to the association for its general workers compensation insurance coverage. 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 loss, including general liabilities and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 12 - DEFERRED/UNAVAILABLE/UNEARNED REVENUE:

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Primary Government:		
Deferred/Unavailable property tax revenue:		
Deferred/Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	\$ -	\$ 5,903,951
Tax assessments due after June 30	20,032,940	20,032,940
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	291,693	291,693
Total governmental activities	<u>\$ 20,324,633</u>	<u>\$ 26,228,584</u>

NOTE 13 - CONTINGENT LIABILITIES:

Federal assistance programs in which the County and its component units participate were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the above provisions, major and nonmajor programs were tested for compliance with applicable grant requirements. While there are no items of non-compliance, as noted in the compliance report, the federal government may subject grant programs to additional compliance testing which may result in disallowances of current grant program expenditures. However, management believes that if any of these expenditures were disallowed it would be immaterial to the overall general-purpose financial statements.

NOTE 14 - LITIGATION:

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST:

The County of Fluvanna, Virginia owns and operates a landfill site. State and federal laws and regulations require the County to place a final cover on each phase of its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste. The County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$585,621 reported as a landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported based on the use of 100% of the estimated capacity used of the landfill. The County has closed the landfill. These amounts are based on what it would cost to perform all closures and postclosure care in 2022. Actual closure and postclosure care costs may be higher due to inflation, changes in technology, or changes in regulations.

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

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

NOTE 16 - SURETY BONDS:

Fidelity and Deposit Company of Maryland - Surety:

Tristana Treadway, Clerk of the Circuit Court	\$ 25,000
Linda H. Lenherr, Treasurer	\$ 400,000
Andrew M. Sheridan, Commissioner of the Revenue	\$ 3,000
Eric B. Hess, Sheriff	\$ 30,000

The Department of Risk Management of the Virginia General Services Administration maintains a self-insurance plan which covers any duly elected Constitutional Officer required to present a bond and all deputies and/or employees of such Constitutional Officers. The coverage provided by the plan is \$500,000.

Western Surety Company - Surety:

Dr. Peter Gretz, Superintendent of Schools	\$ 10,000
Brandi Critzer, Clerk of the School Board	\$ 10,000
Eric M. Dahl, County Administrator	\$ 2,000
John M. Sheridan, Supervisor	\$ 2,500
Anthony P. O'Brien, Supervisor	\$ 2,500
Chris Fairchild, Supervisor	\$ 2,500
Mozell Booker, Supervisor	\$ 2,500
Patricia B. Eager, Supervisor	\$ 2,500

Continental Insurance Company - Surety:

Social Services Department employees - blanket bond	\$ 100,000
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The Travelers - Surety:

Manager, Fork Union Sanitary District	\$ 10,500
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COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN):

County and School Board

Plan Description

The County Post-Retirement Medical Plan (CPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The County's post-retirement medical plan does not issue a separate, audited GAAP basis report.

The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the County and is eligible for retirement from VRS. The School Board's Post-Retirement Medical Plan does not issue a separate, audited GAAP basis report.

Management of the CPRMP is vested in the County Finance Board, which consists of three members-the Chairman of the Board of Supervisors, the County Treasurer, and a Citizen of the County of proven integrity and business ability appointed by the current Court of the County.

Benefits Provided

The County of Fluvanna has established an irrevocable trust pursuant to Section 15.2-1544 of the Code of Virginia, as amended for the purpose of accumulated and investing assets to fund Other Postemployment Benefits (OPEB) and to participate in the Virginia Pooled OPEB Trust Fund and has established a Local Finance Board to become a Participating Employer in the Trust Fund. The Trust Fund provides administrative, custodial and investment services to the Participating Employers in the Trust Fund. The County participates in the Virginia Pooled OPEB Trust Fund, an irrevocable trust established for the purpose of accumulating assets to fund postemployment benefits other than pensions. The Trust Fund issues a separate report, which can be obtained by requesting a copy from the plan administrator, Virginia Municipal League (VML) at P.O. Box 12164, Richmond, Virginia 23241.

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life 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. Retirees pay 100% of premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. Retirees are eligible for postretirement medical coverage if they are a full-time employee who retires directly from the School Board and is eligible for retirement from VRS.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Plan Membership

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	School Board
Total active employees with coverage	141	457
Total retirees with coverage	-	13
Total	141	470

Chapter 2 of the County Code grants the authority to establish and amend the contribution requirements of the County and plan members to the County Finance Board. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2022, the County and School Board's average contribution rate was 0.24% percent of covered-employee payroll. For the year ended June 30, 2022 the County and School Board contributed \$2,737 and \$70,213, respectively, to the Plan. Plan members are not required to contribute to the plan.

Investment Policy

The County and School Board's policy in regard to the allocation of invested assets is established and may be amended by the County Finance Board by a majority vote of its members. It is the policy of the County Finance Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. FCRBP's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Percentage
Core Fixed Income	21.00%
Large Cap US Equities	26.00%
Small Cap US Equities	10.00%
Developed Foreign Equities	13.00%
Emerging Market Equities	5.00%
Real Estate (REITS)	7.00%
Hedge Funds/Absolute Return	10.00%
Private Equity	5.00%
Commodities	3.00%
Total	100.00%

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Concentrations

The Trust does not hold investments in any one organization that represent five percent or more of the OPEB Trust's Fiduciary Net Position.

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 9.23 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Schedule of Investment Returns

Last 10 Fiscal Years

Annual Money-Weighted Rate of Return Net of Investment Expense	
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6/30/2017	12.89%
6/30/2018	9.58%
6/30/2019	4.60%
6/30/2020	3.06%
6/30/2021	30.08%
6/30/2022	-9.23%

The chart is intended to show information for 10 years. More data will be added as it becomes available.

Net/Total OPEB Liability

The County and School Board's net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases	No change
Discount Rate	6.50%
Investment Rate of Return	6.50%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study with valuation date of July 1, 2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 (see the discussion of FCRBP's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Geometric Real Rate of Return
Core Fixed Income	1.28%
Large Cap US Equities	3.46%
Small Cap US Equities	4.18%
Developed Foreign Equities	4.52%
Emerging Market Equities	5.31%
Real Estate (REITS)	3.58%
Private Equity	6.15%
Commodities	0.61%
Hedge Fund of Funds	2.67%
Assumed Inflation - mean	2.40%
Assumed Inflation - standard deviation	1.23%
Portfolio Real Mean Return	3.97%
Portfolio Nominal Mean Return	6.46%
Portfolio Standard Deviation	12.28%
Long-Term Expected Rate of Return	6.50%

Discount Rate

Discount rate. The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Changes in Net OPEB Liability (Asset)

		Primary Government Increase (Decrease)	
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability(Asset) (a)-(b)</u>
Balances at June 30, 2021	\$ 275,503	\$ 566,773	\$ (291,270)
Changes for the year:			
Service cost	22,008	-	22,008
Interest	19,251	-	19,251
Economic/Demographic Gains or Losses	(10,340)	-	(10,340)
Changes in assumptions	(3,474)	-	(3,474)
Contributions - employer	-	2,737	(2,737)
Net investment income	-	(52,271)	52,271
Administrative expenses	-	(708)	708
Benefit payments	(2,737)	(2,737)	-
Net changes	24,708	(52,979)	77,687
Balances at June 30, 2022	<u>\$ 300,211</u>	<u>\$ 513,794</u>	<u>\$ (213,583)</u>

The CPRMP's Plan Fiduciary net position was 171.14% of the total OPEB liability.

		School Board Increase (Decrease)	
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability(Asset) (a)-(b)</u>
Balances at June 30, 2021	\$ 1,361,375	\$ 2,285,635	\$ (924,260)
Changes for the year:			
Service cost	48,735	-	48,735
Interest	89,411	-	89,411
Economic/Demographic Gains or Losses	(3,727)	-	(3,727)
Changes in assumptions	272,568	-	272,568
Contributions - employer	-	70,213	(70,213)
Net investment income	-	(210,800)	210,800
Administrative expenses	-	(2,854)	2,854
Benefit payments	(70,213)	(70,213)	-
Net changes	336,774	(213,654)	550,428
Balances at June 30, 2022	<u>\$ 1,698,149</u>	<u>\$ 2,071,981</u>	<u>\$ (373,832)</u>

The SBPRMP's Plan Fiduciary net position was 122.01% of the total OPEB liability.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following amounts present the net OPEB liability (*asset*) of the County and School Board, as well as what the net OPEB liability (*asset*) would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current discount rate:

	Rate		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Primary Government	\$ (181,448)	\$ (213,583)	\$ (241,950)
School Board	\$ (249,314)	\$ (373,832)	\$ (489,370)

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

The following presents the net OPEB liability (*asset*) of the County and School Board, as well as what the net OPEB liability (*asset*) would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5.50%)	Healthcare Cost Trend (6.50%)	1% Increase (7.50%)
Primary Government	\$ (252,580)	\$ (213,583)	\$ (167,175)
School Board	\$ (540,288)	\$ (373,832)	\$ (182,133)

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

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of (\$15,772) and \$10,726 respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 47,411	\$ -	\$ 65,907
Changes in assumptions	5,053	8,997	333,265	26,881
Net difference between projected and actual earnings on OPEB plan investments	17,384	-	70,099	-
Total	\$ 22,437	\$ 56,408	\$ 403,364	\$ 92,788

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 17—MEDICAL, DENTAL, AND LIFE INSURANCE – (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

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

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>School Board</u>
2023	\$ (16,203)	\$ 25,908
2024	(14,584)	44,048
2025	(16,247)	43,429
2026	15,552	110,000
2027	(2,265)	36,330
Thereafter	(224)	50,861

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

NOTE 18—HEALTH INSURANCE CREDIT (HIC) 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:

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	<u>16</u>	<u>16</u>
Inactive members:		
Vested inactive members	<u>2</u>	<u>4</u>
Total inactive members	<u>2</u>	<u>4</u>
Active members	<u>49</u>	<u>93</u>
Total covered employees	<u><u>67</u></u>	<u><u>113</u></u>

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County’s contractually required employer contribution rate for the year ended June 30, 2022 was 0.22% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the Health Insurance Credit Plan were \$5,475 and \$5,442 for the years ended June 30, 2022 and June 30, 2021, respectively. The School Board’s contractually required contribution rate for the year ended June 30, 2022 was 0.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the Health Insurance Credit Plan were \$12,201 and \$11,159 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. 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 termination 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 FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)***Long-Term Expected Rate of Return***

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

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

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

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 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 FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) 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, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Primary Government		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 137,296	\$ 105,829	\$ 31,467
Changes for the year:			
Service cost	\$ 3,509	\$ -	\$ 3,509
Interest	8,982	-	8,982
Differences between expected and actual experience	(12,778)	-	(12,778)
Assumption changes	2,420	-	2,420
Contributions - employer	-	5,442	(5,442)
Net investment income	-	27,439	(27,439)
Benefit payments	(8,448)	(8,448)	-
Administrative expenses	-	(318)	318
Other changes	-	-	-
Net changes	\$ (6,315)	\$ 24,115	\$ (30,430)
Balances at June 30, 2021	\$ 130,981	\$ 129,944	\$ 1,037

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Changes in Net HIC OPEB Liability: (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 135,375	\$ -	\$ 135,375
Changes for the year:			
Service cost	\$ 2,906	\$ -	\$ 2,906
Interest	9,138	-	9,138
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	1,650	-	1,650
Contributions - employer	-	11,159	(11,159)
Net investment income	-	1,532	(1,532)
Benefit payments	-	-	-
Administrative expenses	-	(50)	50
Other changes	-	-	-
Net changes	\$ 13,694	\$ 12,641	\$ 1,053
Balances at June 30, 2021	\$ 149,069	\$ 12,641	\$ 136,428

Sensitivity of the County's Health Insurance Credit Net OPEB Liability to Changes in the Discount Rate

The follow presents the County's Health Insurance Credit 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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net HIC OPEB Liability	\$ 13,073	\$ 1,037	\$ (9,319)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 152,758	\$ 136,428	\$ 122,562

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 18—HEALTH INSURANCE CREDIT (HIC) PLAN: (CONTINUED)

Health Insurance Credit Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Health Insurance Credit Plan OPEB

For the year ended June 30, 2022, the County and School Board recognized Health Insurance Credit Plan OPEB expense of \$548, and \$11,781, respectively. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the County's Health Insurance Credit Plan from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,490	\$ 14,351	\$ -	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	13,131	-	926
Change in assumptions	3,196	181	1,357	-
Employer contributions subsequent to the measurement date	5,475	-	12,201	-
Total	<u>\$ 11,161</u>	<u>\$ 27,663</u>	<u>\$ 13,558</u>	<u>\$ 926</u>

\$5,475 and \$12,201 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended	Primary Government	Component Unit School Board (nonprofessional)
2023	\$ (4,090)	\$ 62
2024	(5,221)	62
2025	(5,822)	62
2026	(6,096)	60
2027	(748)	185
Thereafter	-	-

Health Insurance Credit Plan Data

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

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

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.

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$255,675 and \$247,605 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of \$2,969,910 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC was 0.231379% as compared to 0.238127% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$198,345. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 51,824
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	39,123
Change in assumptions	80,282	11,936
Change in proportion	3,153	192,630
Employer contributions subsequent to the measurement date	<u>255,675</u>	<u>-</u>
Total	\$ <u>339,110</u>	\$ <u>295,513</u>

\$255,675 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (47,164)
2024	(47,609)
2025	(42,273)
2026	(35,527)
2027	(22,725)
Thereafter	(16,780)

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 19—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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation: Teacher employees	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 FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): **(CONTINUED)**

Long-Term Expected Rate of Return

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

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

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

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

NOTE 19—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):
(CONTINUED)***Discount Rate***

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

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

The follow 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		
	<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 HIC OPEB Plan Net HIC OPEB Liability	\$ 3,343,296	\$ 2,969,910	\$ 2,653,937

Teacher Employee HIC OPEB Fiduciary Net Position

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

NOTE 20—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 \$8,722 as of June 30, 2022.

NOTE 20—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, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the entity were \$46,558 and \$42,486 for the years ended June 30, 2022 and June 30, 2021, respectively, for the County; \$11,979 and \$11,015 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (nonprofessional); and \$114,103 and \$110,656 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (professional).

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

At June 30, 2022, the entity reported a liability of \$443,704, \$115,030, and \$1,155,555 for the County, School Board Nonprofessional, and School Board Professional, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was 0.03810%, 0.00990%, and 0.09927% as compared to 0.03780%, 0.01190%, and 0.10151% at June 30, 2020 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$27,241, (\$2,938), and \$24,756 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—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)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Primary Government</u>		
Differences between expected and actual experience	\$ 50,606	\$ 3,381
Net difference between projected and actual earnings on GLI OPEB program investments	-	105,903
Change in assumptions	24,461	60,708
Changes in proportion	24,907	-
Employer contributions subsequent to the measurement date	46,558	-
Total	<u>\$ 146,532</u>	<u>\$ 169,992</u>
<u>Component Unit School Board (nonprofessional)</u>		
Differences between expected and actual experience	\$ 13,120	\$ 876
Net difference between projected and actual earnings on GLI OPEB program investments	-	27,455
Change in assumptions	6,342	15,739
Changes in proportion	-	27,658
Employer contributions subsequent to the measurement date	11,979	-
Total	<u>\$ 31,441</u>	<u>\$ 71,728</u>
<u>Component Unit School Board (professional)</u>		
Differences between expected and actual experience	\$ 131,795	\$ 8,805
Net difference between projected and actual earnings on GLI OPEB program investments	-	275,807
Change in assumptions	63,706	158,105
Changes in proportion	-	78,616
Employer contributions subsequent to the measurement date	114,103	-
Total	<u>\$ 309,604</u>	<u>\$ 521,333</u>

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—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)

\$46,558, \$11,979 and \$114,103 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2023	\$ (12,795)	\$ (13,317)	\$ (79,512)
2024	(9,356)	(11,546)	(64,430)
2025	(12,077)	(10,279)	(60,869)
2026	(30,456)	(12,702)	(98,102)
2027	(5,334)	(4,422)	(22,919)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

NET GLI OPEB Liability

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

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

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

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COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—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:

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

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

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 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 FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 20—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate:

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to 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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 648,268	\$ 443,704	\$ 278,510
School Board(nonporfessional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 168,063	\$ 115,030	\$ 72,203
School Board(porfessional)'s proportionate share of the Group Life Insurance Program			
Net OPEB Liability	\$ 1,688,309	\$ 1,155,555	\$ 725,333

Group Life Insurance Plan Fiduciary Net Position

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

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 21—SUMMARY OF NET OPEB LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net/Total OPEB Liability/(Asset)</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Plan (Note 20):				
County	\$ 146,532	\$ 169,992	\$ 443,704	\$ 27,241
Health Insurance Credit Plan (Note 18):				
County	11,161	27,663	1,037	548
County Stand-Alone Plan (Note 17)	22,437	56,408	(213,583)	(15,772)
Totals	<u>\$ 180,130</u>	<u>\$ 254,063</u>	<u>\$ 231,158</u>	<u>\$ 12,017</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Plan (Note 20):				
School Board Nonprofessional	\$ 31,441	\$ 71,728	\$ 115,030	\$ (2,938)
School Board Professional	309,604	521,333	1,155,555	24,756
Health Insurance Credit Plan (Note 18):				
School Board Nonprofessional	13,558	926	136,428	11,781
Teacher Health Insurance Credit Plan (Note 19)	339,110	295,513	2,969,910	198,345
School Stand-Alone Plan (Note 17)	403,364	92,788	(373,832)	10,726
Totals	<u>\$ 1,097,077</u>	<u>\$ 982,288</u>	<u>\$ 4,003,091</u>	<u>\$ 242,670</u>

NOTE 22—UPCOMING PRONOUNCEMENTS:

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

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

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

NOTE 22—UPCOMING PRONOUNCEMENTS: (CONTINUED)

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

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

NOTE 23—ARPA and ESF Funding:

ARPA Funding

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

On June 25, 2021, the County received its share of the first half of the CSLFRF funds. The County received an additional allotment in 2022. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$4,738,093 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added \$81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board received this funding from the Virginia Department of Education on a reimbursement basis.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Financial Statements
At June 30, 2022 (Continued)

NOTE 24—ADOPTION OF ACCOUNTING PRINCIPLES:

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

	Primary Government		Component Unit School Board
	Governmental Activities	Business-type Activities	
Lessee activity:			
Lease assets	\$ 344,115	\$ -	\$ 206,856
Lease liabilities	\$ 344,115	\$ -	\$ 206,856
Lessor activity:			
Lease receivable	\$ 243,580	\$ 316,657	\$ -
Deferred inflows of resources - leases	\$ 243,580	\$ 316,657	\$ -

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared on the modified accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America. The basis of budgeting is the same as generally accepted accounting principles.

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

	General Fund			Variance From Amended Budget Positive (Negative)
	Original Budget	Budget As Amended	Actual	
Revenues:				
General property taxes	\$ 38,628,499	\$ 38,628,499	\$ 38,898,133	\$ 269,634
Other local taxes	4,217,307	4,217,307	4,811,256	593,949
Permits, privilege fees and regulatory licenses	377,201	377,201	421,308	44,107
Fines and forfeitures	55,800	55,800	40,495	(15,305)
Revenue from use of money and property	140,000	140,000	(36,902)	(176,902)
Charges for services	1,002,420	1,002,420	1,177,712	175,292
Miscellaneous	125,577	138,197	108,672	(29,525)
Recovered costs	83,700	99,282	86,412	(12,870)
Intergovernmental:				
Commonwealth	9,147,751	9,976,445	9,406,886	(569,559)
Federal	1,811,294	4,972,863	2,808,168	(2,164,695)
Total revenues	\$ 55,589,549	\$ 59,608,014	\$ 57,722,140	\$ (1,885,874)
Expenditures:				
Current:				
General government administration	\$ 3,036,447	\$ 3,220,466	\$ 2,954,950	\$ 265,516
Judicial administration	1,240,761	1,832,761	1,371,150	461,611
Public safety	9,561,268	10,139,128	9,551,712	587,416
Public works	2,686,841	2,811,709	2,449,103	362,606
Health and welfare	7,181,890	9,851,687	7,128,419	2,723,268
Education	18,665,535	18,665,535	17,348,937	1,316,598
Parks, recreation, and cultural	1,094,623	1,143,382	1,002,001	141,381
Community development	726,410	1,400,707	1,312,087	88,620
Nondepartmental	1,014,453	401,732	43,963	357,769
Debt service:				
Principal retirement	7,916,041	7,916,041	6,239,472	1,676,569
Interest and other fiscal charges	2,692,055	2,692,055	2,691,965	90
Total expenditures	\$ 55,816,324	\$ 60,075,203	\$ 52,093,759	\$ 7,981,444
Excess (deficiency) of revenues over (under) expenditures	\$ (226,775)	\$ (467,189)	\$ 5,628,381	\$ 6,095,570
Other financing sources (uses):				
Transfers (out)	\$ (1,378,080)	\$ (1,728,876)	\$ (1,988,706)	\$ (259,830)
Total other financing sources (uses)	\$ (1,378,080)	\$ (1,728,876)	\$ (1,988,706)	\$ (259,830)
Changes in fund balances	\$ (1,604,855)	\$ (2,196,065)	\$ 3,639,675	\$ 5,835,740
Fund balances at beginning of year	-	-	28,926,830	28,926,830
Fund balances at end of year	\$ (1,604,855)	\$ (2,196,065)	\$ 32,566,505	\$ 34,762,570

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 751,409	\$ 730,337	\$ 776,673	\$ 739,955
Interest	1,250,832	1,338,612	1,388,974	1,476,546
Differences between expected and actual experience	-	(517,486)	31,303	(724,313)
Changes in assumptions	-	-	-	(70,252)
Benefit payments	(716,133)	(780,346)	(883,686)	(1,008,142)
Net change in total pension liability	\$ 1,286,108	\$ 771,117	\$ 1,313,264	\$ 413,794
Total pension liability - beginning	18,227,099	19,513,207	20,284,324	21,597,588
Total pension liability - ending (a)	<u>\$ 19,513,207</u>	<u>\$ 20,284,324</u>	<u>\$ 21,597,588</u>	<u>\$ 22,011,382</u>
Plan fiduciary net position				
Contributions - employer	\$ 753,913	\$ 645,140	\$ 636,560	\$ 518,149
Contributions - employee	294,866	304,586	299,883	311,591
Net investment income	2,447,855	836,435	340,419	2,370,791
Benefit payments	(716,133)	(780,346)	(883,686)	(1,008,142)
Administrator charges	(12,807)	(11,109)	(11,717)	(13,584)
Other	129	(179)	(143)	(2,116)
Net change in plan fiduciary net position	\$ 2,767,823	\$ 994,527	\$ 381,316	\$ 2,176,689
Plan fiduciary net position - beginning	15,329,366	18,097,189	19,091,716	19,473,032
Plan fiduciary net position - ending (b)	<u>\$ 18,097,189</u>	<u>\$ 19,091,716</u>	<u>\$ 19,473,032</u>	<u>\$ 21,649,721</u>
County's net pension liability - ending (a) - (b)	\$ 1,416,018	\$ 1,192,608	\$ 2,124,556	\$ 361,661
Plan fiduciary net position as a percentage of the total pension liability	92.74%	94.12%	90.16%	98.36%
Covered payroll	\$ 5,879,750	\$ 6,175,095	\$ 6,116,923	\$ 6,538,898
County's net pension liability as a percentage of covered payroll	24.08%	19.31%	34.73%	5.53%

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 - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2018	2019	2020	2021
Total pension liability				
Service cost	\$ 774,664	\$ 789,985	\$ 875,095	\$ 888,479
Interest	1,502,751	1,601,171	1,702,691	1,786,452
Differences between expected and actual experience	195,740	294,773	(193,687)	140,083
Changes in assumptions	-	741,345	-	927,623
Benefit payments	(1,087,007)	(1,047,317)	(1,104,878)	(1,181,499)
Net change in total pension liability	\$ 1,386,148	\$ 2,379,957	\$ 1,279,221	\$ 2,561,138
Total pension liability - beginning	22,011,382	23,397,530	25,777,487	27,056,708
Total pension liability - ending (a)	\$ 23,397,530	\$ 25,777,487	\$ 27,056,708	\$ 29,617,846
Plan fiduciary net position				
Contributions - employer	\$ 546,067	\$ 559,085	\$ 583,329	\$ 633,079
Contributions - employee	330,070	344,979	362,666	367,291
Net investment income	1,594,955	1,538,655	466,000	6,779,865
Benefit payments	(1,087,007)	(1,047,317)	(1,104,878)	(1,181,499)
Administrator charges	(13,651)	(14,965)	(15,752)	(16,571)
Other	(1,429)	(974)	(557)	642
Net change in plan fiduciary net position	\$ 1,369,005	\$ 1,379,463	\$ 290,808	\$ 6,582,807
Plan fiduciary net position - beginning	21,649,721	23,018,726	24,398,189	24,688,997
Plan fiduciary net position - ending (b)	\$ 23,018,726	\$ 24,398,189	\$ 24,688,997	\$ 31,271,804
County's net pension liability - ending (a) - (b)	\$ 378,804	\$ 1,379,298	\$ 2,367,711	\$ (1,653,958)
Plan fiduciary net position as a percentage of the total pension liability	98.38%	94.65%	91.25%	105.58%
Covered payroll	\$ 6,531,269	\$ 7,364,870	\$ 7,788,143	\$ 7,867,787
County's net pension liability as a percentage of covered payroll	5.80%	18.73%	30.40%	-21.02%

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

	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 232,280	\$ 191,346	\$ 205,816	\$ 211,644
Interest	345,212	369,056	389,212	433,369
Differences between expected and actual experience	-	(27,711)	290,694	(318,329)
Changes in assumptions	-	-	-	(67,824)
Benefit payments	(236,272)	(237,449)	(252,043)	(257,790)
Net change in total pension liability	\$ 341,220	\$ 295,242	\$ 633,679	\$ 1,070
Total pension liability - beginning	5,049,733	5,390,953	5,686,195	6,319,874
Total pension liability - ending (a)	\$ 5,390,953	\$ 5,686,195	\$ 6,319,874	\$ 6,320,944
Plan fiduciary net position				
Contributions - employer	\$ 167,500	\$ 141,552	\$ 149,321	\$ 118,506
Contributions - employee	104,820	106,079	111,415	110,414
Net investment income	760,024	257,575	104,465	728,404
Benefit payments	(236,272)	(237,449)	(252,043)	(257,790)
Administrator charges	(4,020)	(3,467)	(3,586)	(4,161)
Other	40	(54)	(44)	(649)
Net change in plan fiduciary net position	\$ 792,092	\$ 264,236	\$ 109,528	\$ 694,724
Plan fiduciary net position - beginning	4,782,294	5,574,386	5,838,622	5,948,150
Plan fiduciary net position - ending (b)	\$ 5,574,386	\$ 5,838,622	\$ 5,948,150	\$ 6,642,874
School Division's net pension liability (asset) - ending (a) - (b)	\$ (183,433)	\$ (152,427)	\$ 371,724	\$ (321,930)
Plan fiduciary net position as a percentage of the total pension liability	103.40%	102.68%	94.12%	105.09%
Covered payroll	\$ 2,094,015	\$ 2,152,114	\$ 2,312,495	\$ 2,222,315
School Division's net pension liability (asset) as a percentage of covered payroll	-8.76%	-7.08%	16.07%	-14.49%

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 - Pension Plans
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	2018	2019	2020	2021
Total pension liability				
Service cost	\$ 195,750	\$ 196,264	\$ 199,058	\$ 184,290
Interest	433,621	439,279	463,580	490,763
Differences between expected and actual experience	(275,526)	58,691	101,325	(15,568)
Changes in assumptions	-	200,113	-	242,277
Benefit payments	(252,705)	(293,326)	(310,511)	(411,986)
Net change in total pension liability	\$ 101,140	\$ 601,021	\$ 453,452	\$ 489,776
Total pension liability - beginning	6,320,944	6,422,084	7,023,105	7,476,557
Total pension liability - ending (a)	<u>\$ 6,422,084</u>	<u>\$ 7,023,105</u>	<u>\$ 7,476,557</u>	<u>\$ 7,966,333</u>
Plan fiduciary net position				
Contributions - employer	\$ 110,969	\$ 58,626	\$ 56,914	\$ 68,453
Contributions - employee	104,890	102,157	103,106	93,402
Net investment income	491,976	471,722	141,724	1,997,427
Benefit payments	(252,705)	(293,326)	(310,511)	(411,986)
Administrator charges	(4,201)	(4,685)	(4,852)	(5,068)
Other	(440)	(296)	(167)	188
Net change in plan fiduciary net position	\$ 450,489	\$ 334,198	\$ (13,786)	\$ 1,742,416
Plan fiduciary net position - beginning	6,642,874	7,093,363	7,427,561	7,413,775
Plan fiduciary net position - ending (b)	<u>\$ 7,093,363</u>	<u>\$ 7,427,561</u>	<u>\$ 7,413,775</u>	<u>\$ 9,156,191</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (671,279)	\$ (404,456)	\$ 62,782	\$ (1,189,858)
Plan fiduciary net position as a percentage of the total pension liability	110.45%	105.76%	99.16%	114.94%
Covered payroll	\$ 2,179,000	\$ 2,231,153	\$ 2,247,317	\$ 2,028,982
School Division's net pension liability (asset) as a percentage of covered payroll	-30.81%	-18.13%	2.79%	-58.64%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.23700%	0.25892%	0.28335%	0.24403%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 28,804,733	\$ 32,588,917	\$ 35,663,409	\$ 30,715,053
Employer's Covered Payroll	22,170,275	19,224,600	19,922,568	19,412,333
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	129.93%	169.52%	179.01%	158.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.88%	70.88%	70.88%	72.92%

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 Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2018	2019	2020	2021
Employer's Proportion of the Net Pension Liability (Asset)	0.25059%	0.24554%	0.24087%	0.23344%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 29,470,129	\$ 32,290,832	\$ 35,030,476	\$ 18,122,333
Employer's Covered Payroll	19,529,406	19,325,395	20,860,019	20,463,218
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	150.90%	167.09%	167.93%	88.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.81%	73.51%	71.47%	85.46%

Schedule of Employer Contributions - Pension Plans
 Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	\$ 697,023	\$ 697,023	\$ -	\$ 8,621,884	8.08%
2021	633,079	633,079	-	7,867,787	8.05%
2020	633,955	633,955	-	7,788,143	8.14%
2019	562,352	562,352	-	7,364,870	7.64%
2018	545,361	545,361	-	6,531,269	8.35%
2017	545,998	545,998	-	6,538,898	8.35%
2016	647,170	647,170	-	6,116,923	10.58%
2015	653,325	653,325	-	6,175,095	10.58%
2014	755,548	755,548	-	5,879,750	12.85%
2013	718,465	718,465	-	5,591,165	12.85%
Component Unit School Board (nonprofessional)					
2022	\$ 74,276	\$ 74,276	\$ -	\$ 2,218,315	3.35%
2021	68,738	68,738	-	2,028,982	3.39%
2020	71,015	71,015	-	2,247,317	3.16%
2019	60,409	60,409	-	2,231,153	2.71%
2018	117,666	117,666	-	2,179,000	5.40%
2017	120,005	120,005	-	2,222,315	5.40%
2016	153,781	153,781	-	2,312,495	6.65%
2015	143,116	143,116	-	2,152,114	6.65%
2014	167,312	167,312	-	2,094,015	7.99%
2013	169,325	169,325	-	2,119,206	7.99%
Component Unit School Board (professional)					
2022	\$ 3,350,988	\$ 3,350,988	\$ -	\$ 21,130,142	15.86%
2021	3,259,369	3,259,369	-	20,463,218	15.93%
2020	3,270,851	3,270,851	-	20,860,019	15.68%
2019	3,030,222	3,030,222	-	19,325,395	15.68%
2018	3,187,199	3,187,199	-	19,529,406	16.32%
2017	2,845,848	2,845,848	-	19,412,333	14.66%
2016	2,801,113	2,801,113	-	19,922,568	14.06%
2015	2,787,567	2,787,567	-	19,224,600	14.50%

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

The School Board Professional Schedule is intended to show information for 10 years. Information prior to 2015 is not available. However, additional years will be included as they become available.

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

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

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

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

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 27,658	\$ 19,880	\$ 22,815	\$ 24,631	\$ 28,422	\$ 22,008
Interest	23,025	18,235	19,953	15,934	17,051	19,251
Economic/Demographic gains and losses	-	-	-	(61,336)	-	(10,340)
Changes in assumptions	-	30,356	12,098	(12,399)	-	(3,474)
Differences between expected and actual experience	-	(80,448)	-	-	-	-
Benefit payments	(16,890)	(45,364)	(48,382)	(21,687)	(7,614)	(2,737)
Net change in total OPEB liability	\$ 33,793	\$ (57,341)	\$ 6,484	\$ (54,857)	\$ 37,859	\$ 24,708
Total OPEB liability - beginning	309,565	343,358	286,017	292,501	237,644	275,503
Total OPEB liability - ending (a)	\$ 343,358	\$ 286,017	\$ 292,501	\$ 237,644	\$ 275,503	\$ 300,211
Plan fiduciary net position						
Contributions - employer	\$ 16,890	\$ 45,364	\$ 48,382	\$ 21,687	\$ 7,614	\$ 2,737
Net investment income	42,345	35,491	18,652	12,956	131,116	(52,271)
Administrative expenses	(494)	(515)	(540)	(570)	(593)	(708)
Benefit payments	(16,890)	(45,364)	(48,382)	(21,687)	(7,614)	(2,737)
Net change in plan fiduciary net position	\$ 41,851	\$ 34,976	\$ 18,112	\$ 12,386	\$ 130,523	\$ (52,979)
Plan fiduciary net position - beginning	328,925	370,776	405,752	423,864	436,250	566,773
Plan fiduciary net position - ending (b)	\$ 370,776	\$ 405,752	\$ 423,864	\$ 436,250	\$ 566,773	\$ 513,794
County's net OPEB liability (asset) - ending (a) - (b)	\$ (27,418)	\$ (119,735)	\$ (131,363)	\$ (198,606)	\$ (291,270)	\$ (213,583)
Plan fiduciary net position as a percentage of the total OPEB liability	107.99%	141.86%	144.91%	183.57%	205.72%	171.14%
Covered payroll	\$ 5,960,400	\$ 6,132,946	\$ 6,132,946	\$ 7,217,890	\$ 7,217,890	\$ 7,571,221
County's net OPEB liability (asset) as a percentage of covered payroll	-0.46%	-1.95%	-2.14%	-2.75%	-4.04%	-2.82%

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

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
 Component Unit School Board
 For the Measurement Dates of June 30, 2017 through June 30, 2022

	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 59,314	\$ 58,813	\$ 55,308	\$ 49,976	\$ 60,216	\$ 48,735
Interest	88,303	81,623	75,870	71,547	85,747	89,411
Economic/Demographic gains and losses	-	-	-	(61,742)	-	(3,727)
Changes in assumptions	-	(130,276)	40,463	172,391	-	272,568
Differences between expected and actual experience	-	(151,728)	-	-	-	-
Benefit payments	(93,570)	(88,009)	(89,686)	(85,574)	(85,772)	(70,213)
Net change in total OPEB liability	\$ 54,047	\$ (229,577)	\$ 81,955	\$ 146,598	\$ 60,191	\$ 336,774
Total OPEB liability - beginning	1,248,161	1,302,208	1,072,631	1,154,586	1,301,184	1,361,375
Total OPEB liability - ending (a)	<u>\$ 1,302,208</u>	<u>\$ 1,072,631</u>	<u>\$ 1,154,586</u>	<u>\$ 1,301,184</u>	<u>\$ 1,361,375</u>	<u>\$ 1,698,149</u>
Plan fiduciary net position						
Contributions - employer	\$ 93,570	\$ 88,009	\$ 89,686	\$ 85,574	\$ 85,772	\$ 70,213
Net investment income	170,771	143,127	75,216	52,248	528,751	(210,800)
Administrative expenses	(1,985)	(2,079)	(2,179)	(2,301)	(2,394)	(2,854)
Benefit payments	(93,570)	(88,009)	(89,686)	(85,574)	(85,772)	(70,213)
Net change in plan fiduciary net position	\$ 168,786	\$ 141,048	\$ 73,037	\$ 49,947	\$ 526,357	\$ (213,654)
Plan fiduciary net position - beginning	1,326,460	1,495,246	1,636,294	1,709,331	1,759,278	2,285,635
Plan fiduciary net position - ending (b)	<u>\$ 1,495,246</u>	<u>\$ 1,636,294</u>	<u>\$ 1,709,331</u>	<u>\$ 1,759,278</u>	<u>\$ 2,285,635</u>	<u>\$ 2,071,981</u>
School Board's net OPEB liability (asset) - ending (a) - (b)	<u>\$ (193,038)</u>	<u>\$ (563,663)</u>	<u>\$ (554,745)</u>	<u>\$ (458,094)</u>	<u>\$ (924,260)</u>	<u>\$ (373,832)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	114.82%	152.55%	148.05%	135.21%	167.89%	122.01%
Covered payroll	\$ 20,150,500	\$ 21,708,114	\$ 21,708,114	\$ 20,828,431	\$ 20,828,431	\$ 22,437,941
School Board's net OPEB liability (asset) as a percentage of covered payroll	-0.96%	-2.60%	-2.56%	-2.20%	-4.44%	-1.67%

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

Schedule of Employer Contributions - OPEB Plans
 Primary Government and Component Unit School Board
 Years Ended June 30, 2013 through June 30, 2022

Date		Actuarially Determined Contribution (ADC) (1)	Contributions in Relation to ADC (2)	Contribution Deficiency (Excess) (3)	Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	\$	57,730	\$ 72,950	\$ (15,220)	\$ 30,009,162	0.24%
2021		52,723	93,386	(40,663)	28,046,321	0.33%
2020		48,067	107,261	(59,194)	28,046,321	0.38%
2019		48,551	138,068	(89,517)	27,841,060	0.50%
2018		44,050	133,373	(89,323)	27,841,060	0.48%
2017		80,000	110,460	(30,460)	26,110,900	0.42%
2016		74,200	100,000	(25,800)	26,110,900	0.38%
2015		136,100	124,400	11,700	27,419,800	0.45%
2014		136,100	102,300	33,800	27,419,800	0.37%
2013		141,700	183,600	(41,900)	25,782,200	0.71%

Schedule of Investment Returns
Primary Government and Component Unit School Board
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-9.23%	30.08%	3.06%	4.60%	9.58%	12.89%

This schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, only six years are available. Additional years will be included as they become available.

Notes to Required Supplementary Information - County and School Board OPEB
Year Ended June 30, 2022

Valuation Date: 7/1/2021
Measurement Date: 6/30/2022

Actuarially determined contribution rates are calculated as of July 1, 2021, prior to the fiscal year in which they are reported, and have been projected to June 30, 2022 on a "no gain/no loss" basis.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method/Period	Level Percentage of Payroll, Closed, 24 Years Remaining as of July 1, 2021, Amortization growth rate of 3.00%
Asset Valuation Method	Market value
Inflation	2.50%
Medical Trend Rate	The medical trend rate assumption starts at 5.30% in 2022 and gradually declines to 4.0% by the year 2074.
Salary Increases	No change
Investment Rate of Return	6.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 using scale BB to 2022. The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Mortality Rates with scale BB to 2022.

Schedule of Changes in Net OPEB Liability and Related Ratios

County

Health Insurance Credit (HIC) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2021

	2017	2018	2019	2020	2021
Total HIC OPEB Liability					
Service cost	\$ 3,136	\$ 2,414	\$ 2,190	\$ 3,255	\$ 3,509
Interest	7,882	8,104	9,098	8,997	8,982
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	10,150	(3,484)	(3,999)	(12,778)
Changes in assumptions	(2,836)	-	2,827	-	2,420
Benefit payments	(3,205)	(6,797)	(6,146)	(8,485)	(8,448)
Net change in total HIC OPEB liability	\$ 4,977	\$ 13,871	\$ 4,485	\$ (232)	\$ (6,315)
Total HIC OPEB Liability - beginning	114,195	119,172	133,043	137,528	137,296
Total HIC OPEB Liability - ending (a)	\$ 119,172	\$ 133,043	\$ 137,528	\$ 137,296	\$ 130,981
Plan fiduciary net position					
Contributions - employer	\$ 4,699	\$ 4,823	\$ 5,048	\$ 5,356	\$ 5,442
Net investment income	10,003	6,879	6,500	2,130	27,439
Benefit payments	(3,205)	(6,797)	(6,146)	(8,485)	(8,448)
Administrator charges	(164)	(161)	(142)	(202)	(318)
Other	501	(501)	(8)	(1)	-
Net change in plan fiduciary net position	\$ 11,834	\$ 4,243	\$ 5,252	\$ (1,202)	\$ 24,115
Plan fiduciary net position - beginning	85,702	97,536	101,779	107,031	105,829
Plan fiduciary net position - ending (b)	\$ 97,536	\$ 101,779	\$ 107,031	\$ 105,829	\$ 129,944
County's net HIC OPEB liability - ending (a) - (b)	\$ 21,636	\$ 31,264	\$ 30,497	\$ 31,467	\$ 1,037
Plan fiduciary net position as a percentage of the total HIC OPEB liability	81.84%	76.50%	77.82%	77.08%	99.21%
Covered payroll	\$ 2,135,804	\$ 2,192,316	\$ 2,294,629	\$ 2,433,962	\$ 2,473,655
County's net HIC OPEB liability as a percentage of covered payroll	1.01%	1.43%	1.33%	1.29%	0.04%

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

	2020	2021
Total HIC OPEB Liability		
Service cost	\$ -	\$ 2,906
Interest	-	9,138
Changes of benefit terms	135,375	
Differences between expected and actual experience	-	-
Changes in assumptions	-	1,650
Benefit payments	-	-
Net change in total HIC OPEB liability	\$ 135,375	\$ 13,694
Total HIC OPEB Liability - beginning	-	135,375
Total HIC OPEB Liability - ending (a)	\$ 135,375	\$ 149,069
Plan fiduciary net position		
Contributions - employer	\$ -	\$ 11,159
Net investment income	-	1,532
Benefit payments	-	-
Administrator charges	-	(50)
Other	-	-
Net change in plan fiduciary net position	\$ -	\$ 12,641
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ 12,641
County's net HIC OPEB liability - ending (a) - (b)	\$ 135,375	\$ 136,428
Plan fiduciary net position as a percentage of the total HIC OPEB liability	0.00%	8.48%
Covered payroll	\$ 2,247,317	\$ 2,028,982
County's net HIC OPEB liability as a percentage of covered payroll	6.02%	6.72%

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
 County and Component Unit School Board (nonprofessional)
 Health Insurance Credit (HIC) Plan
 Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2022	\$ 5,475	\$ 5,475	\$ -	\$ 2,488,527	0.22%
2021	5,442	5,442	-	2,473,655	0.22%
2020	5,355	5,355	-	2,433,962	0.22%
2019	5,048	5,048	-	2,294,629	0.22%
2018	4,823	4,823	-	2,192,316	0.22%
2017	4,699	4,699	-	2,135,804	0.22%
Component Unit School Board (nonprofessional):					
2022	\$ 12,201	\$ 12,201	\$ -	\$ 2,218,315	0.55%
2021	11,159	11,159	-	2,028,982	0.55%

Schedule is intended to show information for 10 years. Information prior to the 2017 for the County, and 2021 for the Component Unit School Board (nonprofessional) is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
County and Component Unit School Board (nonprofessional)
Health Insurance Credit (HIC) Plan
Year Ended June 30, 2022

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

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.2314% \$	2,969,910 \$	20,463,218	14.51%	13.15%
2020	0.2381%	3,106,297	20,875,186	14.88%	9.95%
2019	0.2432%	3,183,920	20,400,120	15.61%	8.97%
2018	0.2486%	3,157,320	19,901,142	15.87%	8.08%
2017	0.2481%	3,148,190	19,412,333	16.22%	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 Health Insurance Credit (HIC) Plan
Years Ended June 30, 2017 through June 30, 2022

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	as a % of Covered Payroll (5)
2022	\$ 255,675	\$ 255,675	\$ -	\$ 21,130,142	1.21%
2021	247,605	247,605	-	20,463,218	1.21%
2020	250,502	250,502	-	20,875,186	1.20%
2019	244,801	244,801	-	20,400,120	1.20%
2018	244,784	244,784	-	19,901,142	1.23%
2017	216,961	216,961	-	19,412,333	1.12%

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.

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

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

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

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.03810% \$	443,704 \$	7,867,787	5.64%	67.45%
2020	0.03780%	631,487	7,788,077	8.11%	52.64%
2019	0.03757%	611,364	7,364,995	8.30%	52.00%
2018	0.03658%	556,000	6,943,704	8.01%	51.22%
2017	0.03554%	535,000	6,538,898	8.18%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.00990% \$	115,030 \$	2,039,882	5.64%	67.45%
2020	0.01090%	182,571	2,250,769	8.11%	52.64%
2019	0.01138%	185,183	2,231,153	8.30%	52.00%
2018	0.01206%	183,000	2,296,942	7.97%	51.22%
2017	0.01254%	189,000	2,222,315	8.50%	48.86%
Component Unit School Board (professional)					
2021	0.09927% \$	1,155,555 \$	20,491,951	5.64%	67.45%
2020	0.10151%	1,693,742	20,888,269	8.11%	52.64%
2019	0.10407%	1,693,421	20,400,120	8.30%	52.00%
2018	0.10309%	1,606,050	19,901,142	8.07%	51.22%
2017	0.10646%	1,601,900	19,412,333	8.25%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI Plan)

Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	\$ 46,558	\$ 46,558	- \$	8,621,884	0.54%
2021	42,486	42,486	-	7,867,787	0.54%
2020	40,498	40,498	-	7,788,077	0.52%
2019	38,298	38,298	-	7,364,995	0.52%
2018	36,385	36,385	-	6,943,704	0.52%
2017	34,264	34,264	-	6,538,898	0.52%
Component Unit School Board (nonprofessional)					
2022	\$ 11,979	\$ 11,979	- \$	2,218,315	0.54%
2021	11,015	11,015	-	2,039,882	0.54%
2020	11,704	11,704	-	2,250,769	0.52%
2019	11,602	11,602	-	2,231,153	0.52%
2018	12,036	12,036	-	2,296,942	0.52%
2017	12,138	12,138	-	2,222,315	0.55%
Component Unit School Board (professional)					
2022	\$ 114,103	\$ 114,103	- \$	21,130,218	0.54%
2021	110,656	110,656	-	20,491,951	0.54%
2020	108,619	108,619	-	20,888,269	0.52%
2019	106,081	106,081	-	20,400,120	0.52%
2018	104,282	104,282	-	19,901,142	0.52%
2017	102,421	102,421	-	19,412,333	0.53%

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

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

Changes of benefit terms – There have been no actuarially material changes to the System benefit provisions

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

OTHER SUPPLEMENTARY INFORMATION

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Combining and Individual Fund Statements and Schedules

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

	<u>Original Budget</u>	<u>Budget As Amended</u>	<u>Actual</u>	<u>Variance From Amended Budget Positive (Negative)</u>
Revenues:				
Revenue from use of money	\$ 11,921	\$ 11,921	\$ 10,165	\$ (1,756)
Miscellaneous	576,500	576,500	-	(576,500)
Intergovernmental:				
Commonwealth	763,500	863,500	-	(863,500)
Total revenues	<u>\$ 1,351,921</u>	<u>\$ 1,451,921</u>	<u>\$ 10,165</u>	<u>\$ (1,441,756)</u>
Expenditures:				
Capital projects:				
General government administration	\$ 17,672	\$ 17,672	\$ 2,346	\$ 15,326
Public safety	5,395,036	5,873,062	689,411	5,183,651
Public works	1,806,200	18,624,478	223,192	18,401,286
Health and welfare	11,475	35,295	-	35,295
Education	5,217,713	4,461,077	451,256	4,009,821
Parks, recreation, and cultural	160,070	895,070	-	895,070
Community development	20,870	20,870	14,790	6,080
Total expenditures	<u>\$ 12,629,036</u>	<u>\$ 29,927,524</u>	<u>\$ 1,380,995</u>	<u>\$ 28,511,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (11,277,115)</u>	<u>\$ (28,475,603)</u>	<u>\$ (1,370,830)</u>	<u>\$ 27,069,478</u>
Other financing sources (uses):				
Transfers in	\$ 2,909,452	\$ 3,319,998	\$ 720,376	\$ (2,599,622)
Proceeds from issuance of bonds	3,623,980	26,729,660	8,501,501	(18,228,159)
Bond premium	-	-	494,953	494,953
Total other financing sources (uses)	<u>\$ 6,533,432</u>	<u>\$ 30,049,658</u>	<u>\$ 9,716,830</u>	<u>\$ (20,332,828)</u>
Changes in fund balances	<u>\$ (4,743,683)</u>	<u>\$ 1,574,055</u>	<u>\$ 8,346,000</u>	<u>\$ 6,736,650</u>
Fund balance at beginning of the year	<u>4,743,683</u>	<u>(1,574,055)</u>	<u>515,536</u>	<u>2,089,591</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,861,536</u>	<u>\$ 8,826,241</u>

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Discretely Presented Component Unit-School Board

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

	School Operating Fund	School Cafeteria Fund	School Activities Fund	Total
ASSETS				
Cash and cash equivalents	\$ 1,258,539	\$ 1,087,706	\$ 467,113	\$ 2,813,358
Accounts receivable	7,507	-	-	7,507
Due from other governmental units	1,874,816	-	-	1,874,816
Total assets	<u>\$ 3,140,862</u>	<u>\$ 1,087,706</u>	<u>\$ 467,113</u>	<u>\$ 4,695,681</u>
LIABILITIES				
Accrued liabilities	\$ 3,140,862	\$ -	\$ -	\$ 3,140,862
Total liabilities	<u>\$ 3,140,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,140,862</u>
FUND BALANCES				
Reserved for:				
Assigned	\$ -	\$ 1,087,706	\$ 467,113	\$ 1,554,819
Total fund balances	<u>\$ -</u>	<u>\$ 1,087,706</u>	<u>\$ 467,113</u>	<u>\$ 1,554,819</u>
Total liabilities and fund balances	<u>\$ 3,140,862</u>	<u>\$ 1,087,706</u>	<u>\$ 467,113</u>	

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

When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the School Board as a whole.

30,283,059

Items related to measurement of net pension and OPEB liability/asset not available to pay for current-period expenditures

Deferred inflows related to pensions	(15,475,909)
Deferred inflows related to OPEB	(982,288)

Deferred outflows related to pensions	6,813,291
Deferred outflows related to OPEB	1,097,077

Net Pension and OPEB Assets	1,563,690
-----------------------------	-----------

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

(24,708,077)

Net position of General Government Activities	<u>\$ 145,662</u>
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Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
 Governmental Funds - Discretely Presented Component Unit - School Board
 Year Ended June 30, 2022

	School Operating Fund	School Cafeteria Fund	School Activities Fund	Total
Revenues:				
Revenue from use of money and property	\$ 9,157	\$ -	\$ -	\$ 9,157
Charges for services	16,026	-	-	16,026
Miscellaneous	194,575	99,171	571,424	865,170
Recovered costs	16,541	-	-	16,541
Intergovernmental:				
County contribution to School Board	17,341,758	-	-	17,341,758
Commonwealth	23,685,062	38,700	-	23,723,762
Federal	3,476,053	2,170,322	-	5,646,375
Total revenues	<u>\$ 44,739,172</u>	<u>\$ 2,308,193</u>	<u>\$ 571,424</u>	<u>\$ 47,618,789</u>
Expenditures:				
Current:				
Education	\$ 44,739,172	\$ 1,841,846	\$ 469,040	\$ 47,050,058
Total expenditures	<u>\$ 44,739,172</u>	<u>\$ 1,841,846</u>	<u>\$ 469,040</u>	<u>\$ 47,050,058</u>
Changes in fund balances	\$ -	\$ 466,347	\$ 102,384	\$ 568,731
Fund balances at beginning of year	<u>-</u>	<u>621,359</u>	<u>364,729</u>	<u>986,088</u>
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,087,706</u></u>	<u><u>\$ 467,113</u></u>	<u><u>\$ 1,554,819</u></u>

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

		Component Unit School Board
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	\$	568,731
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. The following details support this adjustment.		
Capital outlays	\$ 215,061	
Depreciation expense	<u>(2,033,929)</u>	(1,818,868)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position		(83,370)
Increase (decrease) in deferred inflows related to the measurement of the net pension liability/asset		(12,281,415)
Increase (decrease) in deferred inflows related to the measurement of the net OPEB liability/asset		(201,888)
The issuance of long-term debt (e.g. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items. A summary of items supporting this adjustment is as follows:		
Issuance of leases		(9,355)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount reflects the change in compensated absences.		
Change in compensated absences	\$ (129,479)	
Change in lease liability	42,450	
Change in net pension liability/asset	18,160,783	
Change in net OPEB liability/asset	190,634	
Change in deferred outflows related to OPEB	233,456	
Change in deferred outflows related to pensions	<u>(1,979,582)</u>	16,518,262
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>1,006,262</u>
Change in net position of governmental activities	\$	<u><u>3,698,359</u></u>

COUNTY OF FLUVANNA, VIRGINIA

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

	School Operating Fund			Variance From Amended Budget Positive (Negative)
	Original Budget	Budget As Amended	Actual	
Revenues:				
Revenue from use of money and property	\$ -	\$ -	\$ 9,157	\$ 9,157
Charges for services	-	-	16,026	16,026
Miscellaneous	450,000	465,000	194,575	(270,425)
Recovered costs	-	-	16,541	16,541
Intergovernmental:				
County contribution to School Board	18,064,800	18,561,807	17,341,758	(1,220,049)
Commonwealth	22,641,257	23,679,121	23,685,062	5,941
Federal	1,254,200	2,435,092	3,476,053	1,040,961
Total revenues	\$ 42,410,257	\$ 45,141,020	\$ 44,739,172	\$ (401,848)
Expenditures:				
Current:				
Instruction	\$ 35,533,553	\$ 37,483,554	\$ 35,097,708	\$ 2,385,846
Administration, attendance, and health	1,738,821	1,754,500	1,668,063	86,437
Pupil transportation	3,011,128	3,080,990	3,011,844	69,146
Operation and maintenance	3,011,128	4,056,914	3,350,217	706,697
School food service costs	-	-	-	-
Technology	1,654,000	1,776,542	1,611,340	165,202
Total expenditures	\$ 44,948,630	\$ 48,152,500	\$ 44,739,172	\$ 3,413,328
Excess (deficiency) of revenues over expenditures	\$ (2,538,373)	\$ (3,011,480)	\$ -	\$ 3,011,480
Net changes in fund balances	\$ (2,538,373)	\$ (3,011,480)	\$ -	\$ 3,011,480
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ (2,538,373)	\$ (3,011,480)	\$ -	\$ 3,011,480

Exhibit 36

School Cafeteria Fund			
Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,597,046	1,597,046	99,171	(1,497,875)
-	-	-	-
-	-	-	-
-	-	38,700	38,700
-	-	2,170,322	2,170,322
<u>\$ 1,597,046</u>	<u>\$ 1,597,046</u>	<u>\$ 2,308,193</u>	<u>\$ 711,147</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
1,597,046	1,597,046	1,841,846	(244,800)
-	-	-	-
<u>\$ 1,597,046</u>	<u>\$ 1,597,046</u>	<u>\$ 1,841,846</u>	<u>\$ (244,800)</u>
\$ -	\$ -	\$ 466,347	\$ 466,347
\$ -	\$ -	\$ 466,347	\$ 466,347
-	-	621,359	621,359
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,087,706</u>	<u>\$ 1,087,706</u>

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Discretely Presented Component Unit-EDA

Discretely Presented Component Unit - Fluvanna County EDA
Statement of Net Position
At June 30, 2022

Assets

Current assets:

Cash and cash equivalents	\$ <u>61,924</u>
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Total assets	\$ <u><u>61,924</u></u>
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Net Position

Unrestricted	\$ <u>61,924</u>
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Total net position	\$ <u><u>61,924</u></u>
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Discretely Presented Component Unit - Fluvanna County EDA
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Operating revenues

Charges for services	\$	1,750
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Operating expenses

Other operating expenses	\$	<u>12,715</u>
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Operating income (loss)	\$	<u>(10,965)</u>
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Nonoperating revenues

Investment income	\$	19
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Contribution from Fluvanna County		<u>903,177</u>
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Total nonoperating revenues	\$	<u>903,196</u>
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Nonoperating expenses

Other nonoperating expenses	\$	<u>901,967</u>
-----------------------------	----	----------------

Change in net position	\$	(9,736)
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Net position, beginning of year		<u>71,660</u>
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Net position, end of year	\$	<u><u>61,924</u></u>
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Discretely Presented Component Unit - Fluvanna County EDA
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities

Receipts from customers	\$ 1,750
Payments to suppliers	<u>(12,715)</u>

Net cash provided by (used for) operating activities \$ (10,965)

Cash flows from noncapital financing activities

Contribution from Fluvanna County	\$ 903,177
Other contributions	<u>(901,967)</u>

Net cash provided by (used for) financing activities \$ 1,210

Cash flows from investing activities

Investment earnings	\$ <u>19</u>
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Net increase (decrease) in cash and cash equivalents \$ (9,736)

Cash and cash equivalents, beginning of year 71,660

Cash and cash equivalents, end of year \$ 61,924

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss)	\$ <u>(10,965)</u>
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Net cash provided by (used for) by operating activities \$ (10,965)

Supporting Schedules

Governmental Funds

Schedule of Revenues -- Budget and Actual

Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government:				
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 25,136,334	\$ 25,136,334	\$ 25,330,021	\$ 193,687
Real and personal public service corporation taxes	4,206,565	4,206,565	4,518,233	311,668
Personal property taxes	8,700,620	8,700,620	8,599,090	(101,530)
Mobile home taxes	17,155	17,155	13,734	(3,421)
Machinery and tools taxes	47,825	47,825	32,261	(15,564)
Penalties	350,000	350,000	227,151	(122,849)
Interest	170,000	170,000	177,643	7,643
Total general property taxes	\$ 38,628,499	\$ 38,628,499	\$ 38,898,133	\$ 269,634
Other local taxes:				
Local sales and use taxes	\$ 2,170,807	\$ 2,170,807	\$ 2,571,149	\$ 400,342
Consumer utility taxes	415,000	415,000	455,032	40,032
Gross receipts tax - utilities	120,000	120,000	127,712	7,712
Motor vehicle licenses	921,000	921,000	861,080	(59,920)
Bank stock taxes	85,000	85,000	92,146	7,146
Recordation taxes	500,000	500,000	612,310	112,310
Cigarette tax	-	-	81,885	81,885
Tax on wills	5,500	5,500	9,942	4,442
Total other local taxes	\$ 4,217,307	\$ 4,217,307	\$ 4,811,256	\$ 593,949
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 11,000	\$ 11,000	\$ 9,624	\$ (1,376)
Building permits	212,651	212,651	311,114	98,463
Other permits, fees, and licenses	153,550	153,550	100,570	(52,980)
Total permits, privilege fees and regulatory licenses	\$ 377,201	\$ 377,201	\$ 421,308	\$ 44,107
Fines and Forfeitures:				
Court and other fines and forfeitures	\$ 55,800	\$ 55,800	\$ 40,495	\$ (15,305)
Revenue from use of money and property:				
Revenue from use of money	\$ 50,000	\$ 50,000	\$ (122,985)	\$ (172,985)
Revenue from use of property	90,000	90,000	86,083	(3,917)
Total revenue from use of money and property	\$ 140,000	\$ 140,000	\$ (36,902)	\$ (176,902)
Charges for services:				
Charges for Commonwealth Attorney	\$ 1,500	\$ 1,500	\$ 1,781	\$ 281
Charges for library	8,000	8,000	6,502	(1,498)
Law library fees	3,300	3,300	3,068	(232)
Courthouse maintenance fees	5,000	5,000	4,981	(19)
Courthouse security	20,000	20,000	19,759	(241)
Recreation program fees	55,000	55,000	40,805	(14,195)
EMS cost recovery	725,000	725,000	891,388	166,388
Landfill fees	126,000	126,000	151,397	25,397
Other charges for services	51,720	51,720	49,994	(1,726)
Fees of clerk	6,900	6,900	8,037	1,137
Total charges for services	\$ 1,002,420	\$ 1,002,420	\$ 1,177,712	\$ 175,292

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 125,577	\$ 138,197	\$ 108,672	\$ (29,525)
Recovered costs:				
Miscellaneous	\$ 83,700	\$ 99,282	\$ 86,412	\$ (12,870)
Total revenue from local sources	\$ 44,630,504	\$ 44,658,706	\$ 45,507,086	\$ 848,380
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers tax	\$ 40,000	\$ 40,000	\$ 40,071	\$ 71
Mobile home titling taxes	10,000	10,000	38,189	28,189
Auto rental taxes	9,000	9,000	11,556	2,556
Communication taxes	650,000	650,000	598,728	(51,272)
Game of skill	36,000	36,000	2,016	(33,984)
PPTRA	2,996,570	2,996,570	2,996,570	-
Total noncategorical aid	\$ 3,741,570	\$ 3,741,570	\$ 3,687,130	\$ (54,440)
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	\$ 356,328	\$ 356,328	\$ 299,022	\$ (57,306)
Sheriff	1,093,450	1,161,270	1,159,753	(1,517)
Commissioner of the Revenue	125,950	125,950	146,893	20,943
Treasurer	139,048	139,048	145,190	6,142
Registrar/electoral board	46,125	64,673	74,382	9,709
Clerk of the Circuit Court	309,068	309,068	363,609	54,541
Total shared expenses	\$ 2,069,969	\$ 2,156,337	\$ 2,188,849	\$ 32,512
Other categorical aid:				
Litter control	\$ 4,600	\$ 7,633	\$ 7,633	\$ -
Library grant	113,761	113,761	113,889	128
Public assistance and welfare administration	797,920	797,920	625,228	(172,692)
Children's services act	1,940,085	1,940,085	1,562,570	(377,515)
E911 funds	70,000	70,000	88,405	18,405
Fire funds	95,000	103,984	103,984	-
Victim/witness coordinator grant	9,000	9,000	12,298	3,298
Four for life	28,000	28,000	-	(28,000)
Other categorical aid	277,846	1,008,155	1,016,900	8,745
Total other categorical aid	\$ 3,336,212	\$ 4,078,538	\$ 3,530,907	\$ (547,631)
Total categorical aid	\$ 5,406,181	\$ 6,234,875	\$ 5,719,756	\$ (515,119)
Total revenue from the Commonwealth	\$ 9,147,751	\$ 9,976,445	\$ 9,406,886	\$ (569,559)

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

Fund, Major and Minor Revenue Source	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
Primary Government: (Continued)				
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Victim/witness coordinator grant	\$ 25,000	\$ 25,000	\$ 25,195	\$ 195
Commission for arts grant	4,500	4,500	4,500	-
Federal interest subsidy	170,517	170,517	256,863	86,346
ARPA	-	2,656,516	569,281	(2,087,235)
CARES	-	3,777	261,424	257,647
Other federal revenue	110,752	610,623	106,793	(503,830)
Public assistance and welfare administration	1,500,525	1,501,930	1,584,112	82,182
Total revenue from the federal government	\$ 1,811,294	\$ 4,972,863	\$ 2,808,168	\$ (2,164,695)
Total General Fund	\$ 55,589,549	\$ 59,608,014	\$ 57,722,140	\$ (1,885,874)
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ 11,921	\$ 11,921	\$ 10,165	\$ (1,756)
Miscellaneous:				
Miscellaneous	\$ 576,500	\$ 576,500	\$ -	\$ (576,500)
Total revenue from local sources	\$ 588,421	\$ 588,421	\$ 10,165	\$ (578,256)
Revenue from the commonwealth:				
Categorical aid:				
Other	\$ 396,000	\$ 496,000	\$ -	\$ (496,000)
Burn building	367,500	367,500	-	(367,500)
Total revenue from the Commonwealth	\$ 763,500	\$ 863,500	\$ -	\$ (863,500)
Total Capital Projects Fund	\$ 1,351,921	\$ 1,451,921	\$ 10,165	\$ (1,441,756)
Total Revenues -- Primary Government	\$ 56,941,470	\$ 61,059,935	\$ 57,732,305	\$ (3,327,630)

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2022

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 126,237	\$ 145,089	\$ 139,253	\$ 5,836
General and financial administration:				
County administrator	\$ 332,793	\$ 354,013	\$ 353,546	\$ 467
County attorney	230,000	268,628	268,627	1
Commissioner of the revenue	387,439	416,738	412,919	3,819
Board of equalization	4,310	4,310	1,013	3,297
Reassessment	50,300	50,300	40,898	9,402
Human resources	123,885	178,575	170,118	8,457
Information technology	436,157	444,920	440,489	4,431
Treasurer	478,347	494,592	488,182	6,410
Finance department	520,122	497,258	365,735	131,523
Total general and financial administration	\$ 2,563,353	\$ 2,709,334	\$ 2,541,527	\$ 167,807
Board of Elections:				
Electoral board general registrar	\$ 346,857	\$ 366,043	\$ 274,170	\$ 91,873
Total general government administration	\$ 3,036,447	\$ 3,220,466	\$ 2,954,950	\$ 265,516
Judicial administration:				
Courts:				
Circuit court	\$ 53,440	\$ 53,440	\$ 33,297	\$ 20,143
General district and juvenile relations court	4,520	4,520	3,573	947
Juvenile court service unit	2,650	2,375	2,255	120
Drug court	-	512,950	86,683	426,267
VJCCCA	6,585	6,860	6,849	11
Clerk of the circuit court	658,435	716,481	706,741	9,740
Total courts	\$ 725,630	\$ 1,296,626	\$ 839,398	\$ 457,228
Commonwealth's attorney:				
Commonwealth's attorney	\$ 515,131	\$ 536,135	\$ 531,752	\$ 4,383
Total judicial administration	\$ 1,240,761	\$ 1,832,761	\$ 1,371,150	\$ 461,611
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,383,406	\$ 3,878,335	\$ 3,943,884	\$ (65,549)
Total law enforcement and traffic control	\$ 3,383,406	\$ 3,878,335	\$ 3,943,884	\$ (65,549)

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2022 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund: (Continued)				
Public Safety: (Continued)				
Fire and rescue services:				
Forest warden	\$ 9,142	\$ 9,142	\$ 9,142	\$ -
Volunteer fire and rescue	1,125,893	1,134,877	1,057,996	76,881
Emergency Medical Services Council	16,095	16,095	16,095	-
Total fire and rescue services	\$ 1,151,130	\$ 1,160,114	\$ 1,083,233	\$ 76,881
Correction and detention:				
Care of prisoners	\$ 1,316,574	\$ 1,317,442	\$ 1,317,442	\$ -
Inspections:				
Building	\$ 301,216	\$ 318,399	\$ 318,398	\$ 1
Other protection:				
Animal control	\$ 338,556	\$ 338,556	\$ 338,556	\$ -
Emergency management	1,140,896	1,143,940	854,749	289,191
E-911	1,925,390	1,978,242	1,691,350	286,892
Legal aid service	4,100	4,100	4,100	-
Total other protection	\$ 3,408,942	\$ 3,464,838	\$ 2,888,755	\$ 576,083
Total public safety	\$ 9,561,268	\$ 10,139,128	\$ 9,551,712	\$ 587,416
Public works:				
Sanitation and waste removal:				
Landfill	\$ 328,492	\$ 380,921	\$ 312,594	\$ 68,327
Litter control	31,800	34,833	6,844	27,989
Total sanitation and waste removal	\$ 360,292	\$ 415,754	\$ 319,438	\$ 96,316
Maintenance of general buildings and grounds:				
Facilities	\$ 1,045,516	\$ 1,103,827	\$ 944,196	\$ 159,631
Public works	259,580	281,240	275,655	5,585
Public utilities	166,290	155,725	105,018	50,707
James River Water Authority	251,858	251,858	251,322	536
General services	603,305	603,305	553,474	49,831
Total maintenance of general buildings and grounds	\$ 2,326,549	\$ 2,395,955	\$ 2,129,665	\$ 266,290
Total public works	\$ 2,686,841	\$ 2,811,709	\$ 2,449,103	\$ 362,606
Health and welfare:				
Health:				
Local health department	\$ 277,884	\$ 278,117	\$ 278,117	\$ -
Mental health and mental retardation:				
Region Ten Community Services Board	\$ 129,000	\$ 129,000	\$ 129,000	\$ -

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2022 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund: (Continued)				
Health and Welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 3,327,499	\$ 3,359,448	\$ 3,156,665	\$ 202,783
Children's services act program	3,112,897	3,116,463	2,683,581	432,882
CARES	-	267,783	267,415	368
ARPA	-	2,366,266	279,031	2,087,235
Jefferson area board on aging	85,000	85,000	85,000	-
JAUNT, Inc.	85,000	85,000	85,000	-
Shelter for help in emergency	9,200	9,200	9,200	-
Sexual assault resource agency	1,050	1,050	1,050	-
Fluvanna housing foundation	16,000	16,000	16,000	-
Piedmont housing alliance	2,200	2,200	2,200	-
Hospice of the Piedmont	2,500	2,500	2,500	-
Jefferson area chip	53,060	53,060	53,060	-
Children, youth and family services	2,100	2,100	2,100	-
Foothills Child Advocacy Center	10,000	10,000	10,000	-
Interagency council	750	750	750	-
Piedmont workforce network	3,000	3,000	3,000	-
Offender Aid & Rescue	13,750	13,750	13,750	-
Monticello area community action agency	51,000	51,000	51,000	-
Total welfare	\$ 6,775,006	\$ 9,444,570	\$ 6,721,302	\$ 2,723,268
Total health and welfare	\$ 7,181,890	\$ 9,851,687	\$ 7,128,419	\$ 2,723,268
Education:				
Contributions to community colleges	\$ 7,179	\$ 7,179	\$ 7,179	\$ -
Contribution to Component Unit School Board	18,658,356	18,658,356	17,341,758	1,316,598
Total education	\$ 18,665,535	\$ 18,665,535	\$ 17,348,937	\$ 1,316,598
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation	\$ 616,274	\$ 649,935	\$ 539,265	\$ 110,670
Cultural enrichment:				
Cultural arts	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Library:				
Regional library	\$ 468,349	\$ 483,447	\$ 452,736	\$ 30,711
Total parks, recreation and cultural	\$ 1,094,623	\$ 1,143,382	\$ 1,002,001	\$ 141,381

General Fund - Schedule of Expenditures - Budget and Actual
Year Ended June 30, 2022 (continued)

Fund, Function, Activities and Elements	Original Budget	Budget As Amended	Actual	Variance From Amended Budget Positive (Negative)
General Fund: (Continued)				
Community development:				
Planning and community development:				
Planning commission	\$ 22,662	\$ 22,662	\$ 21,461	\$ 1,201
Zoning board	3,350	3,350	144	3,206
Economic development	129,640	792,046	734,579	57,467
County planner	385,567	393,858	390,369	3,489
Kent Store	-	3,600	3,600	-
Chamber of commerce	3,500	3,500	3,500	-
Small business development center	2,750	2,750	2,750	-
Rivanna River Basin	1,750	1,750	1,750	-
Leadership development program	1,000	1,000	1,000	-
Southeast rural community assistant project	1,000	1,000	1,000	-
Economic Development	13,519	13,519	13,519	-
Thomas Jefferson Planning District Commission	34,845	34,845	34,845	-
Total planning and community development	\$ 599,583	\$ 1,273,880	\$ 1,208,517	\$ 65,363
Environmental management:				
Soil and water conservation district	\$ 21,630	\$ 21,630	\$ 21,630	\$ -
Cooperative extension program:				
Cooperative extension service	\$ 105,197	\$ 105,197	\$ 81,940	\$ 23,257
Total community development	\$ 726,410	\$ 1,400,707	\$ 1,312,087	\$ 88,620
Nondepartmental:				
Miscellaneous	\$ 1,014,453	\$ 401,732	\$ 43,963	\$ 357,769
Debt service:				
Principal retirement	\$ 7,916,041	\$ 7,916,041	\$ 6,239,472	\$ 1,676,569
Interest and fiscal charges	2,692,055	2,692,055	2,691,965	90
Total debt service	\$ 10,608,096	\$ 10,608,096	\$ 8,931,437	\$ 1,676,659
Total General Fund Expenditures	\$ 55,816,324	\$ 60,075,203	\$ 52,093,759	\$ 7,981,444

Statistical Section

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These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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

COUNTY OF FLUVANNA, VIRGINIA

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

	2013	2014	2015	2016
Governmental activities				
Net investment in capital assets	\$ 18,058,155	\$ 18,203,194	\$ 18,855,190	\$ 17,955,779
Restricted	-	-	-	59,520
Unrestricted	<u>21,488,429</u>	<u>22,113,118</u>	<u>21,036,690</u>	<u>21,785,862</u>
Total governmental activities net position	<u>\$ 39,546,584</u>	<u>\$ 40,316,312</u>	<u>\$ 39,891,880</u>	<u>\$ 39,801,161</u>
Business-type activities				
Net investment in capital assets	\$ 4,130,335	\$ 4,046,836	\$ 3,979,806	\$ 3,892,325
Unrestricted	<u>126,485</u>	<u>152,478</u>	<u>141,897</u>	<u>233,162</u>
Total business-type activities net position	<u>\$ 4,256,820</u>	<u>\$ 4,199,314</u>	<u>\$ 4,121,703</u>	<u>\$ 4,125,487</u>
Primary government				
Net investment in capital assets	\$ 22,188,490	\$ 22,250,030	\$ 22,834,996	\$ 21,848,104
Restricted	-	-	-	59,520
Unrestricted	<u>21,614,914</u>	<u>22,265,596</u>	<u>21,178,587</u>	<u>22,019,024</u>
Total primary government net position	<u>\$ 43,803,404</u>	<u>\$ 44,515,626</u>	<u>\$ 44,013,583</u>	<u>\$ 43,926,648</u>

Table 1

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 18,561,846	\$ 17,537,769	\$ 16,707,620	\$ 15,820,345	\$ 15,706,385	\$ 15,069,588
59,520	59,520	59,520	59,520	350,790	2,154,170
<u>22,928,022</u>	<u>21,507,081</u>	<u>23,698,945</u>	<u>27,406,973</u>	<u>30,236,499</u>	<u>35,757,133</u>
<u>\$ 41,549,388</u>	<u>\$ 39,104,370</u>	<u>\$ 40,466,085</u>	<u>\$ 43,286,838</u>	<u>\$ 46,293,674</u>	<u>\$ 52,980,891</u>
\$ 3,806,518	\$ 3,727,045	\$ 3,651,962	\$ 5,342,151	\$ 4,462,397	\$ 6,715,499
362,385	1,233,648	1,808,171	535,208	1,756,599	301,756
<u>\$ 4,168,903</u>	<u>\$ 4,960,693</u>	<u>\$ 5,460,133</u>	<u>\$ 5,877,359</u>	<u>\$ 6,218,996</u>	<u>\$ 7,017,255</u>
\$ 22,368,364	\$ 21,264,814	\$ 20,359,582	\$ 21,162,496	\$ 20,168,782	\$ 21,785,087
59,520	59,520	59,520	59,520	350,790	2,154,170
<u>23,290,407</u>	<u>22,740,729</u>	<u>25,507,116</u>	<u>27,942,181</u>	<u>31,993,098</u>	<u>36,058,889</u>
<u>\$ 45,718,291</u>	<u>\$ 44,065,063</u>	<u>\$ 45,926,218</u>	<u>\$ 49,164,197</u>	<u>\$ 52,512,670</u>	<u>\$ 59,998,146</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government administration	\$ 2,179,821	\$ 2,092,329	\$ 2,912,977	\$ 2,316,368	\$ 2,660,192	\$ 2,507,323	\$ 2,894,457	\$ 3,000,393	\$ 3,073,375	\$ 3,103,112
Judicial administration	1,168,114	1,206,938	1,164,502	1,085,464	1,302,495	1,299,463	1,277,434	1,416,769	1,500,052	1,521,053
Public Safety	5,515,173	6,549,800	6,642,850	7,061,106	7,949,729	8,992,729	9,282,343	10,384,660	12,065,263	10,929,548
Public works	1,458,736	2,135,218	2,451,166	3,512,015	1,683,873	2,313,685	2,749,824	2,862,090	2,725,499	2,567,283
Health and welfare	4,660,190	4,989,704	4,861,639	5,423,546	6,063,693	6,065,223	5,856,235	6,075,481	6,472,913	7,073,948
Education	16,997,681	19,422,301	18,425,758	21,413,366	21,054,581	25,127,190	22,902,730	23,016,433	22,900,398	20,338,559
Parks, recreation and cultural	722,937	777,854	850,915	854,231	869,068	911,313	959,127	1,036,357	975,977	1,059,115
Community development	1,108,602	682,766	806,016	1,008,822	854,527	749,560	773,645	723,779	1,212,310	1,389,699
Interest on long-term debt	4,113,741	3,381,824	3,864,041	3,724,460	3,611,012	3,399,682	3,332,219	3,188,309	3,038,534	3,026,271
Total governmental activities expenses	\$ 37,924,995	\$ 41,238,734	\$ 41,979,864	\$ 46,399,378	\$ 46,049,170	\$ 51,366,168	\$ 50,028,014	\$ 51,704,271	\$ 53,964,321	\$ 51,008,587
Business-type activities:										
Water	\$ 400,650	\$ 373,351	\$ 385,374	\$ 395,482	\$ 361,760	\$ 317,212	\$ 329,122	\$ 340,165	\$ 330,442	\$ 378,920
Water & Sewer	-	-	-	-	-	389,980	256,941	248,084	376,546	375,159
Sewer	203,840	200,969	207,350	191,119	302,949	300,088	244,110	252,529	233,080	240,938
Total business-type activities expenses	\$ 604,490	\$ 574,320	\$ 592,724	\$ 586,601	\$ 664,709	\$ 1,007,280	\$ 830,173	\$ 840,778	\$ 940,068	\$ 995,017
Total primary government expenses	\$ 38,529,485	\$ 41,813,054	\$ 42,572,588	\$ 46,985,979	\$ 46,713,879	\$ 52,373,448	\$ 50,858,187	\$ 52,545,049	\$ 54,904,389	\$ 52,003,604
Program Revenues										
Governmental activities:										
Charges for services:										
Judicial administration	\$ 69,974	\$ 76,552	\$ 63,426	\$ 53,289	\$ 101,825	\$ 104,064	\$ 113,860	\$ 81,928	\$ 100,593	\$ 78,121
Public safety	292,484	272,560	332,650	698,281	836,723	980,372	948,948	1,085,154	936,990	1,362,690
Public works	80,067	78,475	76,198	76,173	82,127	86,314	98,192	121,286	146,403	151,397
Parks, recreation and cultural	74,038	115,460	116,282	133,330	118,073	116,745	121,537	82,455	7,652	47,307
Community development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	4,296,841	4,853,380	4,895,422	5,316,713	5,716,405	6,056,747	5,873,959	7,423,037	9,802,648	8,527,924
Capital grants and contributions	1,273,986	941,858	338,485	93,911	-	-	-	112,500	-	-
Total governmental activities program revenues	\$ 6,087,390	\$ 6,338,285	\$ 5,822,463	\$ 6,371,697	\$ 6,855,153	\$ 7,344,242	\$ 7,156,496	\$ 8,906,360	\$ 10,994,286	\$ 10,167,439
Business-type activities:										
Charges for services:										
Water	\$ 318,506	\$ 302,439	\$ 356,573	\$ 375,863	\$ 365,562	\$ 371,481	\$ 355,953	\$ 355,953	\$ 298,026	\$ 328,091
Sewer	19,828	20,134	22,822	20,738	42,255	27,244	29,898	29,898	14,097	21,601
Total business-type activities program revenues	\$ 338,334	\$ 322,573	\$ 379,395	\$ 396,601	\$ 407,817	\$ 398,725	\$ 385,851	\$ 385,851	\$ 312,123	\$ 349,692
Total primary government program revenues	\$ 6,425,724	\$ 6,660,858	\$ 6,201,858	\$ 6,768,298	\$ 7,262,970	\$ 7,742,967	\$ 7,542,347	\$ 9,292,211	\$ 11,306,409	\$ 10,517,131
Net (expense) / revenue										
Governmental activities	\$ (31,837,605)	\$ (34,900,449)	\$ (36,157,401)	\$ (40,027,681)	\$ (39,194,017)	\$ (44,021,926)	\$ (42,871,518)	\$ (42,797,911)	\$ (42,970,035)	\$ (40,841,148)
Business-type activities	(266,156)	(251,747)	(213,329)	(190,000)	(256,892)	(608,555)	(444,322)	(454,927)	(627,945)	(645,325)
Total primary government net expense	\$ (32,103,761)	\$ (35,152,196)	\$ (36,370,730)	\$ (40,217,681)	\$ (39,450,909)	\$ (44,630,481)	\$ (43,315,840)	\$ (43,252,838)	\$ (43,597,980)	\$ (41,486,473)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 26,889,099	\$ 28,622,456	\$ 30,857,284	\$ 32,784,240	\$ 33,676,413	\$ 35,083,167	\$ 36,546,338	\$ 38,115,382	\$ 37,851,749	\$ 39,997,154
Local sales and use taxes	1,267,142	1,403,062	1,413,860	1,518,328	1,696,819	1,783,287	1,826,331	2,207,343	2,336,399	2,571,149
Taxes on recordation and wills	272,347	187,733	239,086	241,846	352,133	398,653	340,922	430,296	429,091	455,032
Motor vehicle licenses taxes	745,234	715,553	703,417	728,942	733,566	791,162	895,510	885,451	881,962	861,080
Consumer utility taxes	423,000	440,464	428,843	397,316	438,801	455,170	468,459	431,308	678,554	612,310
Other local taxes	264,079	210,955	267,393	262,373	215,290	211,345	198,703	213,317	223,512	311,685
Unrestricted grants and contributions	3,997,213	3,977,097	3,966,837	3,945,610	3,925,416	3,909,452	3,866,437	3,815,835	3,708,677	3,687,130
Unrestricted revenues from use of money and property	66,792	50,189	59,654	159,491	91,055	141,043	594,166	222,317	127,126	(26,737)
Miscellaneous	103,010	256,909	76,133	92,600	113,059	882,532	232,705	81,846	550,119	327,892
Transfers	(128,737)	(194,241)	(193,783)	(193,784)	(300,308)	(1,281,640)	(736,338)	(794,430)	(810,318)	(1,268,330)
Total governmental activities	\$ 33,899,179	\$ 35,670,177	\$ 37,818,724	\$ 39,936,962	\$ 40,942,244	\$ 42,374,171	\$ 44,233,233	\$ 45,608,665	\$ 45,976,871	\$ 47,528,365
Business-type activities:										
Unrestricted revenues from use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,705	\$ 207,424	\$ 74,085	\$ 84,946	\$ 93,741
Miscellaneous	-	-	-	-	-	-	-	-	74,318	81,513
Transfers	128,737	194,241	193,783	193,784	300,308	1,281,640	736,338	794,430	810,318	1,268,330
Total business-type activities	\$ 128,737	\$ 194,241	\$ 193,783	\$ 193,784	\$ 300,308	\$ 1,400,345	\$ 943,762	\$ 868,515	\$ 969,582	\$ 1,443,584
Total primary government	\$ 34,027,916	\$ 35,864,418	\$ 38,012,507	\$ 40,130,746	\$ 41,242,552	\$ 43,774,516	\$ 45,176,995	\$ 46,477,180	\$ 46,946,453	\$ 48,971,949
Change in Net Position										
Governmental activities	\$ 2,061,574	\$ 769,728	\$ 1,661,323	\$ (90,719)	\$ 1,748,227	\$ (1,647,755)	\$ 1,361,715	\$ 2,810,754	\$ 3,006,836	\$ 6,687,217
Business-type activities	(137,419)	(57,506)	(19,546)	3,784	43,416	791,790	499,440	413,588	341,637	798,259
Total primary government	\$ 1,924,155	\$ 712,222	\$ 1,641,777	\$ (86,935)	\$ 1,791,643	\$ (855,965)	\$ 1,861,155	\$ 3,224,342	\$ 3,348,473	\$ 7,485,476

COUNTY OF FLUVANNA, VIRGINIA

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General fund				
Nonspendable	\$ 17,775	\$ -	\$ 133,933	\$ 100,000
Restricted	-	-	-	59,520
Committed	11,319,125	12,206,403	10,737,302	4,875,335
Assigned	22,727	1,781	-	-
Unassigned	<u>10,271,385</u>	<u>9,576,832</u>	<u>10,974,265</u>	<u>17,198,209</u>
Total general fund	<u>\$ 21,631,012</u>	<u>\$ 21,785,016</u>	<u>\$ 21,845,500</u>	<u>\$ 22,233,064</u>
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ 531,616	\$ -
Restricted	519,759	70,462	3,963,624	1,678,501
Committed	-	50,697	51,292	50,000
Assigned	229,421	455,854	237,844	492,023
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 749,180</u>	<u>\$ 577,013</u>	<u>\$ 4,784,376</u>	<u>\$ 2,220,524</u>

Table 3

2017	2018	2019	2020	2021	2022
\$ 118,818	\$ 78,606	\$ 11,506	\$ 36,731	\$ -	\$ 4,970
59,520	59,520	59,520	59,520	59,520	67,409
6,649,051	6,103,010	4,989,493	5,368,959	4,832,001	5,974,681
-	-	-	-	-	-
15,855,959	14,532,691	16,632,750	19,939,645	24,035,309	26,519,445
<u>\$ 22,683,348</u>	<u>\$ 20,773,827</u>	<u>\$ 21,693,269</u>	<u>\$ 25,404,855</u>	<u>\$ 28,926,830</u>	<u>\$ 32,566,505</u>
\$ -	\$ -	\$ 245,106	\$ -	\$ -	\$ 2,629,387
5,175,016	572,077	63,275	-	-	6,313,215
27,535	-	-	-	56,500	50,000
179,446	369,449	806,610	919,057	459,036	-
-	-	-	-	-	(131,066)
<u>\$ 5,381,997</u>	<u>\$ 941,526</u>	<u>\$ 1,114,991</u>	<u>\$ 919,057</u>	<u>\$ 515,536</u>	<u>\$ 8,861,536</u>

COUNTY OF FLUVANNA, VIRGINIA

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

	2013	2014	2015	2016
Revenues				
General property taxes	\$ 26,886,904	\$ 28,437,543	\$ 30,390,483	\$ 32,381,780
Other local taxes	2,971,802	2,957,767	3,052,599	3,148,805
Permits, privilege fees and regulatory licenses	266,139	271,315	328,492	316,674
Fines and forfeitures	30,225	36,762	19,127	17,071
Revenue from use of money and property	66,792	50,189	59,654	159,491
Charges for services	220,199	234,970	240,937	627,328
Miscellaneous	103,010	256,909	76,133	92,600
Recovered costs	537,891	198,556	159,452	175,019
Intergovernmental:				
Commonwealth	7,421,770	8,200,504	7,768,139	8,186,120
Federal	2,146,270	1,571,831	1,432,605	1,170,114
Total revenues	\$ 40,651,002	\$ 42,216,346	\$ 43,527,621	\$ 46,275,002
Expenditures				
General government administration	\$ 2,457,582	\$ 2,375,839	\$ 2,973,426	\$ 2,504,595
Judicial administration	997,142	1,043,554	1,033,414	1,116,896
Public safety	7,774,015	7,046,266	6,504,341	14,031,007
Public works	1,484,008	2,302,295	2,670,609	3,340,430
Health and welfare	4,588,355	4,961,275	4,900,555	5,494,433
Education	16,921,134	14,735,070	17,150,935	18,825,010
Parks, recreation and cultural	687,593	1,734,527	1,055,476	830,275
Community development	1,027,505	609,918	1,072,057	959,759
Nondepartmental	159,496	18,742	26,199	37,462
Debt service				
Principal	7,272,220	3,531,444	7,303,148	4,257,098
Interest and other fiscal charges	2,858,997	3,681,338	3,433,568	3,455,086
Bond Issuance Costs	393,927	-	137,388	-
Total expenditures	\$ 46,621,974	\$ 42,040,268	\$ 48,261,116	\$ 54,852,051
Excess (deficiency) of revenues over (under) expenditures	\$ (5,970,972)	\$ 176,078	\$ (4,733,495)	\$ (8,577,049)
Other financing sources (uses)				
Transfers in	\$ 1,913,411	\$ 2,590,807	\$ 2,999,934	\$ 3,308,881
Transfers out	(1,994,483)	(2,785,048)	(3,193,717)	(3,502,665)
Bonds issued	77,542,813	-	9,195,125	-
Premium on bonds issued	-	-	-	-
Payments to refunded bond escrow agent	(72,784,959)	-	-	-
Issuance of notes payable	803,071	-	-	6,594,545
Total other financing sources (uses)	\$ 5,479,853	\$ (194,241)	\$ 9,001,342	\$ 6,400,761
Net change in fund balances	\$ (491,119)	\$ (18,163)	\$ 4,267,847	\$ (2,176,288)
Debt service as a percentage of noncapital expenditures	24.60%	18.24%	23.64%	17.30%

Table 4

2017	2018	2019	2020	2021	2022
\$ 33,035,019	\$ 34,771,214	\$ 36,606,379	\$ 37,831,969	\$ 37,379,857	\$ 38,898,133
3,436,609	3,639,617	3,729,925	4,167,715	4,549,518	4,811,256
325,604	325,260	266,135	312,286	417,196	421,308
52,335	55,563	66,715	57,037	62,325	40,495
91,055	141,043	594,166	222,317	127,126	(26,737)
760,809	906,672	949,687	1,011,500	712,117	1,177,712
113,059	882,532	232,705	81,846	568,266	108,672
475,312	334,311	195,792	143,214	156,390	86,412
8,491,421	8,435,417	8,039,911	8,385,602	8,293,015	9,406,886
1,150,400	1,530,782	1,700,485	2,965,770	5,218,310	2,808,168
\$ 47,931,623	\$ 51,022,411	\$ 52,381,900	\$ 55,179,256	\$ 57,484,120	\$ 57,732,305
\$ 2,675,883	\$ 2,573,114	\$ 3,068,813	\$ 2,890,930	\$ 2,929,854	\$ 2,957,296
1,140,751	1,160,743	1,156,453	1,187,690	1,240,251	1,371,150
9,103,245	8,904,135	9,183,552	9,141,123	11,478,678	10,241,123
3,066,682	3,598,723	2,844,074	2,795,897	2,743,585	2,672,295
6,047,790	6,094,617	5,891,086	5,952,734	6,248,509	7,128,419
21,054,016	21,808,677	17,599,505	18,223,423	17,913,084	17,800,193
841,396	1,168,673	925,945	927,843	859,219	1,002,001
779,505	768,397	741,256	637,737	1,107,119	1,326,877
25,699	109,625	33,693	36,757	74,250	43,963
11,387,489	6,947,151	5,852,348	5,999,039	6,056,619	6,239,472
3,501,825	3,510,465	3,255,930	3,076,001	2,904,180	2,691,965
272,142	-	-	-	-	-
\$ 59,896,423	\$ 56,644,320	\$ 50,552,655	\$ 50,869,174	\$ 53,555,348	\$ 53,474,754
\$ (11,964,800)	\$ (5,621,909)	\$ 1,829,245	\$ 4,310,082	\$ 3,928,772	\$ 4,257,551
\$ 3,398,928	\$ 4,260,752	\$ 2,718,812	\$ 2,175,286	\$ 1,799,062	\$ 720,376
(3,699,236)	(4,988,835)	(3,455,150)	(2,969,716)	(2,609,380)	(1,988,706)
7,653,740	-	-	-	-	3,270,001
-	-	-	-	-	494,953
-	-	-	-	-	-
8,223,125	-	-	-	-	5,231,500
\$ 15,576,557	\$ (728,083)	\$ (736,338)	\$ (794,430)	\$ (810,318)	\$ 7,728,124
\$ 3,611,757	\$ (6,349,992)	\$ 1,092,907	\$ 3,515,652	\$ 3,118,454	\$ 11,985,675
29.13%	20.55%	18.49%	18.30%	17.15%	17.12%

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

Fiscal Year June 30	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	3,517,225,600	188,459,699	2,567,684	243,801	496,073,506	4,204,570,290	7.740	4,204,570,290	100.00%
2014	2,611,906,300	191,333,953	2,201,249	636,444	501,948,833	3,308,026,779	7.910	3,308,026,779	100.00%
2015	2,625,367,600	190,731,239	2,043,565	735,590	497,863,789	3,316,741,783	8.148	3,316,741,783	100.00%
2016	2,683,562,300	192,165,797	2,029,462	538,634	543,812,012	3,422,108,205	8.184	3,422,108,205	100.00%
2017	2,725,781,920	217,648,526	1,954,200	495,288	523,791,381	3,469,671,315	8.064	3,469,671,315	100.00%
2018	2,809,690,700	221,776,610	1,807,902	551,420	522,609,364	3,556,435,996	8.128	3,556,435,996	100.00%
2019	2,983,695,602	246,788,362	2,159,942	590,595	548,679,811	3,781,914,312	8.100	3,781,914,312	100.00%
2020	3,055,289,450	254,104,060	1,990,054	758,082	574,355,430	3,886,497,076	8.100	3,886,497,076	100.00%
2021	3,216,671,814	280,031,849	2,035,459	1,745,084	501,248,326	4,001,732,532	8.018	4,001,732,532	100.00%
2022	3,274,204,027	381,243,981	2,026,557	1,664,230	509,517,369	4,168,656,164	7.340	4,168,656,164	100.00%

Source: Commissioner of the Revenue

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

Fiscal Years	Direct Rates				Total Direct Rates
	Real Estate	Personal Property / Business Personal Property (3)	Mobile Homes	Machinery and Tools	
2013	0.7950	4.15	0.7950	2.00	7.7400
2014	0.8800	4.15	0.8800	2.00	7.9100
2015	0.8990	4.35	0.8990	2.00	8.1480
2016	0.9170	4.35	0.9170	2.00	8.1840
2017	0.9070	4.35 / 2.90	0.9070	1.90	8.0640
2018	0.9390	4.35 / 2.90	0.9390	1.90	8.1280
2019	0.9250	4.35 / 2.90	0.9250	1.90	8.1000
2020	0.9250	4.35 / 2.90	0.9250	1.90	8.1000
2021	0.8840	4.35 / 2.90	0.8840	1.90	8.0180
2022	0.8700	3.70/2.90	0.8700	1.90	7.3400

(1) Per \$100 of assessed value.

(2) There were no overlapping Governments.

(3) A separate tax rate for Business Personal Property was established in 2017.

Principal Property Taxpayers
Current Year and the Period Nine Years Prior

Fiscal Year 2022			
Taxpayer	Type Business	2022 Assessed Valuation	% of Total Assessed Valuation
Tenaska Virginia Partners, LP	Utility/Electric	171,896,561	4.63%
Virginia Electric and Power	Utility/Electric	164,762,884	4.83%
Transcontinental Gas Pipeline	Utility/Gas	56,690,164	1.59%
Central Va. Electric Co-op	Utility/Electric	56,329,806	1.58%
CSX Transportation	Railroad	13,070,577	0.37%
Colonial Pipeline Co.	Utility/Gas	12,551,019	0.35%
Columbia Gas of Va.	Utility/Gas	10,278,933	0.29%
Aqua Resources	Utility/Water	7,352,013	0.21%
Central Telephone Co. of Virginia	Utility/Telephone	6,104,092	0.17%
East Coast transport	Utility/Gas	3,129,791	0.09%
		<u>\$ 502,165,840</u>	<u>14.12%</u>

Fiscal Year 2013			
Taxpayer	Type Business	2013 Assessed Valuation	% of Total Assessed Valuation
Tenaska Virginia Partners, LP	Utility/Electric	264,721,751	6.30%
Virginia Electric & Power	Utility/Electric	113,860,658	2.71%
Central Va. Electric Co-op	Utility/Electric	36,947,391	0.88%
Aqua Resources	Utility/Water	21,134,423	0.50%
Transcontinental Gas Pipeline	Utility/Gas	15,667,442	0.37%
Colonial Pipeline Co.	Utility/Gas	11,482,400	0.27%
Central Telephone of Virginia	Utility/Water	10,434,696	0.25%
CSX Transportation Inc.	Railroad	9,903,516	0.24%
East Coast Transportation	Commercial Property	6,555,118	0.16%
Virginia Properties LLC	Commercial Property	5,490,300	0.13%
		<u>\$ 496,197,695</u>	<u>11.81%</u>

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year (1) (3)		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (1)	Total Collections to Date	
			Amount	Percentage of Levy (1)		Amount (1)	Percentage of Levy
2013	\$	29,846,109	\$ 28,261,251	94.69%	\$ 1,538,337	\$ 29,799,588	99.84%
2014		31,288,974	29,831,066	95.34%	1,394,295	31,225,361	99.80%
2015		33,381,054	31,724,032	95.04%	1,576,433	33,300,465	99.76%
2016		35,095,785	33,410,667	95.20%	1,341,615	34,752,282	99.02%
2017		36,527,462	34,182,932	93.58%	1,940,674	36,123,606	98.89%
2018		37,420,848	35,380,319	94.55%	1,457,024	36,837,343	98.44%
2019		40,627,644	38,623,308	95.07%	1,217,820	39,841,128	98.06%
2020		41,640,495	39,671,986	95.27%	934,144	40,606,130	97.52%
2021		41,322,318	39,790,519	96.29%	401,961	40,192,480	97.27%
2022		42,932,859	40,827,173	95.10%	-	40,827,173	95.10%

Source: Commissioner of Revenue, County Treasurer's office

Notes: (1) Exclusive of the penalties and interest.
(3) Original levy

Ratios of Outstanding Debt by Type
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 (2)	Literary Fund Loans	Lease Liabilities	Notes Payable	General Obligation Bonds			
2013	\$ 101,441,566	\$ 2,788,660	\$ -	\$ 1,092,806	\$ 1,438,771	\$ 106,761,803	9.82%	\$ 4,103
2014	97,882,452	2,478,809	-	868,897	1,344,780	102,574,938	9.16%	3,943
2015	95,742,783	2,168,958	-	638,273	1,249,965	99,799,979	9.72%	3,794
2016	91,684,511	1,859,107	-	7,082,582	1,153,551	101,779,751	9.92%	3,869
2017	98,294,056	1,549,256	-	8,223,125	1,055,463	109,121,900	9.81%	4,176
2018	93,346,459	-	-	7,126,966	9,514,094	109,987,519	8.51%	4,101
2019	88,035,308	-	-	5,978,573	9,086,886	103,100,767	7.72%	3,842
2020	82,623,283	-	-	4,814,688	8,654,698	96,092,669	6.77%	3,536
2021	77,208,604	-	-	3,635,101	11,012,142	91,855,847	5.58%	3,354
2022	75,391,887	-	270,726	7,671,101	10,440,684	93,774,398	5.80%	3,383

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 12.

(2) Includes Public Facility Bonds and School General Obligation Bonds.

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

Fiscal Year	Gross Bonded Debt (3)	Less Debt Service Monies Available	Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2012	\$ 91,028,607	\$ -	\$ 91,028,607	2.38%	3,462
2013	105,668,997	-	105,668,997	2.51%	4,061
2014	101,706,041	-	101,706,041	3.07%	3,910
2015	99,161,706	-	99,161,706	2.99%	3,770
2016	94,697,169	59,520	94,637,649	2.85%	3,598
2017	100,898,775	59,520	100,839,255	3.04%	3,833
2018	102,860,553	59,520	102,801,033	2.89%	3,833
2019	97,122,194	59,520	97,062,674	2.57%	3,617
2020	91,277,981	59,520	91,218,461	2.35%	3,357
2021	88,220,746	59,520	88,161,226	2.20%	3,220
2022	85,832,571	59,520	85,773,051	2.06%	3,094

(1) Population data can be found in the Schedule of Demographic and Economic Statistics - Table 12.

(2) See the Schedule of Assessed Value and Estimated Value of Taxable Property - Table 5.

(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

COUNTY OF FLUVANNA, VIRGINIA

Debt Policy Information Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total net debt applicable to debt limits (1)	\$ 85,773,051	\$ 88,161,226	\$ 91,218,461	\$ 97,062,674
Ratio of net debt to assessed taxable property value (2)	2.06%	2.20%	3.16%	2.57%
Debt limit per policy for property value	3.50%	3.50%	3.50%	3.50%
Total general governmental revenue (3)	57,732,305	57,484,120	55,179,256	52,381,900
Debt service to general governmental revenues (3)	15.47%	15.59%	16.45%	17.39%
Debt limit per policy for general governmental revenues	12.00%	12.00%	12.00%	12.00%

Notes:

- (1) Net bonded debt can be found on Table 10.
- (2) Property value data can be found on Table 5.
- (3) General governmental revenues can be found on Table 4

The County does not have any Constitutional or Statutory Debt Limits.

Table 11

2018	2017	2016	2015	2014	2013
\$ 102,801,033	\$ 100,898,775	\$ 101,626,200	\$ 99,161,706	\$ 101,706,041	\$ 105,668,997
2.89%	3.04%	3.03%	2.99%	3.07%	2.51%
3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
51,022,411	47,931,623	46,275,002	43,527,621	42,216,346	40,651,002
17.37%	15.98%	16.67%	16.55%	17.09%	14.58%
12.00%	12.00%	12.00%	12.00%	12.00%	12.00%

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population(1)		Personal Income(2)		Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2013	26,019	-0.05%	979,042,000	1.85%	37,628	3,660	5.2%
2014	25,970	-0.19%	1,011,366,000	3.30%	38,944	3,591	4.7%
2015	26,162	0.74%	1,065,431,000	5.35%	40,724	3,541	4.0%
2016	26,133	-0.11%	1,087,262,000	2.05%	41,605	3,482	3.5%
2017	26,467	1.28%	1,145,977,000	5.40%	43,298	3,518	3.2%
2018	26,692	0.85%	1,204,938,000	5.15%	45,142	3,565	2.5%
2019	27,038	1.30%	1,245,127,000	3.34%	46,051	3,464	2.3%
2020	27,249	0.78%	1,328,328,000	6.68%	48,748	3,240	7.4%
2021	27,383	0.49%	1,381,461,120	4.00%	50,450	3,175	3.8%
2022	27,517	0.49%	1,436,719,565	4.00%	52,213	3,175	3.8%

- (1) Source: Population estimates for 2012 to 2020 are from the Weldon Cooper Center for Public Service, Demographics & Workforce Group - July 1st Estimates. Estimates for 2021 was N/A. Estimates for 2021 are based on an average growth rate of 0.49% from 2012 to 2020.
- (2) Source: Personal income data for 2012 to 2020 is from the Bureau of Economic Analysis. Data for 2021 was N/A. Estimates for 2021 are based on an average growth rate of 4.00% from 2012 to 2020.
- (3) Source: Per capita personal income is calculated by dividing the personal income data (2) by the population data (1).
- (4) Source: Virginia Department of Education "Superintendent's Annual Report" (End-of-Year Membership), Includes K-12, special education, and post graduate, but excludes pre-kindergarten. School Enrollment data was N/A for 2021. 2021 data is provided by Fluvanna County Public Schools.
- (5) Source: Virginia Employment Commission, unemployment rates for June of the fiscal year.

Principal Employers
Current Year and the Period Nine Years Prior

Fiscal Year 2022

Employer	Employees	Rank	Percent of total County Employment
Fluvanna County Public Schools	500-999	1	11%
Fluvanna Correctional Center	250-499	2	6%
County of Fluvanna	100-249	3	3%
Fork Union Military Academy	100-249	4	3%
Lake Monticello Home Owners Association	100-249	5	3%
BFI Transfer Systems of Va	100-249	6	3%
AG Dillard	100-249	7	3%
Silk City Printing	50-99	8	1%
Domino's Pizza	50-99	9	1%
Food Lion	50-99	10	1%

Employer	Employees	Rank	Percent of total County Employment
Fluvanna County Public Schools	505	1	3.90%
Fluvanna Correctional Center	480	2	3.71%
S&N Locating Services, LLC	200	3	1.55%
Fork Union Military Academy	190	4	1.47%
County of Fluvanna	142	5	1.10%
Dominos Pizza	50	6	0.39%
Foodlion	50	7	0.39%
Lake Monticello Owners	50	8	0.39%
Dominion Virginia Power	50	9	0.39%
AG Dillard	50	10	0.39%

Source: Fluvannacounty.org
Quarter Census of Employment and Wages (QCEW)

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	21.5	21.5	23.5	22.75	22.25	23.5	23.5	26	21	32.5
Judicial administration	12	12	12	13	13	13	13	13	13	8
Public safety										
Sheriffs department	40.5	43.5	47.5	48	48.5	48.5	50	50.5	50	61.5
Fire & rescue	0	0	0	0	0	0		0	0	0
Building inspections	4	4	4	3	3	3	3	4	4	4
Animal control	2	2	2	2	2	2	0	2	1	1
Emergency management	1	1	1	1	1	1	1.5	1	1	1
Public works										
General maintenance	16	16	17	17	17	17	18	20	20	20
Landfill	1.25	1.25	1.25	1.25	1.25	1.25	2	2	2	3
Engineering	1	1	1	1	1	1	0.5	0	0	0
Health and welfare										
Department of social services	29	29	28	30	33.5	33.5	31.5	32	35	34
Culture and recreation										
Parks and recreation	5	5	5	5	7.5	7.5	5	5	5	14
Museum	0	1.5	1.5	1.5	1	1	0.5	0.5	1	1
Library	3	3	3	3.75	4.25	4.25	4.25	6.5	3	11.5
Community development										
Planning	4.5	5	5	6	6	6	5	5	5	5
Economic development	1	1	1	1	1	1	1	1	1	1
Totals	<u>141.75</u>	<u>146.75</u>	<u>152.75</u>	<u>156.25</u>	<u>162.25</u>	<u>163.5</u>	<u>158.75</u>	<u>168.5</u>	<u>162.0</u>	<u>197.5</u>

Source: County Payroll Records.

Operating Indicators by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Sheriffs department:										
Physical arrests	600	724	623	576	733	838	969	721	283	289
Traffic violations	775	712	460	500	948	1,255	1,283	3,181	681	1,081
Civil papers received	6,493	6,105	5,754	5,221	6,370	14,017	7,129	5,251	4,089	4,709
E911:										
Total calls	20,109	25,923	21,667	18,410	26,973	33,131	32,209	N/A	N/A	N/A
Emergency calls	6,568	6,144	6,106	6,256	6,590	6,586	5,882	7,108	7,530	8,083
Fire & Rescue calls:										
Number of fire calls answered	1,995	1,907	1,777	1,854	1,938	2,008	2,122	1,607	1,549	1,577
Number of rescue calls answered	n/a	2,697	2,628	2,644	2,591	2,680	2,733	2,734	2,811	2,969
Building inspections:										
Permits issued	386	461	469	463	547	755	1,093	1,383	2,229	1,855
Animal control:										
Number of calls answered	1,418	1,671	1,863	1,664	1,558	1,550	1,266	1,606	1,667	1,765
Public works										
Facilities Service Requests	555	817	776	546	500	525	525	600	500	600
Landfill:										
Refuse collected (tons/day)	6.67	6.67	7.14	6.44	6.5	7.6	8	10	10	9
Recycling (tons/day)	0.40	0.77	0.77	0.59	0.85	0.86	1	1	10	1
Health and welfare										
Department of Social Services:										
Adoption Cases	214	235	234	228	219	216	212	233	233	236
Adult Services	810	863	1,071	982	629	790	931	935	861	788
Child Protective Services Cases	292	382	335	342	409	350	341	235	288	393
Family Services Cases	952	874	955	1,051	869	612	543	427	508	605
Foster Care Cases	157	125	59	115	169	223	254	218	239	214
VIEW Cases	365	282	306	228	98	81	83	47	108	208
Auxiliary Grant Cases	27	12	35	40	27	34	27	24	24	18
General Relief Cases	47	30	6	12	5	0	6	12	12	12
Medicaid Cases	24,206	25,697	26,499	32,235	24,885	21,360	37,379	44,009	54,831	37,226
SNAP Cases	21,906	21,845	20,655	18,888	7,890	7,949	16,685	16,487	17,959	9,511
TANF Cases	777	609	663	654	575	494	460	402	514	480
Caseload	49,753	50,954	50,818	54,775	35,775	32,109	56,921	63,029	75,577	49,691
Culture and recreation										
Parks and recreation:										
Youth sports participants	1,400	1,359	250	1,186	1,351	1,752	2,834	764	439	781
Total program participants	n/a	4,267	10,870	8,007	12,323	16,685	17,035	18,720	925	1,077
Community development										
Planning:										
Zoning permits issued	148	181	267	219	326	375	452	519	432	432
Component Unit - School Board										
Education:										
School age population enrolled	3,669	3,593	3,564	3,522	3,556	3,564	3,570	3,444	3,197	3,322
Number of teachers	264	280	271	272	271	266	266	273	258	286
Local expenditures per pupil	\$9,080	\$9,498	\$9,804	\$10,452	\$10,556	\$10,891	\$10,781	\$10,821	\$12,159	\$12,059

Source: Individual county departments

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Sheriffs office:										
Patrol units	35	34	28	32	32	39	42	39	31	43
Other vehicles	4	4	5	8	8	9	10	10	13	7
Building inspections:										
Vehicles	4	3	3	3	2	2	2	2	3	3
Animal control:										
Vehicles	2	3	3	2	2	2	2	2	2	2
Public works										
General maintenance:										
Trucks/vehicles	14	12	13	13	18	18	15	16	16	24
Landfill:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Equipment	4	4	4	4	4	4	4	4	4	4
Sites	1	1	1	1	1	1	1	1	1	1
Health and welfare										
Department of Social Services:										
Vehicles	8	9	9	9	9	8	8	9	9	8
Culture and recreation										
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Vehicles	4	3	3	3	3	4	4	4	3	3
Parks	2	2	4	4	4	4	4	4	4	4
Swimming pools	0	0	0	0	0	0	0	0	0	0
Tennis courts	0	0	0	0	0	0	0	0	0	0
Community development										
Planning:										
Vehicles	2	3	2	2	3	3	4	4	2	2
Component Unit - School Board										
Education:										
Schools	6	5	5	5	5	5	5	5	5	5
School buses	80	78	82	84	84	86	88	89	93	84

Source: Individual County departments.

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

**To the Honorable Members of the Board of Supervisors
County of Fluvanna, 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 the County of Fluvanna, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Fluvanna, Virginia's basic financial statements, and have issued our report thereon dated December 15, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Fluvanna, 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, Farnell, Cox Associates

Charlottesville, Virginia
December 15, 2022



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

**To the Honorable Members of the Board of Supervisors
County of Fluvanna, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Fluvanna, 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 County of Fluvanna, Virginia's major federal programs for the year ended June 30, 2022. County of Fluvanna, 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 Fluvanna, Virginia's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Fluvanna, Virginia's 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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 Fluvanna, 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, Farnell, Cox Associates

Charlottesville, Virginia
December 15, 2022

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COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Unit
Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Pass-through Entity Identifying Number	Federal Assistance Listing	Federal Expendi- tures
PRIMARY GOVERNMENT:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	0010109/0010110/0040109/0040110	10.561	\$ 528,490
<u>DEPARTMENT OF JUSTICE</u>			
<u>Pass through payments:</u>			
Department of Criminal Justice Services:			
Edward Byrne Memorial Justice Assistance Grant Program	Not Available	16.738	\$ 1,562
Bulletproof Vest Partnership Program	Not Available	16.607	1,516
Crime Victim Assistance	CJS5601701	16.575	25,195
Total Department of Justice			\$ 28,273
<u>DEPARTMENT OF TRANSPORTATION:</u>			
<u>Pass through payments:</u>			
Virginia Department of Motor Vehicles:			
Alcohol Open Container Requirements	154AL 1858259 154AL 1959251	20.607	\$ 6,391
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<u>Pass Through Payments:</u>			
Department of Social Services:			
Guardianship Assistance	Not Available	93.090	\$ 274
MaryLee Allen Promoting Safe and Stable Families	0950109/0950110	93.556	612
Temporary Assistance for Needy Families (TANF)	0400109/0400110	93.558	124,321
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	0500109/0500110	93.566	16,955
Low-Income Home Energy Assistance	0600409/0600410	93.568	19,367
Community-Based Child Abuse Prevention Grants	0770109	93.590	992
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	0760109/0760110	93.596	29,448
Chafee Education and Training Voucher Program	9160108/9160109	93.599	(511)
Stephanie Tubbs Jones Child Welfare Services Program	0900109	93.645	339
Title IV-E Prevention Program	1100109	93.472	3,639
Foster Care-Title IV-E	1100109/1100110	93.658	246,576
Adoption Assistance	1120109/1120110	93.659	195,435
Social Services Block Grant	1000109/1000110	93.667	112,195
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	915108/9150109/9150110	93.674	13,113
Elder Abuse Prevention Interventions Program	8000109	93.747	8,411
Children's Health Insurance Program	0540109/0540110	93.767	2,671
Medical Assistance Program (Medicaid Cluster)	1200109/1200110	93.778	281,785
Total Department of Health and Human Services			\$ 1,055,622
<u>NATIONAL ENDOWMENT FOR THE ARTS:</u>			
<u>Pass through payments:</u>			
Virginia Commission for the Arts:			
Promotion of the Arts - Partnership Agreements	99910-10-0440	45.025	\$ 4,500

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Expenditures of Federal Awards - Primary Government and
Discretely Presented Component Units
Year Ended June 30, 2022 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program Title	Pass-through Entity Identifying Number	Federal Assistance Listing	Federal Expendi- tures
PRIMARY GOVERNMENT: (Continued)			
<u>DEPARTMENT OF HOMELAND SECURITY:</u>			
<u>Pass through payments:</u>			
Virginia Department of Emergency Management:			
Emergency Management Performance Grants	Not Available	97.042	\$ 29,504
<u>DEPARTMENT OF TREASURY:</u>			
<u>Direct payments:</u>			
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	\$ 637,101
<u>Pass through payments:</u>			
Virginia Department of Accounts:			
COVID-19-Coronavirus Relief Fund	SLT0022	21.019	\$ 261,424
Total Department of Treasury			\$ 898,525
Total Primary Government			\$ 2,551,305
COMPONENT UNIT-SCHOOL BOARD:			
<u>DEPARTMENT OF AGRICULTURE:</u>			
<u>Pass through payments:</u>			
Department of Agriculture and Consumer Services:			
Food distribution (Child Nutrition Cluster)	Not Available	10.555	\$ 1,647,163
Department of Education:			
School Breakfast Program (Child Nutrition Cluster)	2013IN109941/2014IN109941	10.553	499,282
Summer Food Service Program for Children (Child Nutrition Cluster)		10.559	20,814
Total Child Nutrition Cluster			2,167,259
COVID-19 Pandemic EBT Administrative Costs		10.649	\$ 3,063
Total Department of Agriculture			\$ 2,170,322
<u>DEPARTMENT OF EDUCATION:</u>			
<u>Pass through payments:</u>			
Department of Education:			
Title 1 Grants to Local Educational Agencies	S010A120046/S010A130046	84.010	\$ 349,691
Career and Technical Education - Basic Grants to States	V048A130046/V048A140046	84.048	53,104
Special Education - Grants to States (Special Education Cluster)	H027A130107/H027A140107	84.027	\$ 884,032
Special Education - Preschool Grant (Special Education Cluster)	H173A140112	84.173	20,800
Total Special Education Cluster			\$ 904,832
English Language Acquisition State Grants	Not Available	84.365	6,835
Supporting Effective Instruction State Grants	S367A130044/S367A140044	84.367	88,918
Student Support and Academic Enrichment Program	S424A170048	84.424	24,709
Education Stabilization Fund			
Governor's Emergency Education Relief Fund	S425C200042	84.425C	3,650
Elementary and Secondary School Emergency Relief Fund	S425D200008	84.425D	2,044,314
			2,047,964
Total Department of Education			\$ 3,476,053
Total Component Unit School Board			\$ 5,646,375
Total Expenditures of Federal Awards			\$ 8,197,680

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF FLUVANNA, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Fluvanna, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Fluvanna, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Fluvanna, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Loan Balances

The County has no loans or 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	\$ 2,808,168
Total primary government	\$ 2,808,168
Component Unit School Board:	
School Operating Fund	\$ 3,476,053
School Cafeteria Fund	2,170,322
Total component unit school board	\$ 5,646,375
Total federal expenditures per basic financial statements	\$ 8,454,543
Federal Interest Subsidy	\$ (256,863)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 8,197,680

COUNTY OF FLUVANNA, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Assistance Listing #	Name of Federal Program or Cluster
21.019	COVID-19-Coronavirus Relief Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.027/84.173	Special Education Cluster
84.425	COVID-19-Education Stabilization Fund

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

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings

There were no prior year findings.

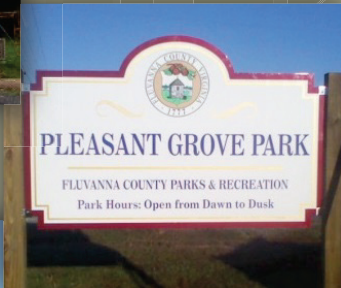


County of Fluvanna, Virginia

Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2022

*A great place to live,
learn, work, and play!*





County of Fluvanna, Virginia

Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2022

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