

**COUNTY OF NORTHAMPTON, VIRGINIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

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Prepared By:

Northampton Department of Finance

COUNTY OF NORTHAMPTON, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

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	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Title Page	i
Table of Contents	ii-vi
Directory of Principal Officials	vii
Organizational Chart	viii
Letter of Transmittal	ix-xxiii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-4
Management's Discussion and Analysis	5-14
<b><u>Basic Financial Statements:</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1      Statement of Net Position	15
Exhibit 2      Statement of Activities	16-17
<b>Fund Financial Statements:</b>	
Exhibit 3      Balance Sheet—Governmental Funds	18-19
Exhibit 4      Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Exhibit 5      Statement of Revenues, Expenditures, and Changes in Fund Balances— Governmental Funds	21-22
Exhibit 6      Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Exhibit 7      Statement of Net Position—Proprietary Fund	24
Exhibit 8      Statement of Revenues, Expenses, and Changes in Net Position— Proprietary Fund	25
Exhibit 9      Statement of Cash Flows—Proprietary Fund	26
Exhibit 10     Statement of Fiduciary Net Position - Fiduciary Funds	27
Exhibit 11     Statement of Changes in Fiduciary Net Position - Fiduciary Funds	28
<b>Notes to Financial Statements</b>	29-107

**COUNTY OF NORTHAMPTON, VIRGINIA**

**FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

	<u><b>Page</b></u>
<b><u>Required Supplementary Information:</u></b>	
Exhibit 12      Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund	108
Exhibit 13      Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Eastern Shore Regional Jail Fund	109
Exhibit 14      Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—American Rescue Plan Fund	110
Exhibit 15      Schedule of Changes in Net Pension Liability (Asset) and Related Ratios— Primary Government	111-112
Exhibit 16      Schedule of Changes in Net Pension Liability (Asset) and Related Ratios— Component Unit School Board (nonprofessional)	113-114
Exhibit 17      Schedule of Employer’s Share of Net Pension Liability VRS Teacher Retirement Plan	115
Exhibit 18      Schedule of Employer Contributions—Pension Plans	116
Exhibit 19      Notes to Required Supplementary Information—Pension Plans	117
Exhibit 20      Schedule of County’s Share of Net OPEB Liability—Group Life Insurance (GLI) Plan	118
Exhibit 21      Schedule of Employer Contributions—Group Life Insurance (GLI) Plan	119
Exhibit 22      Notes to Required Supplementary Information—Group Life Insurance (GLI) Plan	120
Exhibit 23      Schedule of Changes in the School Board’s (nonprofessional) Net OPEB Liability and Related Ratios—Health Insurance Credit (HIC) Plan	121
Exhibit 24      Schedule of Employer Contributions—Health Insurance Credit (HIC) Plan	122
Exhibit 25      Notes to Required Supplementary Information—Health Insurance Credit (HIC) Plan	123
Exhibit 26      Schedule of School Board’s Share of Net OPEB Liability—Teacher Employee Health Insurance Credit (HIC) Plan	124
Exhibit 27      Schedule of Employer Contributions—Teacher Employee Health Insurance Credit (HIC) Plan	125
Exhibit 28      Notes to Required Supplementary Information—Teacher Employee Health Insurance Credit (HIC) Plan	126
Exhibit 29      Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios—Primary Government	127

**COUNTY OF NORTHAMPTON, VIRGINIA**

**FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023**

**TABLE OF CONTENTS (CONTINUED)**

	<u><b>Page</b></u>
<b>FINANCIAL SECTION (CONTINUED)</b>	
<b><u>Required Supplementary Information: (Continued)</u></b>	
Exhibit 30	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios—Component Unit School Board
	128
Exhibit 31	Notes to Required Supplementary Information—County OPEB
	129
Exhibit 32	Notes to Required Supplementary Information—Component Unit School Board
	130
<b><u>Other Supplementary Information:</u></b>	
<b>Combining and Individual Fund Financial Statements and Schedules:</b>	
Exhibit 33	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Debt Service Fund
	131
Exhibit 34	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Capital Projects Fund
	132
Exhibit 35	Combining Balance Sheet—Nonmajor Special Revenue Funds
	133-134
Exhibit 36	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Special Revenue Funds
	135-136
Exhibit 37	Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds
	137-140
Exhibit 38	Combining Statement of Fiduciary Net Position—Fiduciary Funds
	141-142
Exhibit 39	Combining Statement of Changes in Fiduciary Net Position—Fiduciary Funds
	143-144
<b>Discretely Presented Component Unit—School Board:</b>	
Exhibit 40	Combining Balance Sheet
	145
Exhibit 41	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
	146
Exhibit 42	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual
	147-150
Exhibit 43	Combining Statement of Fiduciary Net Position—Fiduciary Funds
	151
Exhibit 44	Combining Statement of Changes in Fiduciary Net Position—Fiduciary Funds
	152

COUNTY OF NORTHAMPTON, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

---

	Page
FINANCIAL SECTION (CONTINUED)	
<u>Other Supplementary Information (Continued)</u>	
Supporting Schedules:	
Schedule 1    Schedule of Revenues—Budget and Actual—Governmental Funds	153-162
Schedule 2    Schedule of Expenditures—Budget and Actual—Governmental Funds	163-170
STATISTICAL SECTION	
Table 1    Net Position by Component—Last Ten Fiscal Years	171-172
Table 2    Changes in Net Position—Last Ten Fiscal Years	173-176
Table 3    Fund Balances Governmental Funds—Last Ten Fiscal Years	177-178
Table 4    Changes in Fund Balances Governmental Funds—Last Ten Fiscal Years	179-180
Table 5    Principal Property Tax Payers—Current and Nine Years Ago	181
Table 6    Property Tax Levies and Collections—Last Ten Fiscal Years	182
Table 7    Assessed Value and Estimated Actual Value of Taxable Property—Last Ten Fiscal Years	183
Table 8    Direct and Overlapping Property Tax Rates—Last Ten Calendar Years	184
Table 9    Ratio of General Bonded Debt Outstanding—Last Ten Fiscal Years	185
Table 10    Ratio of Outstanding Debt by Type—Last Ten Fiscal Years	186
Table 11    Demographic and Economic Statistics—Last Ten Calendar Years	187
Table 12    Principal Employers—Current and Nine Years Ago	188
Table 13    Full-time Equivalent County Government Employees by Function—Last Ten Fiscal Years	189
Table 14    Operating Indicators by Function—Last Ten Fiscal Years (where available)	190
Table 15    Capital Asset Statistics by Function/Program—Last Ten Fiscal Years	191

COUNTY OF NORTHAMPTON, VIRGINIA

FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
COMPLIANCE SECTION	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	192-193
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	194-196
Schedule of Expenditures of Federal Awards	197-199
Notes to Schedule of Expenditures of Federal Awards	200
Schedule of Findings and Questioned Costs	201
Summary Schedule of Prior Audit Findings	202

COUNTY OF NORTHAMPTON, VIRGINIA

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**Board of Supervisors**

---

John R. Coker, Chairperson  
Oliver H. Bennett, Vice-Chairperson

I. Dixon Leatherbury  
Ernest Smith, Jr.

M. E. “Betsy” Mapp

**County School Board**

---

Liz Jones, Chairperson  
William S. Oakley, Vice-Chairperson

Jill Bieri  
Helene B. Doughty  
Jo Ann P. Molera

Betty Borden  
Charlena Jones

**Board of Social Services**

---

Edith E. Johnson, Chairperson

H. Spencer Murray

Janice Langley

**Other Officials**

---

County Administrator  
Clerk of the Circuit Court  
County/Commonwealth’s Attorney  
Commissioner of the Revenue  
Treasurer  
Sheriff  
Superintendent of Schools  
Director of Department of Social Services  
Director of Finance  
Registrar

Charles Kolakowski  
Traci L. Johnson  
Jack A. Thornton, III  
Charlene Gray  
Cynthia S. Bradford  
David L. Doughty, Jr.  
Dr. Lisa Martin  
Mozella Francis  
John D. Chandler  
Terrence P. Flynn

COUNTY OF NORTHAMPTON, VIRGINIA

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Jill Bieri  
Helene B. Doughty  
Jo Ann P. Molera

Betty Borden  
Charlena Jones

**Board of Social Services**

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Edith E. Johnson, Chairperson

H. Spencer Murray

Janice Langley

**Other Officials**

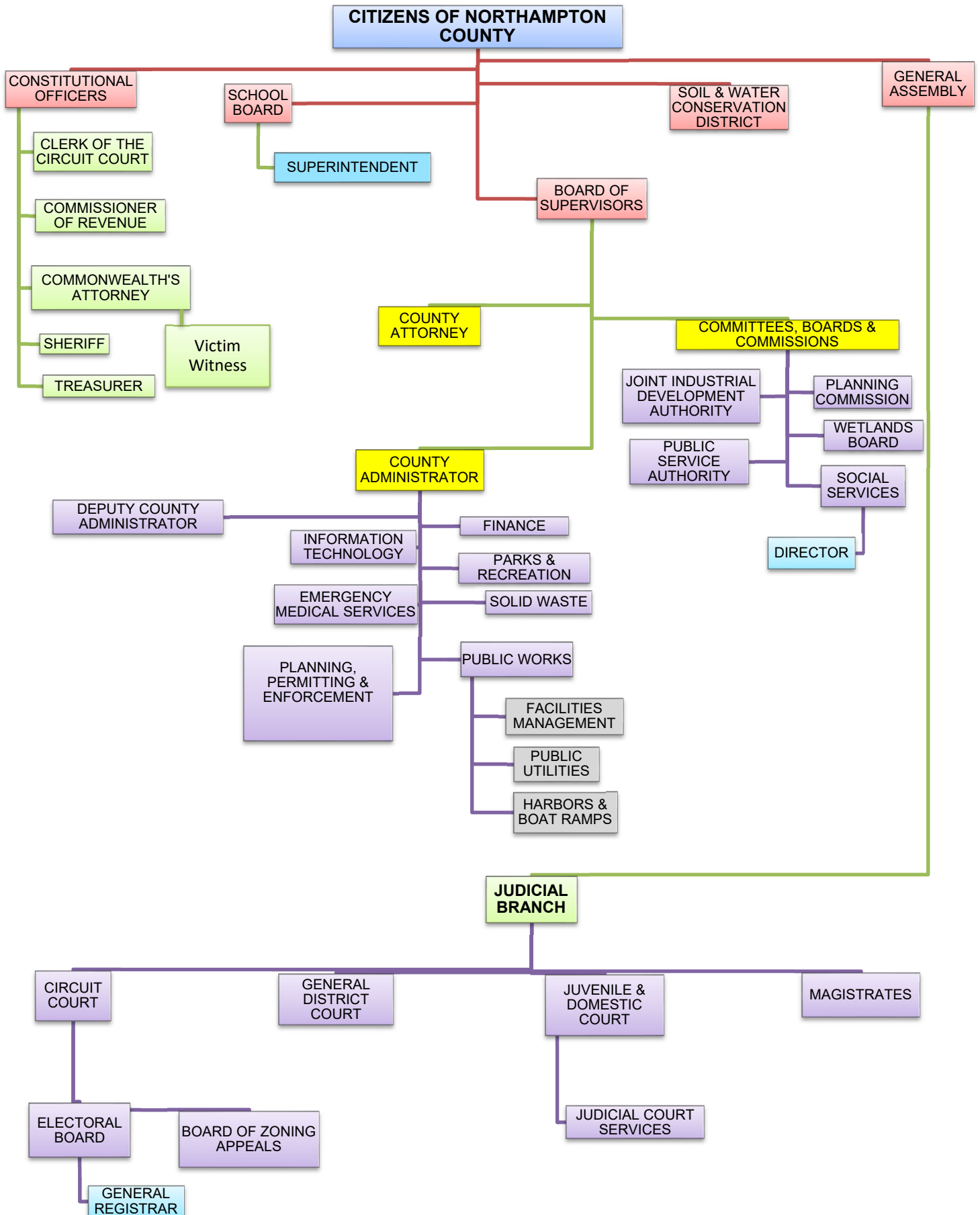
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County Administrator  
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John D. Chandler  
Terrence P. Flynn



# ORGANIZATIONAL CHART





# County of Northampton

P.O. Box 66  
16404 Courthouse Rd.  
Eastville, VA 23347  
Phone: 757-678-0440 Fax: 757-678-0483

December 8, 2023

To the Board of Supervisors and the Citizens of Northampton County:

The Code of Virginia (§ 15.2-2511) requires that all localities publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not outweigh their benefits, Northampton County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

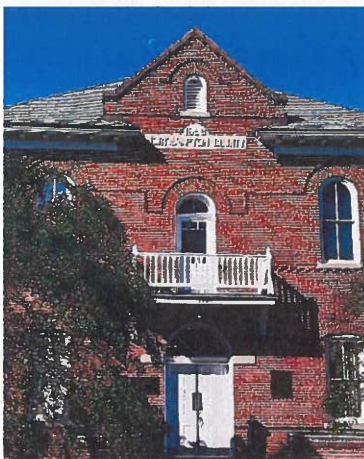
Robinson, Farmer, Cox Associates, a firm of licensed certified public accountants, has audited and issued an unmodified "clean" opinion on the financial statements of Northampton County for the fiscal year ended June 30, 2023. The Independent Auditors' report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require 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 MD&A and should be read in conjunction with it. Northampton County's MD&A can be found immediately following the report of the independent auditors.



Northampton County Courthouse

## Profile of the Government



Historic 1899 Courthouse

Northampton County comprises the southernmost portion of the Eastern Shore of Virginia, bordered on the north by Accomack County, Virginia, on the west by the Chesapeake Bay, and on the east by the Atlantic Ocean. At the southern end of the County is the Chesapeake Bay Bridge-Tunnel, connecting the County to the Hampton Roads area of Virginia. The County encompasses a land area of approximately 355 square miles. The County's population was 12,282 according to the 2020 census vs. 12,389 in the 2010 census. The County is a full-service County and provides a variety of services to its citizens as authorized by the laws of the Commonwealth of Virginia. The County is authorized to issue general obligation bonds, generally subject to voter referendum.

Northampton County was formed as an independent county in 1634 and is organized under the traditional county form of government. The Board of Supervisors, which establishes policies for the administration of the County, is the governing body of the County. The Board is composed of five members, one member elected from each of five election districts. A member must be a resident of the district in which he or she serves. Members are elected for four-year staggered terms, with either two or three-





members' terms expiring every two years. Each year the Board elects a Chairman and Vice Chairman from among its members. In addition to the County Board, other elected County officials include the Commonwealth's Attorney, Commissioner of the Revenue, Treasurer, Sheriff, and Clerk of the Circuit Court.

The Board appoints a County Administrator to serve as the chief executive officer of the County. The County Administrator serves at the pleasure of the Board, implements its policies, directs business and administrative procedures, and recommends officials to be appointed by the Board. The County Administrator is currently assisted by eight staff departments and offices including Finance; Information Technology; Office of Planning, Permitting and Enforcement, comprised of Planning & Zoning, Code Compliance, and Building Inspections; Facilities Management; Solid Waste Services; Public Utilities; Emergency Medical Services; and Parks and Recreation.

Northampton County is also financially accountable for a legally separate school system which is reported as a discretely presented component unit in the audited

financial statements. The Northampton County public schools are governed by the Northampton County School Board, which is composed of seven members who are elected by the citizens of Northampton County. A Superintendent is appointed by the School Board to administer the operations of the County's public schools. The School Board functions independently of the County Board but is required to prepare and submit an annual budget to the County Board of Supervisors for its consideration. Because the School Board can neither levy taxes nor incur indebtedness under Virginia law, the local costs of the school system are in large part provided by appropriation from the County's General Fund. The costs of constructing school facilities are generally provided by capital appropriations from the County's General Fund, through State Literary Fund loans, Qualified Zone Academy Bonds (QZAB), and through the Virginia Public School Authority.

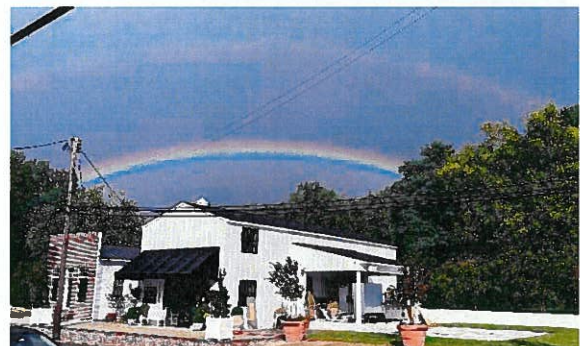


In Virginia, cities and counties are not overlapping units of government. However, there are no incorporated cities within the boundaries of the County. There are six incorporated towns all or partly located in Northampton County, the largest of which are the Town of Exmore with a 2020 Census population of 1,500 and the Town of Cape Charles with a population of 1,245, and the others of which are the Towns of Cheriton (497), Eastville (541), Nassawadox (558) and part of Belle Haven. These towns are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by State law, generally effective in them. Property in these towns



is subject to County taxation and the County provides certain services to their residents. These towns may also incur general obligation indebtedness without the prior approval of the County.

The County operates under an annual operating budget adopted in accordance with the provisions of the Code of Virginia. The budget is the legal basis of the budgetary accounting system and the standard by which proposed expenditures are measured. The balanced budget must be adopted prior to the beginning of the fiscal year. The budget is subject to public inspection and a public hearing prior to its adoption. The budget is considered balanced when net revenue equals appropriations.





The operating budget is adopted on a departmental basis and is prepared using the modified accrual basis of accounting for all funds. Departmental appropriations that have not been expended by the end of the fiscal year are returned to the County's fund balance. Funds that are subject to carryover include unspent grant revenue or awards

which must be presented to the Board for "re-appropriation."



Department Heads and Constitutional Officers may approve transfers within their own operating budgets with the exception of transfers affecting salaries and related accounts. The County Administrator is authorized to transfer budgeted amounts between departments, but any revisions that alter total expenditures must be approved by the Board of Supervisors through legislative action. All supplemental appropriations must be reported in a public meeting of the Board of Supervisors and made a matter of record in the minutes.

Appropriations designated for capital projects

do not lapse at the end of the fiscal year but remain appropriations until the completion of the project or until the Board of Supervisors, by appropriate resolution, amends or eliminates the appropriation. Upon completion of a capital project, staff is authorized to close out the project and transfer to the funding source any remaining balances.



### Demographic Factors and Local Economy



From Colonial times to the present, agriculture has been the mainstay of the Eastern Shore economy. Early farmers grew tobacco and later turned to livestock, some of which freely grazed on the seaside barrier islands. Eventually these farms raised grain crops and produce. Agriculture and Aquaculture are still estimated to represent approximately 15.36% of the local workforce. During the 1880's, the arrival of the railroad stimulated

the local economy and literally changed the face of the Eastern Shore. Built down the spine of the peninsula, towns and villages sprang up along the line. The railroad ceased operation in 2018.





Watermen have been active on the Shore for generations. Once abundant, oysters were a mainstay of the seafood industry along with the famed blue crab, clams and scallops. Waterfront villages and towns enjoyed a healthy economy as watermen brought in their catch and seafood packing, oyster shucking and crab picking houses stayed busy. In recent years clams and oysters have seen a resurgence due to advances in aquaculture and improvements in the health of the Chesapeake Bay. Blue crabs from the Eastern Shore are still a sought-after commodity. Clam/Oyster aquaculture or water farming is a multi-

million-dollar industry with operations in many waterfront communities including Willis Wharf, Oyster, Chincoteague and Cherrystone Creek.



Grapes ripe for harvest - Chatham Vineyards

## Unemployment

The following table presents the County's and other jurisdictions' unemployment rates over the last eleven years.

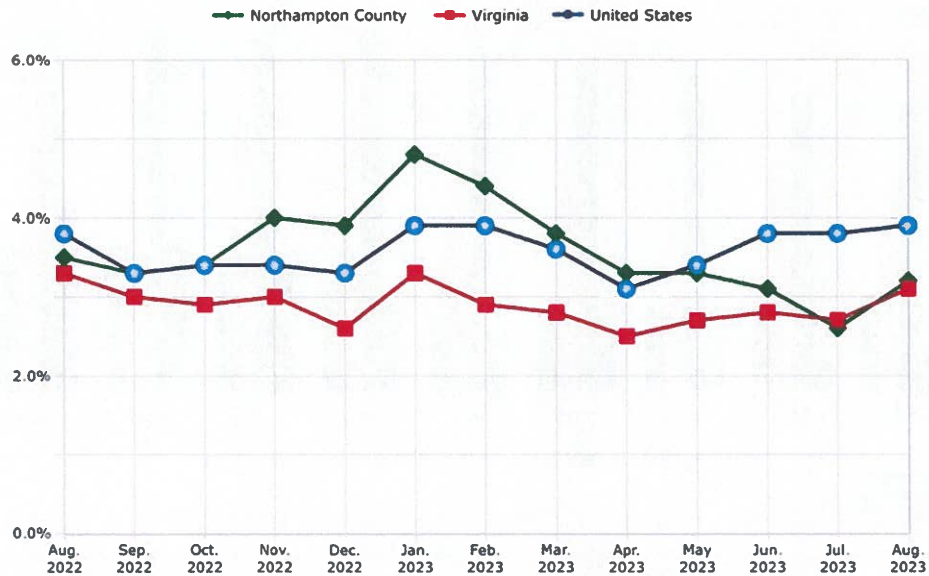
### Average Annual Unemployment Rates

	Northampton County	Virginia	United States
<b>2012</b>	9.1%	5.9%	8.1%
<b>2013</b>	8.9%	5.6%	7.4%
<b>2014</b>	7.4%	5.1%	6.2%
<b>2015</b>	6.0%	4.4%	5.3%
<b>2016</b>	5.7%	4.0%	4.9%
<b>2017</b>	5.6%	3.7%	4.4%
<b>2018</b>	5.4%	3.0%	3.9%
<b>2019</b>	4.4%	2.8%	3.7%
<b>2020</b>	8.1%	6.5%	8.1%
<b>2021</b>	5.2%	3.9%	5.3%
<b>2022</b>	3.5%	2.9%	3.6%

Source: Virginia Employment Commission



### Average Annual (past 12 months) Unemployment Rates



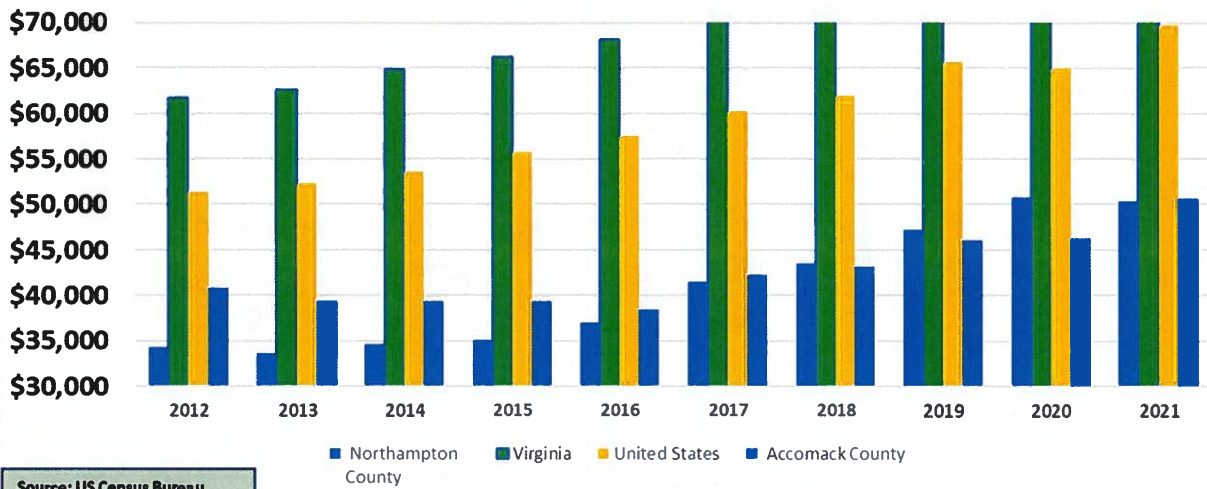
### INCOME

Median household income for Northampton County in 2021 was \$50,347, the latest census information available, vs. \$34,304 in 2012 or (46.85%) growth, outpacing the % change in Virginia (31.1%) & United States (35.7%) from 2012 to 2021. Median household income data for Northampton County, Virginia and the United States is as follows:

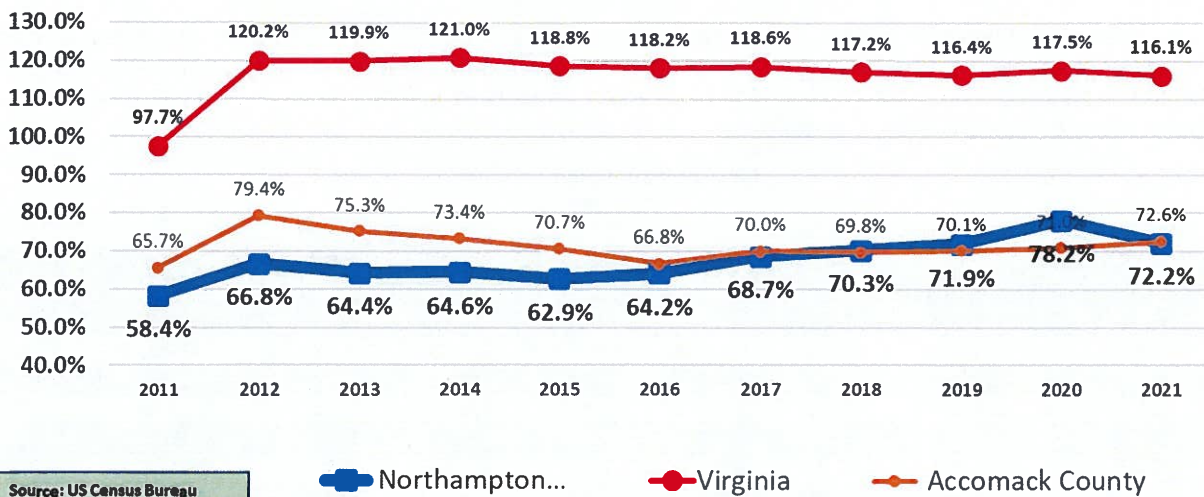
Median Household Income								
2012 - 2021								
Year	Northampton County	% Change	Accomack County	% Change	Virginia	% Change	United States	% Change
2012	\$34,304	-7.2%	\$40,780	-2.0%	\$61,741	-0.2%	\$51,371	-18.9%
2013	\$33,635	-2.0%	\$39,328	-3.6%	\$62,666	1.5%	\$52,250	1.7%
2014	\$34,656	3.0%	\$39,389	0.2%	\$64,902	3.6%	\$53,657	2.7%
2015	\$35,055	1.2%	\$39,412	0.1%	\$66,262	2.1%	\$55,775	3.9%
2016	\$37,011	5.6%	\$38,503	-2.3%	\$68,114	2.8%	\$57,617	3.3%
2017	\$41,468	18.3%	\$42,260	7.2%	\$71,535	8.0%	\$60,336	8.2%
2018	\$43,553	25.7%	\$43,210	9.7%	\$72,577	11.8%	\$61,937	15.4%
2019	\$47,227	34.7%	\$46,073	16.9%	\$76,456	15.4%	\$65,712	17.8%
2020	\$50,819	45.0%	\$46,178	17.2%	\$76,398	15.3%	\$64,994	16.5%
2021	\$50,347	43.6%	\$50,601	28.4%	\$80,963	22.2%	\$69,717	25.0%
% Change 2021 vs. 2012		46.8%			24.1%			31.1%
								35.7%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

## Median Household Income



## Median Household Income as a Percent of the United States



Source: [apps.bea.gov/regional/bearfacts/action.cfm](https://apps.bea.gov/regional/bearfacts/action.cfm)

## Employment

The following table reflects the breakdown of the 50 largest employers in Northampton County.

### 50 Largest Employers (FY23 rank)

- |  |   |
|--|---|
| 1. Northampton County Schools (1)                    | 26. Bay Creek Resort LLC (9)                      |
| 2. County of Northampton (2)                         | 27. Exxon Gas Station (32)                        |
| 3. Chesapeake Bay Bridge Tunnel (3)                  | 28. Cobb Heritage LLC (41)                        |
| 4. Ballard Fish & Oyster Company, Inc. (4)           | 29. Exmore Diner, Inc. <b>(New)</b>               |
| 5. Food Lion (6)                                     | 30. Aging Community Action (26)                   |
| 6. David's Nursery (5)                               | 31. Burger King (29)                              |
| 7. Eastern Shore Rural Health System (8)             | 32. Cherrystone Creek, LLC (21)                   |
| 8. New Ravenna Acquisition, LLC (7)                  | 33. Gingernut, LLC (30)                           |
| 9. Totalsource III (11)                              | 34. Town of Exmore (38)                           |
| 10. Nassawadox Rehabilitation & Nursing <b>(New)</b> | 35. It Melts The Cheese LLC (33)                  |
| 11. Tankard Nurseries (10)                           | 36. Riverside Regional Medical Center (42)        |
| 12. Broadwater Academy (14)                          | 37. Shore Stop Store (46)                         |
| 13. Tg Administration LLC <b>(New)</b>               | 38. Wescoat Nurseries Inc. <b>(New)</b>           |
| 14. Barrett Business Services, Inc. (23)             | 39. Ajs Bar & Grill <b>(New)</b>                  |
| 15. H M Terry Company, Inc. (18)                     | 40. Bio Medical Applications (44)                 |
| 16. Hardee's (19)                                    | 41. Cape Charles Brewing Company (36)             |
| 17. Royal Farms 79 (25)                              | 42. The Hungry Crab, LLC (16)                     |
| 18. J C Walker Brothers, Inc. (24)                   | 43. Bagwell Enterprises, Inc. (35)                |
| 19. Town of Cape Charles (20)                        | 44. Dominion Concrete Contract, Inc. <b>(New)</b> |
| 20. 16 Virginia Locations <b>(New)</b>               | 45. Hermitage Farms Nursery (50)                  |
| 21. Coastal Precast Systems (13)                     | 46. Rommel's Ace Home Center (43)                 |
| 22. A Friend In Need Home Care LP (28)               | 47. Bayford Seafarm LLC <b>(New)</b>              |
| 23. McDonald's (12)                                  | 48. Bredimus Landscape Services, LLC (49)         |
| 24. Rayfield's Pharmacy (27)                         | 49. Cape Charles Candy Company (47)               |
| 25. Postal Service (31)                              | 50. Smalls Smokehouse <b>(New)</b>                |

Source: *Virginia Employment Commission, Quarterly Census of Employment and Wages (CQEW), 1<sup>st</sup> Quarter 2023.*

### Not listed in 2023 list (FY22 rank)

- |                                    |  |
|------------------------------------|--|
| Lfc Agricultural Services Inc (15) | Nassawadox Opco LLC (17)                 |
| C&E Farms (22)                     | Nassawadox (34)                          |
| Norfolk Center YMCA (37)           | Virginia Department of Conservation (39) |
| Carahsoft Corporation (40)         | Great Machipongo Clam Shack (45)         |
| Cape Charles Yacht Center (48)     |  |



The following table reflects the breakdown of employment by industry in Northampton County for the quarters ending July 2018, October 2020, March 2021 and March 2022 & September 2023. The County employment levels have shrunk from July 2018 mostly due to affects in Agriculture, Forestry, Fishing & Hunting and Other Services. Additionally, jobs are still short of the pre-COVID recent high employment level of 4,393 by 441 overall jobs. Coastal Precast had a positive impact on manufacturing jobs posting 59 new positions since October 2020 partially filling the jobs that were negatively impacted with the departure of Bayshore Concrete. Additionally, there has not been a replacement for the void left by the relocation of Riverside Hospital causing a net loss of 465 jobs since 2016. Finally, Agriculture, Forestry, Fishing and Hunting is down 417 jobs since July 2018. Real Estate has been the largest growth industry since 2018, growing 53 jobs or 220%.

	July 2018		October 2020		March 2021		March 2022		March 2023		Change 23 vs. 22	Change vs. 2017 >
Industry	# Emp.	%	# Emp.	%	# Emp.	%	# Emp.	%	# Emp.	%		
Health Care and Social Assistance	506	11.52%	483	12.25%	505	13.04%	479	11.98%	485	12.27%	6	(21)
Local Government	848	19.30%	779	19.76%	784	20.24%	822	20.56%	815	20.62%	(7)	(33)
State Government	75	1.71%	78	1.98%	68	1.76%	73	1.83%	74	1.87%	1	(1)
Federal Government	34	0.77%	36	0.91%	33	0.85%	32	0.80%	35	0.89%	3	1
Agriculture, Forestry, Fishing and Hunting	1024	23.31%	689	17.47%	596	15.39%	627	15.68%	607	15.36%	(20)	(417)
Accommodation and Food Service	560	12.75%	458	11.62%	469	12.11%	517	12.93%	554	14.02%	37	(6)
Manufacturing	327	7.44%	212	5.38%	281	7.26%	273	6.83%	271	6.86%	(2)	(56)
Wholesale Trade	48	1.09%	41	1.04%	42	1.08%	40	1.00%	34	0.86%	(6)	(14)
Retail Trade	446	10.15%	397	10.07%	409	10.56%	403	10.08%	471	11.92%	68	25
Other Services (except Public Administration)	147	3.35%	104	2.64%	108	2.79%	121	3.03%	103	2.61%	(18)	(44)
Construction	92	2.09%	109	2.76%	111	2.87%	134	3.35%	120	3.04%	(14)	28
Educational Services	88	2.00%	82	2.08%	99	2.56%	100	2.50%	88	2.23%	(12)	0
Transportation and Warehousing	21	0.48%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	(21)
Finance and Insurance	63	1.43%	80	2.03%	85	2.19%	56	1.40%	63	1.59%	7	0
Administrative Support and Waste Management	47	1.07%	60	1.52%	54	1.39%	43	1.08%	48	1.21%	5	1
Professional, Scientific and Technical Service	37	0.84%	40	1.01%	58	1.50%	78	1.95%	65	1.64%	(13)	28
Real Estate and Rental & Leasing	24	0.55%	37	0.94%	44	1.14%	44	1.10%	77	1.95%	33	53
Unclassified	6	0.14%	258	6.54%	127	3.28%	157	3.93%	42	1.06%	(115)	36
<b>TOTAL</b>	<b>4,393</b>	<b>100.00%</b>	<b>3,943</b>	<b>100.00%</b>	<b>3,873</b>	<b>100.00%</b>	<b>3,999</b>	<b>100.00%</b>	<b>3,952</b>	<b>100.00%</b>	<b>(47)</b>	<b>(441)</b>
Government (Total)	957	21.78%	893	22.65%	885	22.85%	927	23.18%	924	23.38%	(3)	(33)
									Top 5		Bottom 5	

### Employers by Size of Establishment

	Northampton County	Virginia
0 to 4 employees	438	205,920
5 to 9 employees	69	40,431
10 to 19 employees	45	29,433
20 to 49 employees	30	21,922
50 to 99 employees	8	7,464
100 to 249 employees	4	3,802
250 to 499 employees	1	1,058
500 to 999 employees	0	375
1000 and over employees	0	261
	<b>595</b>	<b>310,666</b>

### Employment by Size of Establishment

	Northampton County	Virginia
0 to 4 employees	561	258,710
5 to 9 employees	454	268,292
10 to 19 employees	639	400,351
20 to 49 employees	977	661,002
50 to 99 employees	557	514,398
100 to 249 employees	536	560,830
250 to 499 employees	332	360,080
500 to 999 employees	0	258,794
1000 and over employees	0	703,506
	<b>4,056</b>	<b>3,985,963</b>

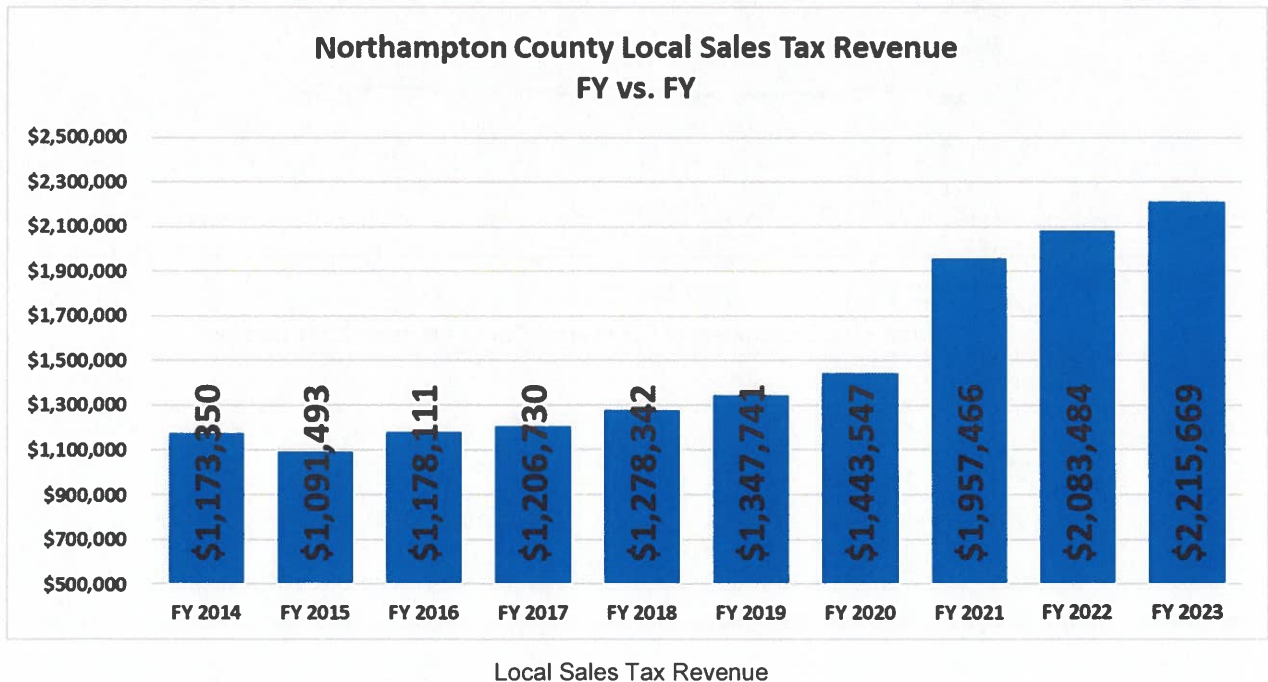
Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 1<sup>st</sup> Quarter 2023.

## Taxable Sales Revenue

Northampton County has experienced a fluctuation in taxable sales over the last ten years. In 2017 the County surpassed the pre-recession (2007) local sales tax revenue. Since 2013, sales tax revenues have been on an upward trend. Between FY2014 and FY2023, sales tax revenue increased 88.8%. A portion (approximately 13.10%) of the County's state sales tax is allocated to the local towns. The percentage of this allocation that each town receives is based on the school age population that resides in that township.



Mason Avenue - Downtown Cape Charles - At Altitude Gallery and Moonrise Jewelry storefronts



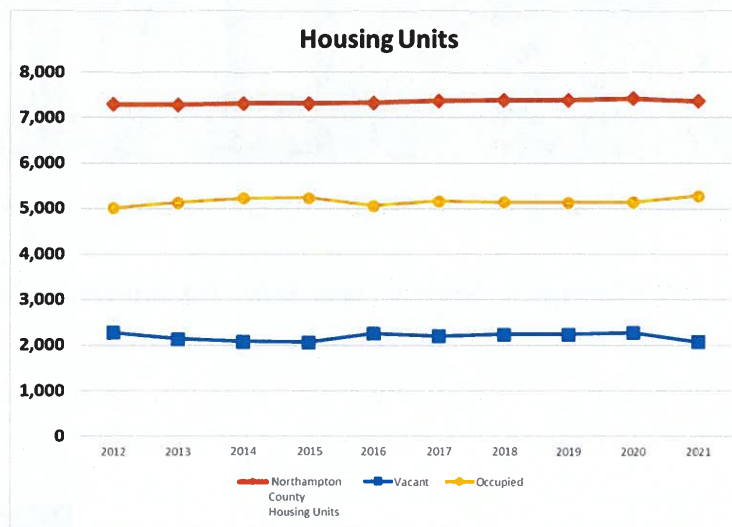


## Housing

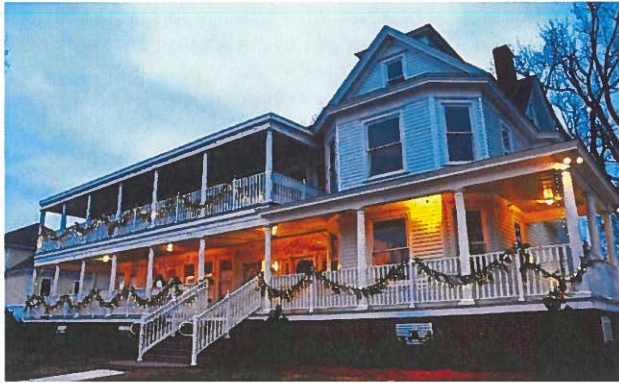
According to information from the U.S. Census Bureau in 2021 (most recent info available) there were 7,373 total housing units (including rental apartments) located in the County of Northampton, of which 5,292 were occupied. Of those occupied units, the following tables present data regarding their respective types of occupancy.

Of particular note, renter occupied units have increased by 28.3% since 2012 while owner occupied have declined by 4.8%. Additionally, vacant housing has decreased by 8.8% since 2012.

Year	Northampton County Housing Units	% Change	Vacant	% Change	Occupied	% Change	Owner Occupied	% Change	Renter Occupied	% Change
2012	7,307	0.1%	2,282	8.5%	5,025	-3.3%	3,487	-3.3%	1,538	-3.1%
2013	7,294	-0.2%	2,145	-6.0%	5,149	2.5%	3,533	1.3%	1,616	5.1%
2014	7,322	0.4%	2,085	-2.8%	5,237	1.7%	3,662	3.7%	1,575	-2.5%
2015	7,323	0.0%	2,075	-0.5%	5,248	0.2%	3,614	-1.3%	1,634	3.7%
2016	7,342	0.3%	2,267	9.3%	5,075	-3.3%	3,412	-5.6%	1,663	1.8%
2017	7,384	0.6%	2,207	-2.6%	5,177	2.0%	3,344	-2.0%	1,833	10.2%
2018	7,397	0.2%	2,246	1.8%	5,151	-0.5%	3,371	0.8%	1,780	-2.9%
2019	7,396	0.0%	2,248	0.1%	5,148	-0.1%	3,356	-0.4%	1,792	0.7%
2020	7,434	0.5%	2,283	1.6%	5,151	0.1%	3,244	-3.3%	1,907	6.4%
2021	7,373	-0.8%	2,081	-8.8%	5,292	2.7%	3,318	2.3%	1,974	3.5%
% Change 2021 vs. 2012		0.9%		-8.8%		5.3%		-4.8%		28.3%



Source: U.S. Department of Commerce, Census Bureau, 2021 Census



Northampton Hotel, Cape Charles

The County's dependence on Real Estate property tax revenue has stabilized in recent years. For FY23 property tax revenue generated 42.66% compared to FY22 46.32%, FY21 50.19%, of General Fund revenues, 54.01% in FY20, 54.96 in FY19, 55.27% in FY18, 55.27% in FY17 and 56.27% in FY16.

## Travel and Tourism

Tourism remains one of the County's primary industries due to its location between the Atlantic Ocean and the Chesapeake Bay. According to the Virginia Tourism Corporation, 2022 figures indicate that direct travel expenditures on the Eastern Shore exceeded \$296.6 million (\$81.1M Northampton), an average of \$812k per day for the Eastern Shore, with a 36.19% increase in Northampton visitor spending from 2020. Northampton tourism jobs increased 19.90% from 2020 with a corresponding 39.53% in tourism payroll. The growth in Tourism spending helped make Northampton County the fastest recovering tourism locality in Virginia from 2019 to 2021 at 40.9%. Major tourism spots on the Eastern Shore of Virginia include



Cape Charles Beach and Historic District, Assateague Island National Seashore, Chincoteague National Wildlife Refuge, Kiptopeke State Park, the Eastern Shore National Wildlife Refuge and the NASA/Wallops Island Visitor Center.



1984. The Commission's mission is to advertise, promote, and market the two counties as a vacation destination and is funded jointly by each County. Additional funding is provided by



Northampton County's tourism program is directed by the Eastern Shore of Virginia Tourism Commission, a joint commission created by the Boards of Supervisors of Accomack and Northampton Counties in deductible patronships. Beginning in FY08, Northampton County raised the transient occupancy tax on lodging from 2% to 5% and dedicated the additional 3% to fund tourism programs within the County. A portion of the funding is ear-marked for capital projects related to tourism within the County. Since FY09, a portion of these funds have been released as part of a local competitive grant program. The Eastern Shore Tourism Commission adopted a strategy for tourism on the Eastern Shore of Virginia. The stated vision includes transforming Virginia's Eastern Shore into a well-known brand used to market everything from the tourism experience to farm produce and shellfish. The

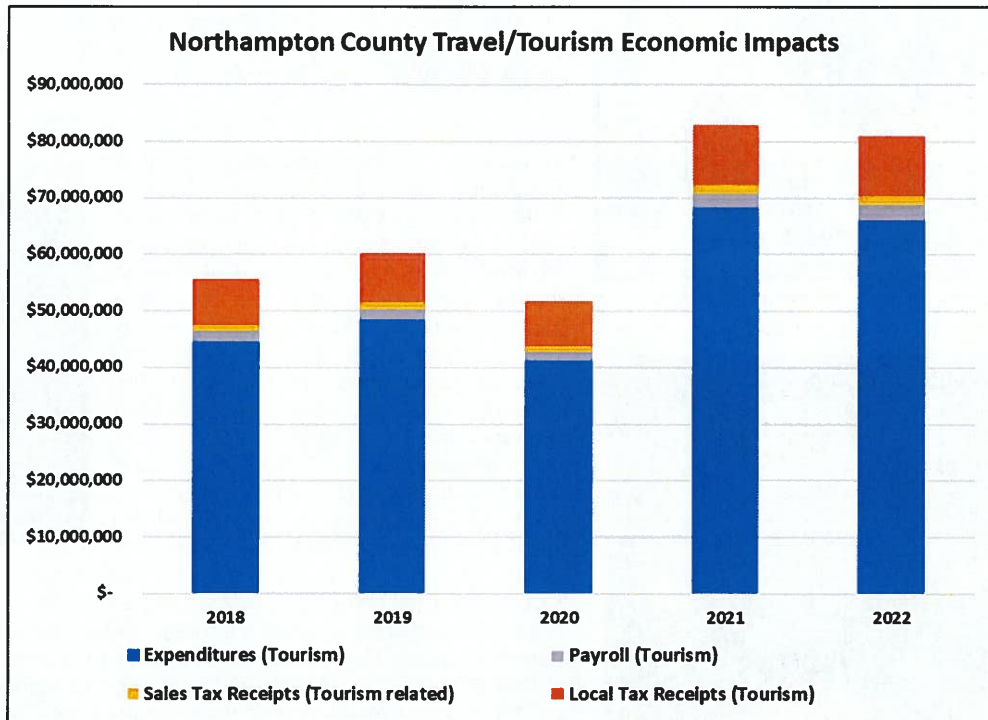




vision would also promote the Eastern Shore of Virginia as an environmental beacon, where family farms and historic villages co-exist with a teeming fishery, rich oyster and clam beds, and a vast wilderness of marsh and barrier islands of global ecological significance. The Tourism Commission intends to promote the development of a high dollar-low impact tourism industry which plays to the natural strengths of the Shore, including its uniqueness. The Tourism Commission would encourage a vibrant tourist industry including eco-tourism, agri-tourism, and historical tourism to generate economic opportunities that capitalize on the special qualities of the Shore.

Accomack & Northampton Direct Travel/Tourism Economic Impacts							
Accomack	2018	2019	2020	2021	2022	% Change	% change (2020 vs. 2022)
Employment (Tourism)	1,224	1,247	1,133	1,291	1,331	3.10%	14.88%
Expenditures (Tourism)	\$ 126,327,818	\$ 134,724,240	\$ 118,198,249	\$ 168,525,308	\$ 166,361,350	-1.28%	28.95%
Local Tax Receipts (Tourism)	\$ 27,303,862	\$ 29,765,200	\$ 28,350,038	\$ 36,190,615	\$ 38,725,479	7.00%	26.79%
Payroll (Tourism)	\$ 5,427,701	\$ 5,783,784	\$ 5,056,006	\$ 6,365,680	\$ 6,471,101	1.66%	21.87%
Sales Tax Receipts (Tourism related)	\$ 3,097,266	\$ 3,313,844	\$ 2,732,660	\$ 3,695,277	\$ 3,903,926	5.65%	30.00%
Total Tourism \$	\$ 162,156,647	\$ 173,587,068	\$ 154,336,953	\$ 214,776,880	\$ 215,461,856	0.32%	28.37%
	\$ 444,265	\$ 475,581	\$ 422,841	\$ 588,430	\$ 590,306	/ Day	
Northampton	2018	2019	2020	2021	2022	% Change	% change (2020 vs. 2022)
Employment (Tourism)	341	352	310	376	387	2.93%	19.90%
Expenditures (Tourism)	\$ 44,576,667	\$ 48,462,726	\$ 41,156,800	\$ 68,272,530	\$ 65,996,977	-3.33%	37.64%
Local Tax Receipts (Tourism)	\$ 8,043,051	\$ 8,579,356	\$ 7,921,501	\$ 10,523,696	\$ 10,674,160	1.43%	25.79%
Payroll (Tourism)	\$ 1,851,933	\$ 2,004,177	\$ 1,714,875	\$ 2,573,880	\$ 2,835,828	10.18%	39.53%
Sales Tax Receipts (Tourism related)	\$ 1,119,161	\$ 1,209,677	\$ 972,176	\$ 1,599,377	\$ 1,615,389	1.00%	39.82%
Total Tourism \$	\$ 55,590,812	\$ 60,255,936	\$ 51,765,352	\$ 82,969,483	\$ 81,122,354	-2.23%	36.19%
	\$ 152,304	\$ 165,085	\$ 141,823	\$ 227,314	\$ 222,253	/ Day	
Combined (Accomack/Northampton)	2018	2019	2020	2021	2022	% Change	% change (2020 vs. 2022)
Employment (Tourism)	1,565	1,599	1,443	1,667	1,718	3.06%	16.01%
Expenditures (Tourism)	\$ 170,904,485	\$ 183,186,966	\$ 159,355,049	\$ 236,797,838	\$ 232,358,327	-1.87%	31.42%
Local Tax Receipts (Tourism)	\$ 35,346,913	\$ 38,344,556	\$ 36,271,539	\$ 46,714,311	\$ 49,399,639	5.75%	26.58%
Payroll (Tourism)	\$ 7,279,634	\$ 7,787,961	\$ 6,770,881	\$ 8,939,560	\$ 9,306,929	4.11%	27.25%
Sales Tax Receipts (Tourism related)	\$ 4,216,427	\$ 4,523,521	\$ 3,704,836	\$ 5,294,654	\$ 5,519,315	4.24%	32.88%
Total Tourism \$	\$ 217,747,459	\$ 233,843,004	\$ 206,102,305	\$ 297,746,363	\$ 296,584,210	-0.39%	30.51%
	\$ 596,568	\$ 640,666	\$ 564,664	\$ 815,743	\$ 812,559	/ Day	

Source: Virginia Tourism Corporation



## **Long-Term Financial Planning and Major Initiatives**

In January 2018, a new Board of Supervisors took office. The Board is in the process of adopting new strategic goals for the County through a Strategic Plan process. For the calendar year 2019, the Board adopted a list of priorities to govern the work plan for the County staff and the development of the Fiscal Year 2023 budget; the list is provided below.

- Fund required resources to complete all elements of the Comprehensive Plan (consultant, advertising, public meetings, Future Land Use Map (FLUM)) - Completed
- Secure internal and external resources needed to update zoning ordinances (legal compliance, use definitions, districts and performance) – In process
- Continue to work with the Architect, Woolpert, to determine structural/programming needs in order to enhance the Northampton County High/Middle School – Ongoing
- Analyze, prioritize, and fund capital projects for County-owned assets (forecast 3-year plan)
- Supplement as possible the General Assembly budget funding for education and Compensation Board staff - Ongoing
- Evaluate funding alternatives for infrastructure expansion within the County and Towns - Ongoing
- Implement the plan for expansion of the Bayview Waste Collection Site – In process
- Fill and maintain authorized staff levels - Ongoing
- Use grant funding to complete Brownfield studies and make recommendations based on results - Ongoing
- Support new business initiatives with timely responses to planning and permitting
- Equitable pay for all employees
- Required Capital enhancements to meet County needs
- Maintain existing equipment/assets in proper working order
- Increase collection % rates on Current Year Taxes due
- Maximize return on investment on County Cash balances
- Continue the program to demolish dangerous structures

## **Vision and Mission Statement**

The mission of the Northampton County Government is to provide the necessary services to protect the health, safety, welfare, environment and quality of life of our citizens consistent with the communities' values and priorities. This mission is accomplished by encouraging citizen involvement, by preserving the County's fiscal stability, traditional values and unity of our people through the implementation of effective and efficient government programs; consensus building; managing the County's natural, cultural, and historic resources; planning for the future; and representing citizen needs and desires to other levels of government.

## **Relevant Financial Policies**

The adopted fund balance policy states that unassigned fund balance should not fall below 10% of the combined operating expenditures of the General, Social Services, Eastern Shore Regional Jail and School Operating Funds (less interfund transfers). In addition, as a condition of its bond with the Virginia Resource Authority (VRA), the County pledges to maintain its General Fund unassigned fund balance equal to a minimum of \$4,200,000 for FY2013 and annually thereafter through the term of the Lease with VRA through 2033.

At June 30, 2023, the unassigned general fund balance was \$15,395,940 (\$3,234,133 increase from FY22) or 29.66% of combined operating expenditures as outlined above. The increase was due in part to \$1,187,265 of America Rescue Plan Act dollars transferred to the General Fund, increased interest earnings of \$1,263,320 vs. FY22 \$96,063 and an additional \$857,271 in Property Tax & Other Local Tax revenues vs. budget. This compares to FY22 decrease of \$2,005,522 or 22.90%, FY21 increase of \$2,484,342 or 31.55%, FY20 increase of \$187,832 or 27.05% and FY19 \$1,160,075 increase from FY18 or 27.68%. If at any time the unassigned fund balance falls below the minimum acceptable amount of 10% of combined budget expenditures, appropriate action will be taken by the Board to either increase revenues or reduce expenditures in the current fiscal year in order to bring the next year's fund balance amount to an acceptable level. The adopted Debt Service Policy established a limit of 4% of total outstanding debt (FY23 ended at 2.97%, beneath the 4% limit) as a percentage of assessed value of real estate. The ratio of debt service expenditures as a percent of governmental fund expenditures is similarly limited to 12% (FY23 ended at 10.86%, below the 12% threshold).

On November 9, 2021, Northampton County participated in the issuance of \$37,790,000 par bonds that provided \$42,000,000 in project (Northampton Middle/High School Enhancement and HVAC improvements at Kiptopeke & Occohannock Elementary Schools) proceeds. The Elementary School projects were completed in the fall of 2022. The Middle/High School project re-bid in summer of 2023 with only one bidder for a total of \$98,853,500. The School Enhancement Committee worked with the bidder to try and find an educationally sound, affordable solution. On November 15<sup>th</sup> the Board of Supervisors approved a Resolution to award a construction contract to M. B. Kahn for \$81,300,000. With the above additional debt load, Financial Advisor Davenport projects that Northampton County will maintain compliance with all current debt requirements. Additionally, the current financing plan does not have a projected Real Estate Tax increase or additional Debt requirement. The above-mentioned bonds were issued during the Virginia Public School Authority (VPSA) 2021 fall pool.

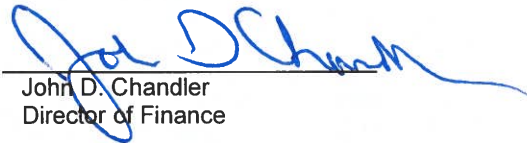
This report reflects the results of the Board of Supervisors' strong financial policies. The Board's support and cooperation in planning and conducting the financial operations of the County is acknowledged and appreciated.

We also acknowledge and extend special recognition to the staffs of the Finance, Treasurer's and County Administration departments for their efficient and dedicated service to the County. Their efforts to maintain the accounting and financial reporting system of the County have led to the high quality of information being reported to the Board of Supervisors and citizens of the County, as well as present and potential investors.

Respectfully submitted,



Charles Kolakowski  
County Administrator



John D. Chandler  
Director of Finance



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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**To the Honorable Members of the Board of Supervisors  
County of Northampton  
Northampton, 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 Northampton, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Northampton, Virginia's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

***Change in Accounting Principle***

As described in Note 22 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. 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.



## ***Responsibilities of Management for the Financial Statements (Continued)***

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 Northampton, 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 Northampton, 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 Northampton, 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 Northampton, 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 does 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 4, 2023, on our consideration of County of Northampton, 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 Northampton, 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 Northampton, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Richmond, Virginia  
December 4, 2023

## Management's Discussion and Analysis

As management of the County of Northampton (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages ix through xxiii of this report.

In early spring of 2020, our community began to feel the impacts of COVID-19 on our citizens and employees. The crisis hit our area before many other parts of the Commonwealth began to feel the impacts. Fortunately, the County continued to provide all government services. During FY22, all County services remained open and available to the public. During FY22 and throughout FY23 the County saw continued rebound in many revenue areas including, Sales Tax, 1% School Sales Tax, Transient Occupancy Tax (TOT), Food Tax and Recordation Taxes. This was most likely fueled by the large increase in the number of people who have visited or relocated to Northampton County during and post the pandemic. Additionally, the County received \$727,300 in USDA ARPA Grant funding during FY23 for an EMS Quick Response Vehicle & replacement of the HVAC system in Occohannock Elementary School's food & medical related areas. Finally, due to the impact on local county government, the County spent the second round of America Recovery Act (ARPA) proceeds, in the amount of \$1,137,265. The first tranche of America Rescue Plan Act (ARPA) funding in the amount of \$1,137,265 was spent during FY22.

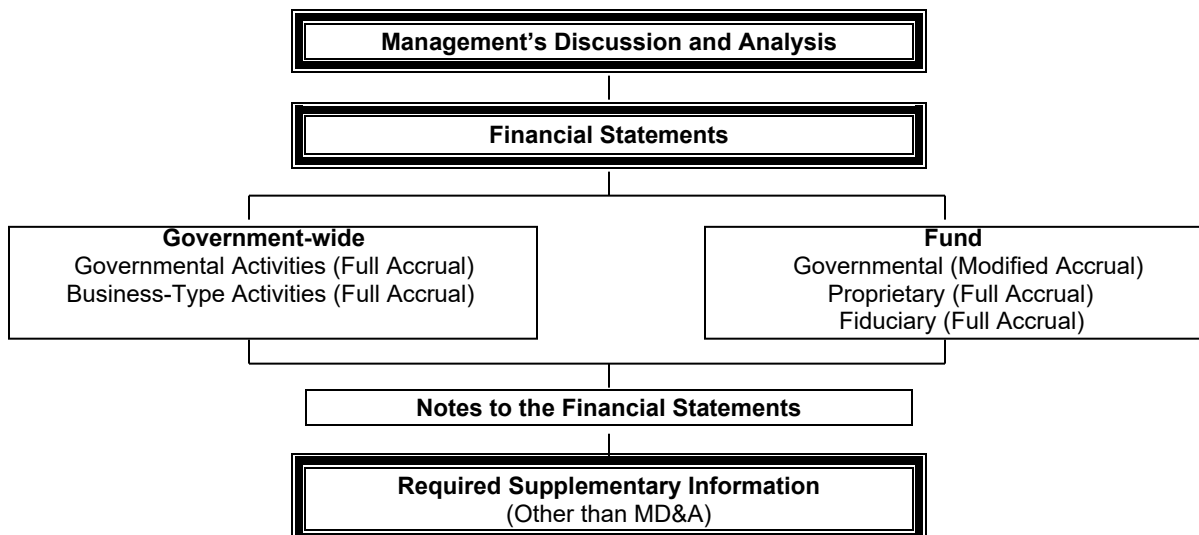
### Financial Highlights

- The assets of the County of Northampton (primary government) exceeded its liabilities at the close of the most recent fiscal year by \$51,694,927 (*net assets*) a \$12,845,334 increase from FY22. The County's net investment in capital assets increased from \$20,161,411 to \$24,143,469. Unrestricted net assets increased by \$10,403,403 to \$23,270,915 from \$12,867,512 in FY22.
- At June 30, 2023, the Unassigned General Fund balance was \$15,35,940 or 29.66% of actual operating expenditures as defined by the County's fund balance policy. Total General fund balance increased by \$3,234,133 from FY 22. This was partly due to tax proceeds above budget of \$487,659 in property taxes, ARPA proceeds and \$369,612 above budget in Other Local Taxes.
- On a government-wide basis for governmental activities, the County had expenses net of program revenues of \$26,477,621 which was \$1,826,812 more than the FY22 net of \$24,650,809.
- On a government-wide basis for business-type activities the County had revenues net of program expenses of \$89,716 vs. FY22 \$83,793.

### Using the Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report consists of four sections: introductory, financial, statistical, and compliance. As illustrated in the chart below, the financial section of this report has three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

#### Components of the Financial Section



The County's financial statements present two different kinds of statements (government-wide and fund), with two different approaches and views of the County's finances. The government-wide statements provide information on the overall financial status of the County. This method is more comparable to the method used in private industry. The fund financial statements focus on the individual funds of the County government, reporting the operations in more detail than the government-wide statements. When presented in a single report, both perspectives allow the user to address relevant questions, broaden the basis for comparison, and enhance the County's accountability.

### **Government-wide Financial Statements**

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. These statements include all assets and liabilities using the accrual method of accounting. All of the year's revenue and expenses are taken into account regardless of when the cash is received or paid.

The two government-wide statements, the Statement of Net Assets and the Statement of Activities, report the County's net assets and changes in them. The County's net assets can be thought of as the difference between assets and liabilities, which is one way to measure the County's financial position. Over time, increases and decreases in net assets can be one indicator that the County's financial health is improving or deteriorating.

The Statement of Net Assets presents information on all the County's assets and liabilities. As discussed earlier, the difference between assets and liabilities is reported as net assets. Net assets are presented in three categories: net investment in capital assets, restricted, and unrestricted. To accurately use changes as an indicator of the County's financial health, the factors that contribute to the increases and decreases must be analyzed. Other factors such as the County's tax rate, changes in the property tax base, and the condition of capital assets must also be considered when using the Statement of Net Assets as a financial indicator.

The Statement of Activities provides information on how the net assets changed during the year. Since the government-wide financial statements use the accrual method of accounting, changes in net assets are recognized when an event occurs, regardless of the timing of cash. This will result in revenues and expenses being reported in this statement for some items that will not impact cash flow until a later time in another fiscal period.

The Statement of Net Assets and the Statement of Activities are divided into the following types of activities:

- Governmental Activities: These activities are supported primarily by property taxes and report the County's basic services such as general and judicial administration, public safety, parks and recreation, and community development.
- Business-Type Activities: These activities charge fees to customers to help cover the costs of the service. The County's Public Utilities Fund is its only business-type activity at the current time.
- Component Units: The Northampton County Public School Board is a component unit of the County. Component units are legally separate entities, but are reported in the County's financial statements because the County is financially accountable and provides operating and capital funding.

## **Fund Financial Statements**

Fund financial statements are the traditional governmental financial statements. They focus on the most significant funds instead of the County as a whole. Northampton County operates three types of funds.

- Governmental Funds: The governmental funds report most of the County's basic services. The governmental funds serve essentially the same function as the governmental activities in the government-wide financial statements. The governmental fund financial statements focus on near-term cash flows and the amount of spendable resources available at the end of the fiscal year. It provides the reader a short-term view of the financial position. Since the information provides a narrow focus, the government-wide statements will provide additional information. Reconciliation from the fund statements is provided to facilitate this comparison.
- Proprietary Funds: There are two types of proprietary funds: Enterprise Funds and Internal Service Funds. Enterprise funds report the same functions as the business-type activities in the government-wide financial statements. Internal service funds account for the goods and services provided by one department or agency to other departments or agencies of the County. The County of Northampton currently has one Enterprise Fund and no Internal Service Funds.
- Fiduciary Funds: Fiduciary funds are used to report assets held in trustee capacity for others and cannot be used to support the government's own programs. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets for several scholarships, the Eastern Shore of Virginia 911 Commission, NC Tourism Grant, ESVA Broadband Authority, EDA, Inmate Custodial and Special Welfare are held in fiduciary funds. These fiduciary activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-107 of this report.

## **Other Information**

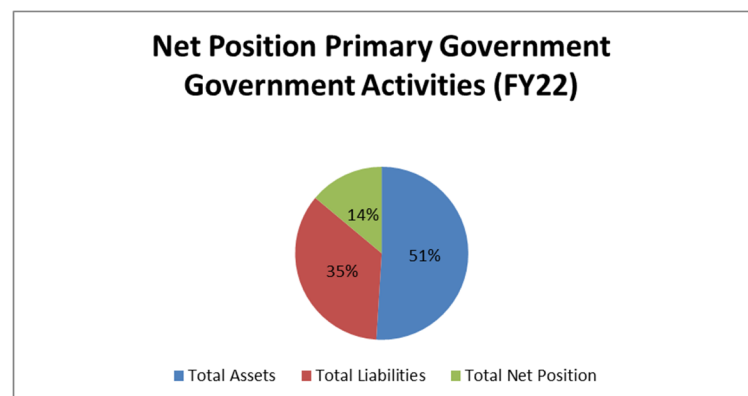
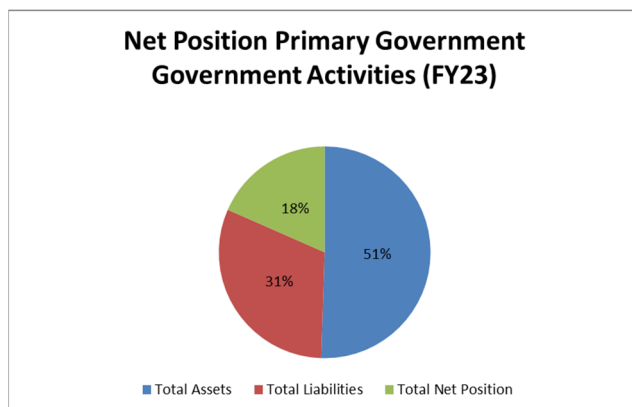
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Northampton County's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 108-130 of this report.

The combining statements in connection with non-major governmental funds are presented immediately following the required supplementary information on pension and other post-employment benefit plans. Combining and individual fund statements and schedules can be found on pages 131-144 of this report.

## Government-wide Financial Analysis

The following table presents the condensed Statement of Net Position:

Northampton County, VA Summary Statement of Net Position						
	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		School Board	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 85,654,845	\$ 91,609,417	\$ 281,714	\$ 204,853	\$ 8,036,560	\$ 10,547,520
Capital Assets (net)	56,303,075	50,667,338	98,283	95,221	11,289,684	11,289,708
<b>Total Assets</b>	<b>\$ 141,957,920</b>	<b>\$ 142,276,755</b>	<b>\$ 379,997</b>	<b>\$ 300,074</b>	<b>\$ 19,326,244</b>	<b>\$ 21,837,228</b>
Deferred outflows of resources	\$ 1,845,244	\$ 2,475,886	\$ 4,167	\$ 8,378	\$ 3,150,564	\$ 3,694,907
Long-term Liabilities	\$ 83,213,537	\$ 87,573,043	\$ 3,965	\$ 6,856	\$ 13,436,903	\$ 12,021,094
Other Liabilities	4,120,349	10,244,040	5,835	9,823	2,272,851	7,842,424
<b>Total Liabilities</b>	<b>\$ 87,333,886</b>	<b>\$ 97,817,083</b>	<b>\$ 9,800</b>	<b>\$ 16,679</b>	<b>\$ 15,709,754</b>	<b>\$ 19,863,518</b>
	\$ 4,774,351	\$ 8,085,965	\$ 5,083	\$ 12,208	\$ 3,919,130	\$ 8,301,618
Deferred inflows of resources						
<b>Net Assets:</b>						
Net investment in capital assets	\$ 24,143,469	\$ 20,161,411	\$ 98,283	\$ 95,221	\$ 11,289,684	\$ 11,289,708
Restricted	4,280,543	5,820,670	2,780	7,989	-	-
Unrestricted	23,270,915	12,867,512	268,218	176,355	(8,441,760)	(13,922,709)
<b>Total Net Assets</b>	<b>\$ 51,694,927</b>	<b>\$ 38,849,593</b>	<b>\$ 369,281</b>	<b>\$ 279,565</b>	<b>\$ 2,847,924</b>	<b>\$ (2,633,001)</b>



The Primary Government's governmental combined net assets increased by \$12,845,334, from \$38,849,593 to \$51,694,927. The Primary Government's governmental unrestricted net assets increased from \$12,867,512 to \$23,270,915. This was largely due to a \$10,403,403 change in Unrestricted Assets plus increases in Property Tax & Other Tax revenues, Interest income, and Grant revenue netting a total increase of 18.6% from FY22, while expenses only increased around 5%. Due to billings from usage charges and the delay of the completion of ongoing capital improvements, the proprietary fund ended the year with assets and deferred outflows in excess of its liabilities by \$369,281.

The following table presents the condensed statement of changes in net position:

Northampton County, VA Summary Statement of Changes in Net Assets						
	Primary Government				Component Unit	
	Governmental Activities		Business-type Activities		School Board	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues						
Charges for Service	\$ 2,597,244	\$ 2,330,500	\$ 228,050	\$ 208,075	\$ 192,791	\$ 183,719
Operating Grants & Contributions	9,111,395	9,241,923	-	-	17,007,039	18,484,274
Capital Grants & Contributions	-	-	-	-	-	-
General Revenues						
Real Estate & Personal Property Taxes	23,118,826	20,561,841	-	-	-	-
Other Taxes	7,280,040	6,752,303	-	-	-	-
Unrestricted Revenue from use of money and property	3,280,005	259,681	-	-	61,554	-
Grants and Contributions not restricted to specific programs	3,067,980	1,876,084	-	-	-	-
Miscellaneous	955,117	144,101	-	-	534,622	518,268
Transfers	1,620,987	1,864,481	-	4,901	10,026,561	9,213,825
<b>Total Revenues</b>	<b>\$ 51,031,594</b>	<b>\$ 43,030,914</b>	<b>\$ 228,050</b>	<b>\$ 212,976</b>	<b>\$ 27,822,567</b>	<b>\$ 28,400,086</b>
<b>Expenses:</b>						
General Administration	\$ 3,702,772	\$ 2,992,729	\$ -	\$ -	\$ -	\$ -
Judicial Administration	1,083,789	524,342	-	-	-	-
Public Safety	12,393,961	11,792,717	-	-	-	-
Public Works	4,856,616	4,555,377	-	-	-	-
Public Utilities	-	-	138,334	129,183	-	-
Health & Welfare	3,238,555	2,975,568	-	-	-	-
Education	9,252,169	9,158,147	-	-	22,341,642	22,424,522
Parks, Recreation, and Cultural	623,441	75,080	-	-	-	-
Community Development	1,299,852	2,498,128	-	-	-	-
Interest on long-term debt	1,735,105	1,651,144	-	-	-	-
<b>Total Expenses</b>	<b>\$ 38,186,260</b>	<b>\$ 36,223,232</b>	<b>\$ 138,334</b>	<b>\$ 129,183</b>	<b>\$ 22,341,642</b>	<b>\$ 22,424,522</b>
<b>Change in Net Assets</b>	<b>\$ 12,845,334</b>	<b>\$ 6,807,682</b>	<b>\$ 89,716</b>	<b>\$ 83,793</b>	<b>\$ 5,480,925</b>	<b>\$ 5,975,564</b>
<b>Net Assets, Beginning, As Restated</b>	<b>38,849,593</b>	<b>32,041,911</b>	<b>279,565</b>	<b>195,772</b>	<b>(2,633,001)</b>	<b>(8,608,565)</b>
<b>Net Assets, Ending</b>	<b>\$ 51,694,927</b>	<b>\$ 38,849,593</b>	<b>\$ 369,281</b>	<b>\$ 279,565</b>	<b>\$ 2,847,924</b>	<b>\$ (2,633,001)</b>

### Revenues

For the fiscal year ended June 30, 2023, revenues generated by the Primary Government's governmental activities totaled \$51,031,594. General property taxes, the County's largest revenue source, were \$23,118,826, a 12.44% increase vs. FY22. Included in this total are real and personal property levies, which are due on December 5<sup>th</sup> each year. The real estate tax rate for FY23 was \$0.76 per \$100 of assessed value. The FY22 tax rate was \$0.835.

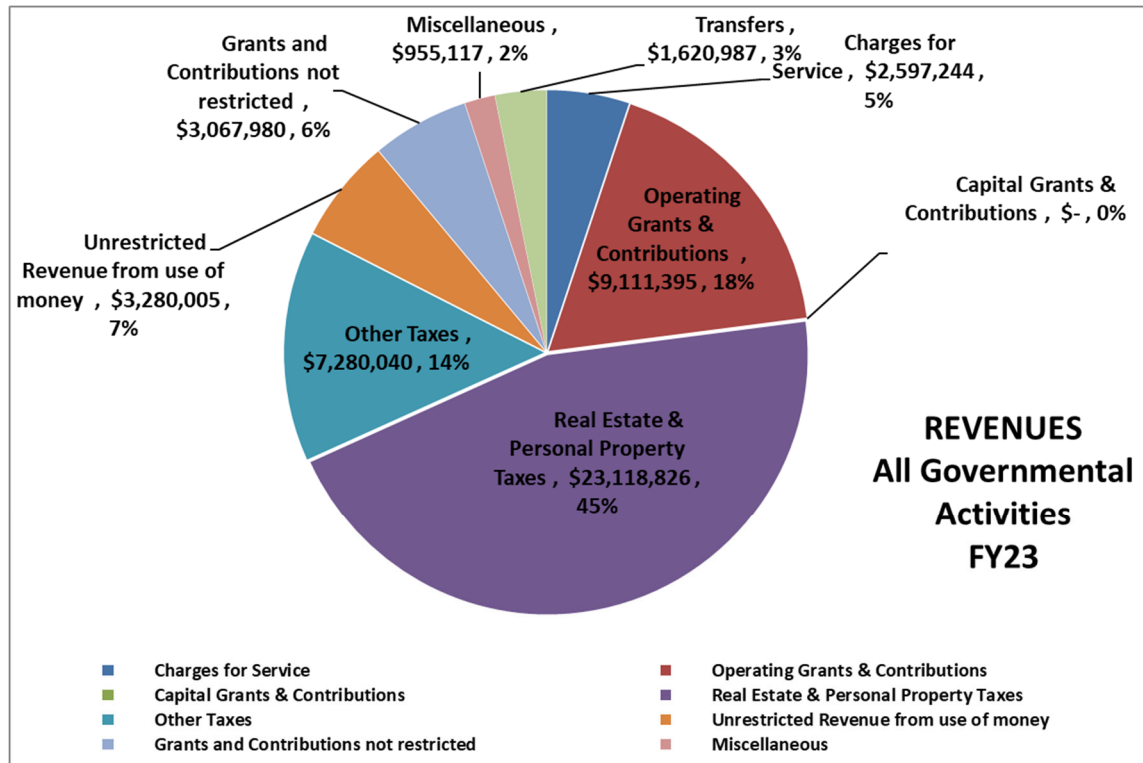
FY23 continues to reflect the changes in the Personal Property Tax Relief Act (PPTRA) that were approved by the General Assembly in 2005. This legislation capped the amount localities receive from the state. The new legislation established a fixed amount to be provided to localities for funding tax relief for vehicles valued at less than \$20,000. The new PPTRA became effective with the 2006 tax year and is based on the amount collected for 2004 taxes through December 2005. The total amount Northampton County receives under the new program is \$1,421,967. This amount enabled the County to provide car tax relief of 44.0% up to the first \$20,000 in value for FY23.

The other local tax category includes sales tax, consumer utilities tax, motor vehicle licenses, occupancy tax, recordation tax, and food and beverage tax. This category of income reflects an overall increase of \$527,737 from the previous year, totaling \$7,280,040 in FY23. This increase was mostly due to increases in Sales & the 1% School Tax approved via Referendum in November 2019 and the addition of the new Cigarette Tax totaling \$363,051. Other changes included \$30,765 decrease in Recordation taxes from decreased real estate transactions and a \$14,859 increase in Food Tax revenue.



Program revenues are derived from the program itself and reduce the cost of the function to the County. Total program revenues for governmental activities were \$11,708,639. Program revenues in the governmental funds include a "charges for services" category that totaled \$2,597,244, charges for waste disposal, recreation programs, and building permits. Also included in Program Revenues are Operating and Capital Grants and Contributions.

The remaining \$9,111,395 is mostly made up of interest income, transfers, Grants and Contributions that were not restricted.



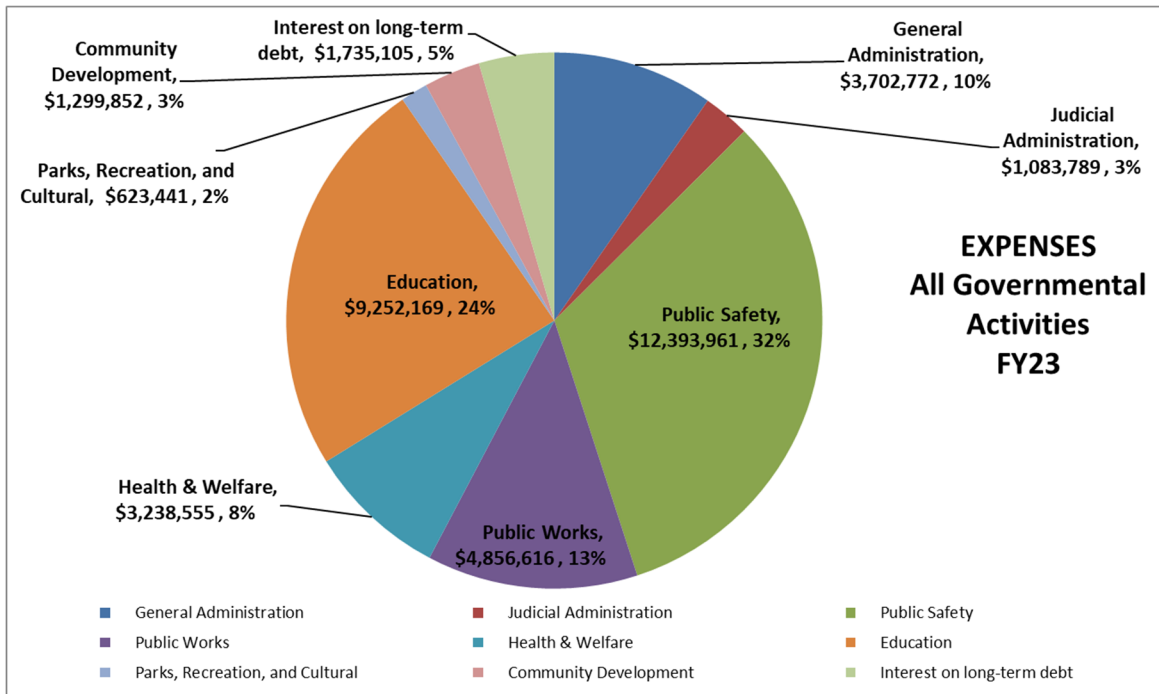
## Expenses

For the fiscal year ended June 30, 2023, expenses for governmental activities totaled \$38,186,260, an increase of \$1,963,028 from FY22. For FY23, interest expense on long-term debt was \$1,735,105, an increase of \$83,961 from FY22 due to 2019 & 2021 VPSA debt. Increases in Public Safety, General Administration, Judicial & Parks, Recreation & Cultural accounted for most of the increase.

The County's health insurance plan was stable for FY23 as rates from The Local Choice resulted in no increase in annual premiums. There was a 10% increase in rates for FY24. The County's FY23 contribution was unchanged at \$6,492 per participating employee and \$1,500 for wellness program participants. The employer contribution into the Virginia Retirement System increased from 8.89% in FY22 to 9.19% during FY23. Additionally, for FY24, the County approved a 1.85% Enhanced multiplier for Hazardous Duty Positions with other VRS I or II employees continuing to receive a 1.7%. Hybrid employees will continue to receive a 1.0% multiplier. The new County wide contribution rate for FY24 is 10.34% of the employee's salary.

Community Development expenses decreased vs. FY22 by \$1,198,276, mostly due reduced payments for Broadband VATI Grant expansion which was awarded in FY22.

The County's Proprietary Fund expenses reflected a total of \$138,334, a \$9,151 increase compared to FY22. Even with level rates for Bayview customers who do not exceed the minimum 4,000-gallon usage, the County received revenue of \$228,050, a \$19,975 increase vs. FY22, creating a \$89,716 surplus which will be used to continue to minimize the effect of large capital needs on the rates charged to customers in Bayview.



## Financial Analysis of the Government's Funds

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

For the fiscal year ended June 30, 2023, the County's governmental funds reflect a combined fund balance of \$79,176,283, most of which is restricted, committed or assigned for specific purposes such as capital outlay and debt service. This is an increase of \$1,177,021, mostly due to progress on the High/Middle School Enhancement Project, Community Center and Occohannock & Kiptopeke HVAC enhancements. Fund balance in the General Fund increased by \$3,234,133. The increase was due to increases in General and Other Local Taxes, receipt of a \$727,300 USDA Grant and use of ARPA funds for EMS salaries.

When fund balance is used, it can be identified under two categories: one-time, capital items and operational budget funding. Historically, fund balance has not been utilized to support the operational departmental Budget; however, the Board of Supervisors determined that the use of fund balance to assist in the budget development was in keeping with their financial policies and goals to maintain a reasonable tax structure while staying in guidelines of its adopted policy.

The Social Service and School Funds have not historically accumulated a separate fund balance (except for sick leave liability, a small amount designated for scholarships, etc.); therefore, general fund balance must be sufficient to cover unexpected cash flow needs and lagging revenue collections in those funds when necessary. For Fiscal Year 2023, the Board took the following actions:

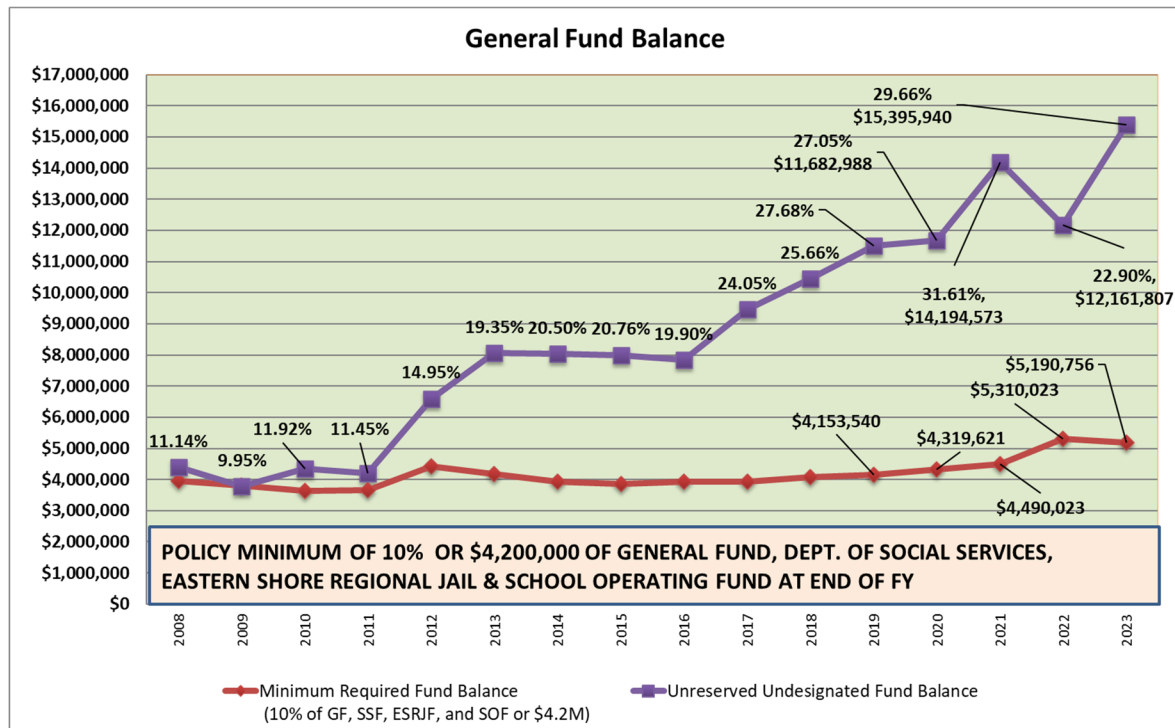
Any remaining unspent appropriations in the School Operating Fund for FY23 shall be transferred to the School Capital Fund (Fund 395) and shall be utilized for funding projects in the adopted School's Capital Improvement Plan.

In the event that there are Local revenues in excess of expenditures at the end of future years, the governing body shall consider the future use of said funds after consultation with the Northampton County School Board and prior to any appropriation of same.

Fund Balances in the capital project funds fluctuated with the issuance of new debt and the on-going project expenses of each fund.

In the General Fund, unassigned fund balance is \$15,395,940 with a total fund balance of \$15,414,616 compared to \$12,165,127 for FY22, a \$3,234,133 increase in unassigned fund balance. In August 2013, the Board of Supervisors revised the fund balance policy which increased the minimum level of acceptable unassigned General Fund balance from 8% to 10% of the combined actual operating expenditures of the

General Fund, Department of Social Service Fund, Eastern Shore Regional Jail Fund and School Operating Funds (net of interfund transfers). At June 30, 2023, the unassigned General Fund balance increased from 22.90% of actual operating expenditures as defined in the policy in FY22 to FY23's total of 29.66%. If at any time the unassigned fund balance falls below the minimum acceptable amount, appropriate action will be taken by the Board to either increase revenues or reduce expenses in the current fiscal year in order to bring the next year's fund balance amount to an acceptable level.



## General Fund Budgetary Highlights

Differences between the original operating budget and the final operating budget resulted in a net increase of \$189,461 in additional appropriations. Highlights General Fund budget amendments (those in excess of \$50,000) are as follows:

- Increase the new Cigarette Tax to reflect anticipated revenues \$200,000
- True up 1% School Sales Tax to equal actual collections \$216,431
- True up Transient Occupancy Tax to equal actual collections \$130,496
- Donation of Real Estate (former Cape Charles Rescue – dissolved) in Cheriton \$870,800
- Transfers due to vacancy savings in the ESRJ to Sheriff Department \$121,018
- Virginia General Assembly awarded \$2,000,000's to Northampton County in FY22 as a contribution to create a Community Center in the former Middle School. During FY23 the County used the remaining \$1,045,446.
- Library of Virginia Grant to Clerk of Court \$64,600
- Virginia Housing Grant – Roll forward from FY22 \$50,000
- EMS Workforce Project Grant \$377,401
- USDA Grant – Occohannock medical/food distribution areas HVAC enhancement, EMS Ambulance & Quick Response Vehicle (QRV) – FY22 roll forward \$727,300
- USDA Grant – EMS Education facility & Food preparation equipment/furniture at Northampton Middle/High School \$1,000,000
- ARPA General Fund Amendments \$1,064,594
- ARPA (LATCF) General Fund Amendments \$50,000
- ESPL – Heritage Center – Roll-forward FY22 \$100,000
- Transfer from Fund 310 Capital Fund to provide sources for FY22 Roll-forward projects \$1,922,338
- Sheriff – FY22 Roll-forward unspent vacancy savings \$143,263
- Northampton local portion – ESVA 911 Radio Project \$291,774
- ESVA 911 Radio Project – Move to Fund 370 in order to manage (\$8,245,000)

## Capital Assets

The County of Northampton's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$56,303,075 (net of accumulated depreciation) while business -type activities were \$98,283. This investment in capital assets includes land, construction in progress, buildings and systems, improvements, machinery and equipment, harbor, and park facilities.

### Northampton County, VA Primary Government Change in Capital Assets

	Balance 30-Jun-22	Net Increase/ (Decrease)	Balance 30-Jun-23
Governmental Activities:			
Non-Depreciable Assets:			
Land and Land Improvements	\$ 2,540,007	\$ 400,800	\$ 2,940,807
Construction in Progress	4,385,705	1,019,820	5,405,525
Jointly Construction in Progress	\$ 15,922,898	\$ 4,907,785	\$ 20,830,683
Other Capital Assets			
Buildings	\$ 48,909,344	\$ 397,600	\$ 49,306,944
Furniture & Other Equipment	6,413,578	695,997	7,109,575
Improvements other than Buildings	3,380,979	1,023,024	4,404,003
Jointly Owned Improvements	2,649,642	(1,136,336)	1,513,306
Right-to-use lease asset	56,565	241,799	298,364
Less: Accumulated Depreciation	<u>(33,591,380)</u>	<u>(1,914,752)</u>	<u>(35,506,132)</u>
Net Capital Assets	<u>\$ 50,667,338</u>	<u>\$ 5,635,737</u>	<u>\$ 56,303,075</u>

School Board capital assets are jointly owned by the County (Primary Government) and the Component Unit (School Board) for as long as the County owes general obligation debt on such assets. The County reports depreciation on these assets as an element of its share of the costs of the public school system. Readers desiring more detailed information on capital asset activity should refer to Note 5 on pages 46-49 in the notes to the financial statements.

## Long-Term Debt

The County operates debt service funds for debt associated with the school system and other general debt including the County Complex, Regional Jail, Landfill Closure and Transfer Station. Funding for the repayment of school debt comes directly from the County's General Fund. For the remaining debt, debt service is funded in accordance with a plan developed by the County's financial advisors. The County is currently contributing to a debt service fund which is designed to cover all current and future debt service anticipated as part of the County's Capital Improvement Plan. For FY24, in accordance with the plan, \$0.215 cents of the real estate property tax levy billed would go toward debt. Based on actual FY23 collections \$0.229 of the real estate levy was transferred to this fund to adequately cover the required debt service. Revenues in the General Debt Service Fund are generated through a combination of the special tax levy, growth in the existing tax base; savings achieved through the bond program and rent payments from the department of Social Services for their new building.

The County and School occasionally uses short-term lease-purchase financing (capital leases) to acquire large equipment items as approved in the annual operating budget process. During fiscal year 2023, the School Board did not enter into any new leases. Buses and Equipment were paid through the School Capital fund and will be reimbursed with equal payments over the next five years.

The Constitution of Virginia, Article VII, Section 10, and the Public Finance Act provide the authority for a County to issue General Obligation (GO) Debt with no limit on the amount of GO Debt that a County may issue. The Northampton County Board of Supervisors adopted a local policy during FY05 which states that the ratio of debt service expenditures as a percentage of governmental fund expenditures should not exceed 12%. For FY23, this ratio was 10.49% vs. 7.715% in FY22. The policy also set a limit for total outstanding debt at no more than 4% of the assessed value of real estate. For FY23, this ratio was approximately 2.63% vs. 3.16% in FY22. The change is mostly due to the addition of \$410,945,975 in Taxable Assessed values.

All debt secured by the general obligation of the County must be approved by the Board of Supervisors and a public referendum, with the exception of Virginia Public School Authority (VPSA) Bonds and State Literary Fund Loans which do not need approval by referendum.

The Primary Government's outstanding debt at July 1, 2023 is as follows:

<b>General</b>		
USDA Loans	\$	514,909
Leases		54,920
Subscription Liability		108,636
2012 Bond VRA Refinancing B		<u>8,225,000</u>
<b>Subtotal</b>	<b>\$</b>	<b>8,903,465</b>
<b>Schools</b>		
Lease-Purchase Obligations (School Operating Fund)	\$	0
2006 QZAB		0
Literary Loans		0
2012 VPSA Gen. Obligation School Bond		580,000
2019 VPSA Gen. Obligation School Bond		24,040,000
2021 VPSA Gen. Obligation School Bond		<u>37,790,000</u>
<b>Subtotal</b>	<b>\$</b>	<b>62,410,000</b>
<b>Grand Total</b>	<b>\$</b>	<b><u>71,313,465</u></b>

Additional information on the County's long-term debt can be found in Note 7 on pages 51-56 of this report.

## Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to John Chandler, Finance Director [jchandler@co.northampton.va.us](mailto:jchandler@co.northampton.va.us), P O Box 66, Eastville, VA 23347, telephone 757-678-0440 ext. 550 or visit the County's web site at [www.co.northampton.va.us](http://www.co.northampton.va.us).

Statement of Net Position  
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Cash and investments	\$ 27,659,956	\$ 278,403	\$ 27,938,359	\$ 6,322,970
Receivables (net of allowance for uncollectibles):				
Taxes receivable	1,833,050	-	1,833,050	-
Accounts receivable	772,464	531	772,995	166,962
Interest receivable	830	-	830	124
Lease receivable	341,029	-	341,029	113,453
Due from other governmental units	1,424,520	-	1,424,520	1,068,776
Prepaid items	26,850	-	26,850	-
Restricted assets:				
Cash and cash equivalents (in custody of others)	1,747,778	-	1,747,778	-
Investments (in custody of others)	50,735,504	-	50,735,504	-
Net pension asset	1,112,864	2,780	1,115,644	364,275
Capital assets (net of accumulated depreciation):				
Land	2,940,807	-	2,940,807	373,276
Buildings and improvements	21,826,145	-	21,826,145	3,813,488
Improvements other than buildings	2,610,839	35,613	2,646,452	838,736
Machinery and equipment	2,524,267	3,806	2,528,073	1,363,390
Construction in progress	26,236,208	58,864	26,295,072	4,900,794
Subscription asset	110,291	-	110,291	-
Lease buildings and improvements	51,678	-	51,678	-
Lease machinery and equipment	2,840	-	2,840	-
Total assets	\$ 141,957,920	\$ 379,997	\$ 142,337,917	\$ 19,326,244
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 1,522,337	\$ 3,141	\$ 1,525,478	\$ 2,549,832
OPEB related items	322,907	1,026	323,933	600,732
Total deferred outflows of resources	\$ 1,845,244	\$ 4,167	\$ 1,849,411	\$ 3,150,564
<b>LIABILITIES</b>				
Accounts payable	\$ 1,391,058	\$ 5,332	\$ 1,396,390	\$ 495,930
Accrued liabilities	1,566,731	503	1,567,234	1,774,478
Accrued interest payable	1,113,800	-	1,113,800	-
Unearned revenue	48,760	-	48,760	2,443
Long-term liabilities:				
Due within one year	3,104,838	-	3,104,838	41,898
Due in more than one year	80,108,699	3,965	80,112,664	13,395,005
Total liabilities	\$ 87,333,886	\$ 9,800	\$ 87,343,686	\$ 15,709,754
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related items	\$ 1,768,337	\$ 2,550	\$ 1,770,887	\$ 2,925,378
OPEB related items	667,331	2,533	669,864	881,782
Deferred revenue - leases related	322,353	-	322,353	111,970
Deferred revenue - property taxes	44,465	-	44,465	-
Deferred revenue - jail phone	195,769	-	195,769	-
Deferred revenue - gain on refunding	1,776,096	-	1,776,096	-
Total deferred inflows of resources	\$ 4,774,351	\$ 5,083	\$ 4,779,434	\$ 3,919,130
Total liabilities net of deferred outflow of resources	\$ 87,378,351	\$ 9,800	\$ 87,388,151	\$ 15,709,754
<b>NET POSITION</b>				
Invested in capital assets, net of				
Net investment in capital assets	\$ 23,244,428	\$ 98,283	\$ 23,342,711	\$ 11,289,684
Restricted:				
Forfeited assets	63,657	-	63,657	-
CDBG projects	85,504	-	85,504	-
Purchase of development rights	11,446	-	11,446	-
Net pension asset	1,112,864	2,780	1,115,644	364,275
School construction	1,259,294	-	1,259,294	-
Debt service and bond covenants	1,747,778	-	1,747,778	-
Unrestricted (deficit)	24,169,956	268,218	24,438,174	(8,806,035)
Total net position	\$ 51,694,927	\$ 369,281	\$ 52,064,208	\$ 2,847,924

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

COUNTY OF NORTHAMPTON, VIRGINIA

Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 3,702,772	\$ 30,754	\$ 283,674	\$ -
Judicial administration	1,083,789	285,281	602,968	-
Public safety	12,393,961	1,213,215	6,831,449	-
Public works	4,856,616	961,120	-	-
Health and welfare	3,238,555	-	2,317,204	-
Education	9,252,169	36,766	-	-
Parks, recreation, and cultural	623,441	70,108	242,459	-
Community development	1,299,852	-	15,950	-
Interest on long-term debt	1,735,105	-	-	-
Total governmental activities	\$ 38,186,260	\$ 2,597,244	\$ 10,293,704	\$ -
Business-type activities:				
Public utilities	\$ 138,334	\$ 228,050	\$ -	\$ -
Total business-type activities	\$ 138,334	\$ 228,050	\$ -	\$ -
Total primary government	\$ 38,324,594	\$ 2,825,294	\$ 10,293,704	\$ -
COMPONENT UNIT:				
School Board	\$ 22,341,642	\$ 192,791	\$ 17,007,039	\$ -
Total component unit	\$ 22,341,642	\$ 192,791	\$ 17,007,039	\$ -
General revenues and transfers:				
General property taxes				
Local sales and use tax				
Communication sales tax				
Consumer utility tax				
Motor vehicle licenses				
Restaurant food taxes				
Hotel and motel room taxes				
Other local taxes				
Unrestricted revenues from use of money				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Payment from Northampton County				
Payment from Northampton County School Board				
Total general revenues				
Change in net position				
Net position - beginning				
Net position (deficit) - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (3,388,344)	\$ -	\$ (3,388,344)	\$ -
(195,540)	-	(195,540)	-
(4,349,297)	-	(4,349,297)	-
(3,895,496)	-	(3,895,496)	-
(921,351)	-	(921,351)	-
(9,215,403)	-	(9,215,403)	-
(310,874)	-	(310,874)	-
(1,283,902)	-	(1,283,902)	-
(1,735,105)	-	(1,735,105)	-
<u>\$ (25,295,312)</u>	<u>\$ -</u>	<u>\$ (25,295,312)</u>	<u>\$ -</u>
\$ -	\$ 89,716	\$ 89,716	\$ -
\$ -	\$ 89,716	\$ 89,716	\$ -
<u>\$ (25,295,312)</u>	<u>\$ 89,716</u>	<u>\$ (25,205,596)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (5,141,812)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,141,812)</u>
\$ 23,118,826	\$ -	\$ 23,118,826	\$ -
4,332,100	-	4,332,100	-
363,051	-	363,051	-
329,972	-	329,972	-
358,248	-	358,248	-
425,037	-	425,037	-
1,011,360	-	1,011,360	-
460,272	-	460,272	-
3,280,005	-	3,280,005	61,554
955,117	-	955,117	534,622
1,885,671	-	1,885,671	-
-	-	-	10,026,561
1,620,987	-	1,620,987	-
<u>\$ 38,140,646</u>	<u>\$ -</u>	<u>\$ 38,140,646</u>	<u>\$ 10,622,737</u>
\$ 12,845,334	\$ 89,716	\$ 12,935,050	\$ 5,480,925
38,849,593	279,565	39,129,158	(2,633,001)
<u>\$ 51,694,927</u>	<u>\$ 369,281</u>	<u>\$ 52,064,208</u>	<u>\$ 2,847,924</u>



COUNTY OF NORTHAMPTON, VIRGINIA

Balance Sheet  
Governmental Funds  
June 30, 2023

	General	Eastern Shore Regional Jail	Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 14,848,621	\$ 279,248	\$ -
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,833,050	-	-
Accounts receivable	759,486	9,923	-
Lease receivable	341,029	-	-
Interest receivable	830	-	-
Due from other governmental units	1,104,675	216,242	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	-	-	488,484
Investments	-	-	-
Total assets	\$ 18,887,691	\$ 505,413	\$ 488,484
<b>LIABILITIES</b>			
Accounts payable	\$ 769,982	\$ 159,522	\$ 26,850
Accrued liabilities	431,644	150,122	-
Reconciled overdraft payable	-	-	-
Retainage payable	108,069	-	-
Unearned revenue	-	-	-
Total liabilities	\$ 1,309,695	\$ 309,644	\$ 26,850
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	\$ 1,676,548	\$ -	\$ -
Unavailable revenue - opioid settlement	164,479	-	-
Unavailable revenue - jail phone	-	195,769	-
Unavailable revenue - leases	322,353	-	-
Total deferred inflows of resources	\$ 2,163,380	\$ 195,769	\$ -
<b>FUND BALANCES</b>			
Nonspendable	\$ 18,676	\$ -	\$ -
Restricted	-	-	461,634
Committed	-	-	-
Assigned	-	-	-
Unassigned	15,395,940	-	-
Total fund balances	\$ 15,414,616	\$ -	\$ 461,634
Total liabilities, deferred inflows of resources and fund balances	\$ 18,887,691	\$ 505,413	\$ 488,484

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

Exhibit 3

Capital Projects	American Rescue Plan Act	Other Governmental Funds	Total
\$ 12,197,303	\$ 46,760	\$ 298,771	\$ 27,670,703
-	-	-	1,833,050
-	-	3,055	772,464
-	-	-	341,029
-	-	-	830
-	-	103,603	1,424,520
-	-	26,850	26,850
1,259,294	-	-	1,747,778
50,735,504	-	-	50,735,504
<u>\$ 64,192,101</u>	<u>\$ 46,760</u>	<u>\$ 432,279</u>	<u>\$ 84,552,728</u>
\$ 359,635	\$ 750	\$ 74,319	\$ 1,391,058
-	-	85,924	667,690
-	-	10,747	10,747
790,972	-	-	899,041
-	46,010	2,750	48,760
<u>\$ 1,150,607</u>	<u>\$ 46,760</u>	<u>\$ 173,740</u>	<u>\$ 3,017,296</u>
\$ -	\$ -	\$ -	\$ 1,676,548
-	-	-	164,479
-	-	-	195,769
-	-	-	322,353
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,359,149</u>
\$ -	\$ -	\$ 26,850	\$ 45,526
50,844,191	-	133,757	51,439,582
12,197,303	-	-	12,197,303
-	-	97,932	97,932
-	-	-	15,395,940
<u>\$ 63,041,494</u>	<u>\$ -</u>	<u>\$ 258,539</u>	<u>\$ 79,176,283</u>
<u>\$ 64,192,101</u>	<u>\$ 46,760</u>	<u>\$ 432,279</u>	<u>\$ 84,552,728</u>

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	79,176,283
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$	91,809,207	
Accumulated depreciation		<u>(35,506,132)</u>	56,303,075

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue or not reported in the funds.

Unavailable revenue - property taxes	\$	1,632,083	
Unavailable revenue - opioid settlement		164,479	
Net pension asset		<u>1,112,864</u>	2,909,426

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

Pension related items	\$	1,522,337	
OPEB related items		<u>322,907</u>	1,845,244

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

Bonds and loans payable	\$	(78,501,501)	
Accrued interest payable		(1,113,800)	
Net OPEB liability		(1,194,409)	
Lease liability		(54,920)	
Subscription liability		(108,636)	
Landfill post-closure liability		(2,327,434)	
Compensated absences		<u>(1,026,637)</u>	(84,327,337)

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

Pension related items	\$	(1,768,337)	
OPEB related items		(667,331)	
Gain on refunding		<u>(1,776,096)</u>	(4,211,764)

Net position of governmental activities			<u>\$</u>	<u>51,694,927</u>
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The notes to the financial statements are an integral part of this statement.

COUNTY OF NORTHAMPTON, VIRGINIA

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

	General	Eastern Shore Regional Jail	Debt Service
<b>REVENUES</b>			
General property taxes	\$ 22,461,183	\$ -	\$ -
Other local taxes	7,280,040	-	-
Permits, privilege fees, and regulatory licenses	251,351	-	-
Fines and forfeitures	234,806	-	-
Revenue from the use of money and property	1,271,564	-	23,775
Charges for services	1,999,511	61,917	-
Miscellaneous	928,416	-	-
Recovered costs	375,251	5,888	160,483
Intergovernmental:			
Local government	-	-	-
Commonwealth	5,198,247	2,351,255	-
Federal	807,367	-	-
Total revenues	<u>\$ 40,807,736</u>	<u>\$ 2,419,060</u>	<u>\$ 184,258</u>
<b>EXPENDITURES</b>			
Current:			
General government administration	\$ 2,723,048	\$ -	\$ -
Judicial administration	1,000,182	-	-
Public safety	8,190,346	4,887,065	-
Public works	5,682,946	-	-
Health and welfare	751,048	-	-
Education	9,604,166	-	-
Parks, recreation, and cultural	578,555	-	-
Community development	1,880,599	-	-
Capital projects	-	-	-
Debt service:			
Principal retirement	111,428	-	4,453,500
Interest and other fiscal charges	4,913	-	2,827,322
Total expenditures	<u>\$ 30,527,231</u>	<u>\$ 4,887,065</u>	<u>\$ 7,280,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 10,280,505</u>	<u>\$ (2,468,005)</u>	<u>\$ (7,096,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,501,070	\$ 2,629,602	\$ 5,127,014
Transfers out	(8,600,570)	(161,597)	-
Issuance of notes payable	-	-	-
Issuance of leases	68,484	-	-
Total other financing sources (uses)	<u>\$ (7,031,016)</u>	<u>\$ 2,468,005</u>	<u>\$ 5,127,014</u>
Net change in fund balances	\$ 3,249,489	\$ -	\$ (1,969,550)
Fund balances - beginning	12,165,127	-	2,431,184
Fund balances - ending	<u>\$ 15,414,616</u>	<u>\$ -</u>	<u>\$ 461,634</u>

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

Exhibit 5

Capital Projects	American Rescue Plan Act	Other Governmental Funds	Total
\$ -	\$ -	\$ -	\$ 22,461,183
-	-	-	7,280,040
-	-	-	251,351
-	-	-	234,806
2,015,420	-	-	3,310,759
-	-	18,905	2,080,333
-	-	26,701	955,117
-	-	-	541,622
1,620,987	-	-	1,620,987
-	-	790,644	8,340,146
192,900	1,191,255	1,483,228	3,674,750
<u>\$ 3,829,307</u>	<u>\$ 1,191,255</u>	<u>\$ 2,319,478</u>	<u>\$ 50,751,094</u>
\$ -	\$ -	\$ -	\$ 2,723,048
-	-	260	1,000,442
-	-	-	13,077,411
-	-	-	5,682,946
-	-	2,510,045	3,261,093
70,000	-	-	9,674,166
-	-	-	578,555
-	3,990	105,190	1,989,779
4,491,565	-	124,789	4,616,354
-	-	-	4,564,928
-	-	-	2,832,235
<u>\$ 4,561,565</u>	<u>\$ 3,990</u>	<u>\$ 2,740,284</u>	<u>\$ 50,000,957</u>
<u>\$ (732,258)</u>	<u>\$ 1,187,265</u>	<u>\$ (420,806)</u>	<u>\$ 750,137</u>
\$ 2,829,291	\$ -	\$ 559,217	\$ 12,646,194
(2,544,554)	(1,187,265)	(152,208)	(12,646,194)
358,400	-	-	358,400
-	-	-	68,484
<u>\$ 643,137</u>	<u>\$ (1,187,265)</u>	<u>\$ 407,009</u>	<u>\$ 426,884</u>
\$ (89,121)	\$ -	\$ (13,797)	\$ 1,177,021
63,130,615	-	272,336	77,999,262
<u>\$ 63,041,494</u>	<u>\$ -</u>	<u>\$ 258,539</u>	<u>\$ 79,176,283</u>

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

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

Net change in fund balances - total governmental funds	\$	1,177,021
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	\$	8,631,245	
Depreciation expense		<u>(2,789,734)</u>	5,841,511

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(379,089)
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The following is a summary of items supporting this adjustment:

(Increase) decrease in unavailable opioid settlement	164,479	
(Increase) decrease in unavailable property taxes	<u>657,643</u>	822,122

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

Issuance of long-term obligations	\$	(426,884)	
Principal payments		4,564,928	
(Increase) decrease in landfill post-closure liability		<u>(154,326)</u>	3,983,718

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.

Change in compensated absences	\$	(156,947)	
OPEB expense		108,402	
Pension expense		511,949	
Amortization of gain on refunding		197,344	
Amortization of bond issuance premiums		429,697	
(Increase) decrease in accrued interest payable		<u>309,606</u>	1,400,051

Change in net position of governmental activities	\$	<u><u>12,845,334</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position  
Proprietary Fund  
June 30, 2023

	Enterprise Fund Public Utilities Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 278,403
Accounts receivable	531
Total current assets	<u>\$ 278,934</u>
Noncurrent assets:	
Net pension asset	<u>\$ 2,780</u>
Capital assets:	
Machinery and equipment	\$ 42,497
Improvements other than buildings	38,851
Construction in progress	58,864
Less accumulated depreciation	(41,929)
Total capital assets	<u>\$ 98,283</u>
Total noncurrent assets	<u>\$ 101,063</u>
Total assets	<u><u>\$ 379,997</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related items	\$ 3,141
OPEB related items	1,026
Total deferred outflows of resources	<u>\$ 4,167</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 5,332
Accrued liabilities	503
Total current liabilities	<u>\$ 5,835</u>
Noncurrent liabilities:	
Net OPEB liabilities	<u>\$ 3,965</u>
Total noncurrent liabilities	<u>\$ 3,965</u>
Total liabilities	<u>\$ 9,800</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related items	\$ 2,550
OPEB related items	2,533
Total deferred inflows of resources	<u>\$ 5,083</u>
<b>NET POSITION</b>	
Investment in capital assets	\$ 98,283
Restricted related to net pension asset	2,780
Unrestricted	268,218
Total net position	<u><u>\$ 369,281</u></u>

Some amounts reported for business-type activities in the statement of net assets (Exhibit 1) are different because certain internal service fund assets and liabilities are included with business type activities.

Net assets of business-type activities

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

## Statement of Revenues, Expenses, and Changes in Net Position

## Proprietary Fund

For the Year Ended June 30, 2023

	Enterprise Fund Public Utilities Fund
<b>OPERATING REVENUES</b>	
Charges for services:	
Water revenues	\$ 78,133
Wastewater revenues	147,609
Miscellaneous	2,308
Total operating revenues	\$ 228,050
<b>OPERATING EXPENSES</b>	
Personnel	\$ 22,842
Fringe benefits	6,560
Contractual services	71,026
Depreciation	4,438
Other charges	33,468
Total operating expenses	\$ 138,334
Operating income (loss)	\$ 89,716
Change in net position	\$ 89,716
Net position - beginning	279,565
Net position - ending	\$ 369,281

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



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

	Enterprise Fund Public Utilities Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 228,394
Payments to suppliers	(108,482)
Payments to and for employees	(29,998)
Net cash provided by (used for) operating activities	\$ 89,914
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	\$ (7,500)
Net cash provided by (used for) capital and related financing activities	\$ (7,500)
Net increase (decrease) in cash and cash equivalents	\$ 82,414
Cash and cash equivalents - beginning	195,989
Cash and cash equivalents - ending	\$ 278,403
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 89,716
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	\$ 4,438
(Increase) decrease in accounts receivable	344
(Increase) decrease in deferred outflows of resources	4,211
(Increase) decrease in net pension asset	5,209
Increase (decrease) in accounts payable	(2,323)
Increase (decrease) in accrued liabilities	(1,665)
Increase (decrease) in net OPEB liabilities	(2,752)
Increase (decrease) in deferred inflows of resources	(7,125)
Increase (decrease) in compensated absences	(139)
Total adjustments	\$ 198
Net cash provided by (used for) operating activities	\$ 89,914

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2023

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,010,790
Accounts receivable	362,511
Due from other governmental units	11,827
Total assets	\$ <u>2,385,128</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 41,404
Accrued liabilities	103,936
Reconciled overdraft payable	252,954
Total liabilities	\$ <u>398,294</u>
<b>NET POSITION</b>	
Restricted for:	
Individuals	\$ 251,070
Other organizations	634,934
Other governments	1,100,830
Total net position	\$ <u><u>1,986,834</u></u>

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

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Other governmental entities	\$ 3,401,153
Participant fees	629,207
Miscellaneous	154,531
State grants	156,366
Investment earnings:	
Interest and dividends	3,605
Total additions	\$ <u>4,344,862</u>
<b>DEDUCTIONS</b>	
Recipient payments	\$ 340,284
Payments for professional services	346,415
Grants to other organizations	185,404
Payments for other charges	190,218
Payments for capital outlay	65,635
Payments for personnel	2,628,290
Purchases of supplies	108,398
Total deductions	\$ <u>3,864,644</u>
Net increase (decrease) in fiduciary net position	\$ <u>480,218</u>
Net position - beginning	\$ <u>1,506,616</u>
Net position - ending	\$ <u><u>1,986,834</u></u>

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

The financial statements of the County of Northampton, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia and 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.

#### Financial Statement Presentation

##### Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The exception to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. 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 unit. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Unit Disclosures**

*Blended Component Unit.* The County has no blended component units to be included for the fiscal year ended June 30, 2023.

*Discretely Presented Component Units.* The Seven School Board members are elected by the voters of Northampton County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2023.

# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### **C. Other Related Organizations Included in the County's Financial Report**

None

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

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

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

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

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

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

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

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

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 45 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally within two months preceding receipt by the County.

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 other specific expenditures. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

1. Governmental Funds - are those through which most governmental functions typically are financed. The County reports the General Fund, Eastern Shore Regional Jail Fund, Debt Service Fund, American Rescue Plan Act Fund, and Capital Projects Fund as major governmental funds.

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.

Special Revenue Funds - account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects requiring separate accounting because of legal or regulatory provisions or administrative action. The County reports the Eastern Shore Regional Jail Fund as a major Special Revenue Fund. Revenues associated with this fund is derived primarily from the Commonwealth of Virginia and charges for services. The County also reports and the American Rescue Plan Act Fund as a major Special Revenue Fund. Revenue associated with this fund is derived from the American Rescue Plan Act (ARPA).

Debt Service Fund - accounts for and reports financial resources that are restricted, committed or assigned to expenditure for principal and interest. Payment of principal and interest on the County and School System's general long-term debt is provided by appropriations from the General Fund.

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

American Rescue Plan Act Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditures associated with funding from the American Rescue Plan Act .

1. The County reports the following nonmajor governmental funds:

Special Revenue Funds - The County reports the following nonmajor Special Revenue Funds: Forfeited Asset Sharing, Purchase of Development Rights, CDBG Projects, Virginia Public Assistance, Brownfield Community Assessment, and Harbor Improvement.

2. Fiduciary Funds - (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Private Purpose Trust and Custodial Funds. Private Purpose Trust and Custodial Funds utilize the accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial Funds include amounts held for others in a fiduciary capacity, which include social services clients, tourism commission, E-911 programs and IDA funds. The County reports the following Custodial Funds: Joint IDA Operating, Virginia Broadband Authority, Special Welfare, NC Tourism Commission, 911 Capital, 911 Operating, Building Inspection Fees, and Inmate Custodial.

3. Proprietary Funds - account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County's major Enterprise Fund consists of the Public Utilities Fund, which accounts for the operations of sewage pumping stations and collection systems, and the water distribution system.

4. Component Unit

The Northampton County School Board has the following funds:

Governmental Fund:

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

Special Revenue Funds:

School Grants Fund - This fund accounts for the revenues and expenditures for all federal grants of the School Board. The School Grants Fund is considered a major fund for financial reporting purposes.

School Cafeteria Fund - This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.



## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

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

###### **4. Component Unit (Continued)**

Special Revenue Funds: (Continued)

School Retiree Health Insurance Fund - This fund accounts for the revenues and expenditures for the retiree health insurance program. The School Retiree Health Insurance Fund is considered a major fund for financial reporting purposes.

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

##### **E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits and 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. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

##### **G. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e. the current portions of the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of the 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 \$138,386 at June 30, 2023 and is comprised solely of property taxes.

###### **Real and Personal Property Tax Data:**

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1
Collection Date	December 5	December 5

The County bills and collects its own property taxes.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**H. Capital Assets**

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Improvements other than buildings	20
Machinery and equipment	5-15
Lease equipment	2-4
Lease building	2
Subscription asset	3

**I. Leases and Subscription-Based IT Arrangements**

The City has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **I. Leases and Subscription-Based IT Arrangements (Continued)**

###### *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).

###### *Subscriptions*

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

###### *Key Estimates and Judgments*

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

- The County uses the interest rate stated in lease or subscription contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**I. Leases and Subscription-Based IT Arrangements (Continued)**

- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

**J. Compensated Absences**

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

**K. 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.

**L. 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.

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **L. Net Position**

- 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.

##### **M. Pensions**

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

##### **N. 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 (nonprofessional) and Teacher HIC OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### **Medical, Dental and Disability Pay-As-You Go**

For purposes of measuring the medical and dental pay-as-you go liability, deferred outflows of resources and deferred inflows of resources related to the Plan's OPEB, and the related OPEB expenses, information about the fiduciary net position of the County's and School Board's Medical and Dental Pay-As-You go Plan and the additions to/deductions from the County and School Board's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

##### **O. Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **O. Long-term Obligations (Continued)**

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

##### **P. Prepaid Items**

Certain payments to vendors reflect costs applied to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are accounted for using the consumption method and are valued at cost. Prepaid expenditures in governmental funds are reported as nonspendable fund balance.

##### **Q. Restricted Assets**

Restricted cash and cash equivalents consist of \$488,484 set aside in a sinking fund for debt service and \$1,259,294 set aside for school construction as of June 30, 2023. Restricted investments consist of \$50,735,504 of Virginia State Non-Arbitrage Pool funds held for school construction at June 30, 2023.

##### **R. Fund Balance**

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments general 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;

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**R. Fund Balance (Continued)**

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). The County does this through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service or for other purposes). Assigned fund balance is established by the County Administrator, who has been given the delegated authority to assign amounts for a specific purpose (such as the purchase of capital assets, construction, or other purposes).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unforeseen emergencies of an amount equal to 10% of the combined budgeted expenditures of the General Fund, VPA Fund, Eastern Shore Regional Jail Fund and the School Operating Fund (net of interfund transfers).

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

**Q. Fund Balance (Continued)**

The details of governmental fund balances, as presented in aggregate on Exhibits 3 and 40, are as follows:

	Primary Government					Component Unit School Board
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total	Total
Fund Balances:						
Nonspendable:						
Prepaid items	\$ -	\$ -	\$ -	\$ 26,850	\$ 26,850	\$ -
Lease related	18,676	-	-	-	18,676	-
Total Nonspendable	\$ 18,676	\$ -	\$ -	\$ 26,850	\$ 45,526	\$ -
Restricted:						
Debt sinking fund	\$ -	\$ 461,634	\$ -	\$ -	\$ 461,634	\$ -
School construction	-	-	50,844,191	-	50,844,191	-
Public assistance	-	-	-	(26,850)	(26,850)	(53,700)
Forfeited asset sharing	-	-	-	63,657	63,657	-
CDBG projects	-	-	-	85,504	85,504	-
Purchase of development rights	-	-	-	11,446	11,446	-
Total Restricted	\$ -	\$ 461,634	\$ 50,844,191	\$ 133,757	\$ 51,439,582	\$ (53,700)
Committed:						
Capital projects	\$ -	\$ -	\$ 12,197,303	\$ -	\$ 12,197,303	\$ -
School capital improvement plan	-	-	-	-	-	3,705,275
School sick leave payout reserve	-	-	-	-	-	390,554
School federal grant programs	-	-	-	-	-	119,575
School cafeteria operations	-	-	-	-	-	599,347
School retiree health insurance	-	-	-	-	-	48,025
School activity	-	-	-	-	-	424,688
Total Committed	\$ -	\$ -	\$ 12,197,303	\$ -	\$ 12,197,303	\$ 5,287,464
Assigned:						
Harbor improvements	\$ -	\$ -	\$ -	\$ 97,932	\$ 97,932	\$ -
Total Assigned	\$ -	\$ -	\$ -	\$ 97,932	\$ 97,932	\$ -
Unassigned	\$ 15,395,940	\$ -	\$ -	\$ -	\$ 15,395,940	\$ -
Total Fund Balances	\$ 15,414,616	\$ 461,634	\$ 63,041,494	\$ 258,539	\$ 79,176,283	\$ 5,233,764



## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

##### **S. Deferred Outflow/Inflows of Resources**

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

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County 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, and amounts prepaid on the future tax levies, and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on future tax levies are reported as deferred inflows of resources. Jail inmate telephone commission funds received are reported as deferred inflows of resources until expended. In addition, certain items related to pension, OPEB, leases, and opioid are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

#### **NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:**

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

1. During the month of April, the County Administrator submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are required to be 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 fund level. The appropriation totals for each fund can only be revised by the Board of Supervisors.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds and Debt Service Fund of the Primary Government. The Discretely Presented Component Unit is integrated only at the level of legal adoption.
6. All budgets of the County are adopted on a modified accrual basis. Annual budgets are adopted for all governmental funds. The budgets of the Discretely Presented Component Unit are adopted on a cash basis but differences between cash and accrual/modified accrual basis budgets are not considered to be material.
7. Appropriations lapse on June 30, for all County units.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING: (Continued)**

8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Excess of expenditures over appropriations:  
For the year ended June 30, 2023, no expenditures exceeded appropriations at the fund level.

**NOTE 3—DEPOSITS AND INVESTMENTS:**

**Deposits**

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

**Investments**

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

**Custodial Credit Risk (Investments)**

The County’s investment policy requires that all securities purchased for the County be held by the County or by the County’s designated custodian. The County’s investments at June 30, 2023 were held by the County or in the County’s name by the County’s custodial banks.

**Credit Risk of Debt Securities**

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

<b>County's Rated Debt Investments' Values</b>	
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>
	<b>AAAm</b>
Local Government Investment Pool	\$ 35,139,338
Virginia State Non-Arbitrage Pool	50,735,504
Total	<u>\$ 85,874,842</u>

**NOTE 3—DEPOSITS AND INVESTMENTS: (Continued)**

**Interest Rate Risk**

According to the County’s investment policy, no more than 50% of the portfolio may be invested in securities maturing in greater than one year.

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 35,139,338	\$ 35,139,338
Virginia State Non-Arbitrage Pool	50,735,504	50,735,504
Total	<u>\$ 85,874,842</u>	<u>\$ 85,874,842</u>

**External Investment Pool**

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 4—DUE FROM OTHER GOVERNMENTS:**

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

		Component Unit
	Primary Government	School Board
Commonwealth of Virginia:		
Local sales tax	\$ 865,148	\$ -
Local communication sales tax	55,956	-
Victim witness	5,197	-
Mobile home titling tax	5,399	-
VPA funds	23,267	-
State sales tax	-	320,139
Constitutional officer reimbursements	362,431	-
MVC Rolling stock tax	1,440	-
Auto rental tax	885	-
Emergency management	12,334	-
Technology grant	-	14,373
VA Port Authority grant	7,897	-
Federal Government:		
School funds	-	734,264
VPA funds	44,159	-
EPA grant	28,280	-
Victim witness	12,127	-
Total due from other governments	\$ 1,424,520	\$ 1,068,776

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# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### NOTE 5—CAPITAL ASSETS:

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

#### Primary Government:

	Balance July 1, 2022	GASB 96 Adjustment	Adjusted Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Governmental activities:</b>						
Capital assets not subject to depreciation:						
Land	\$ 2,540,007	\$ -	\$ 2,540,007	\$ 400,800	\$ -	\$ 2,940,807
Construction in progress	4,385,705	-	4,385,705	1,818,282	798,462	5,405,525
Jointly owned construction in progress	15,922,898	-	15,922,898	4,907,785	-	20,830,683
Total capital assets not subject to depreciation	\$ 22,848,610	\$ -	\$ 22,848,610	\$ 7,126,867	\$ 798,462	\$ 29,177,015
Capital assets subject to depreciation:						
Buildings and improvements	\$ 48,909,344	\$ -	\$ 48,909,344	\$ 397,600	\$ -	\$ 49,306,944
Improvements other than buildings	3,380,979	-	3,380,979	1,023,024	-	4,404,003
Machinery and equipment	6,413,578	-	6,413,578	782,777	86,780	7,109,575
Jointly owned assets	2,649,642	-	2,649,642	30,955	1,167,291	1,513,306
Lease buildings and improvements	45,147	-	45,147	68,484	-	113,631
Lease machinery and equipment	11,418	-	11,418	-	-	11,418
Subscription asset	-	173,315	173,315	-	-	173,315
Total capital assets subject to depreciation	\$ 61,410,108	\$ 173,315	\$ 61,583,423	\$ 2,302,840	\$ 1,254,071	\$ 62,632,192
Accumulated depreciation:						
Buildings and improvements	\$ (26,117,558)	\$ -	\$ (26,117,558)	\$ (1,837,412)	\$ -	\$ (27,954,970)
Improvements other than buildings	(1,589,919)	-	(1,589,919)	(203,245)	-	(1,793,164)
Machinery and equipment	(4,121,798)	-	(4,121,798)	(550,290)	(86,780)	(4,585,308)
Jointly owned assets	(1,738,592)	-	(1,738,592)	(88,745)	(788,202)	(1,039,135)
Lease building and improvements	(20,837)	-	(20,837)	(41,116)	-	(61,953)
Lease equipment	(2,676)	-	(2,676)	(5,902)	-	(8,578)
Subscription asset	-	-	-	(63,024)	-	(63,024)
Total accumulated depreciation	\$ (33,591,380)	\$ -	\$ (33,591,380)	\$ (2,789,734)	\$ (874,982)	\$ (35,506,132)
Total capital assets being depreciated, net	\$ 27,818,728	\$ 173,315	\$ 27,992,043	\$ (486,894)	\$ 379,089	\$ 27,126,060
Governmental activities capital assets, net	\$ 50,667,338	\$ 173,315	\$ 50,840,653	\$ 6,639,973	\$ 1,177,551	\$ 56,303,075

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 5—CAPITAL ASSETS: (CONTINUED)**

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

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
<b>Business-type activities:</b>				
Capital assets not subject to depreciation:				
Construction in progress	\$ 51,364	\$ 7,500	\$ -	\$ 58,864
Total capital assets not subject to depreciation	\$ 51,364	\$ 7,500	\$ -	\$ 58,864
Capital assets subject to depreciation:				
Improvements other than buildings	\$ 38,851	\$ -	\$ -	\$ 38,851
Machinery and equipment	42,497	-	-	42,497
Total capital assets subject to depreciation	\$ 81,348	\$ -	\$ -	\$ 81,348
Accumulated depreciation:				
Improvements other than buildings	\$ (648)	\$ (2,590)	\$ -	\$ (3,238)
Machinery and equipment	(36,843)	(1,848)	-	(38,691)
Total accumulated depreciation	\$ (37,491)	\$ (4,438)	\$ -	\$ (41,929)
Total capital assets being depreciated, net	\$ 43,857	\$ (4,438)	\$ -	\$ 39,419
Business-type activities capital assets, net	\$ 95,221	\$ 3,062	\$ -	\$ 98,283

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 5—CAPITAL ASSETS: (CONTINUED)**

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

	Balance July 1, 2022		Increases		Decreases		Balance June 30, 2023
<b>Component Unit-School Board:</b>							
Capital assets not subject to depreciation:							
Land	\$ 373,276	\$ -	\$ -	\$ -	\$ -	\$ 373,276	
Construction in progress	4,479,909	420,885	-	-	-	4,900,794	
Total capital assets not subject to depreciation	\$ 4,853,185	\$ 420,885	\$ -	\$ -	\$ -	\$ 5,274,070	
Capital assets subject to depreciation:							
Buildings and improvements	\$ 11,553,067	\$ 356,483	\$ -	\$ -	\$ -	\$ 11,909,550	
Improvements other than buildings	2,785,141	46,866	8,520	-	-	2,823,487	
Machinery and equipment	7,850,040	31,924	-	-	-	7,881,964	
Total capital assets subject to depreciation	\$ 22,188,248	\$ 435,273	\$ 8,520	\$ -	\$ -	\$ 22,615,001	
Accumulated depreciation:							
Buildings and improvements	\$ (7,821,547)	\$ (274,515)	\$ -	\$ -	\$ -	\$ (8,096,062)	
Improvements other than buildings	(1,870,703)	(122,568)	(8,520)	-	-	(1,984,751)	
Machinery and equipment	(6,059,475)	(459,099)	-	-	-	(6,518,574)	
Total accumulated depreciation	\$ (15,751,725)	\$ (856,182)	\$ (8,520)	\$ -	\$ -	\$ (16,599,387)	
Total capital assets being depreciated, net	\$ 6,436,523	\$ (420,909)	\$ -	\$ -	\$ -	\$ 6,015,614	
Governmental activities capital assets, net	\$ 11,289,708	\$ (24)	\$ -	\$ -	\$ -	\$ 11,289,684	

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 5—CAPITAL ASSETS: (CONTINUED)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	1,047,234
Judicial administration		184,454
Public safety		1,003,964
Public works		318,707
Health and welfare		58,372
Education		88,745
Parks, recreation and cultural		53,913
Community development		34,345
		<hr/>
Total Governmental activities	\$	<u>2,789,734</u>

Enterprise activities:

Public utilities	\$	<u>4,438</u>
		<hr/>
Component Unit School Board	\$	<u>856,182</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Northampton, Virginia for the year ended June 30, 2023, is that school financed assets in the amount of \$21,304,854 are reported in the Primary Government for financial reporting purposes.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 6—INTERFUND TRANSFERS:**

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 1,501,070	\$ 8,600,570
Eastern Shore Regional Jail	2,629,602	161,597
Debt Service	5,127,014	-
Capital Projects	2,829,291	2,544,554
American Rescue Plan Act	-	1,187,265
Other Governmental Funds	559,217	152,208
Total Governmental Funds	<u>\$ 12,646,194</u>	<u>\$ 12,646,194</u>
 Total-All Funds	 <u>\$ 12,646,194</u>	 <u>\$ 12,646,194</u>

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 7—LONG-TERM OBLIGATIONS:**

**Primary Government:**

A summary of long-term obligation transactions for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022	Adjustments	Adjusted Balance July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:							
Incurred by County:							
Direct borrowings and placements:							
Lease revenue bonds	\$ 10,305,000	\$ -	\$ 10,305,000	\$ -	\$ 2,080,000	\$ 8,225,000	\$ 2,045,000
Add deferred amounts:							
For issuance premium	573,132		573,132	-	47,557	525,575	-
Notes payable	230,581	-	230,581	358,400	74,072	514,909	110,080
Lease liabilities	33,185	-	33,185	68,484	46,749	54,920	25,590
Subscription liability	-	173,315	173,315	-	64,679	108,636	61,504
Landfill post-closure liability	2,173,108	-	2,173,108	154,326	-	2,327,434	-
Compensated absences	869,689	-	869,689	235,222	78,274	1,026,637	102,664
Net OPEB liabilities	1,470,763	-	1,470,763	408,675	685,029	1,194,409	-
Total incurred by County	\$ 15,655,458	\$ 173,315	\$ 15,828,773	\$ 1,225,107	\$ 3,076,360	\$ 13,977,520	\$ 2,344,838
Incurred by School Board:							
Direct borrowings and placements:							
General obligation bonds	\$ 64,709,428	\$ -	\$ 64,709,428	\$ -	\$ 2,299,428	\$ 62,410,000	\$ 760,000
Add deferred amounts:							
For issuance premium	7,208,157	-	7,208,157	-	382,140	6,826,017	-
Total incurred by School Board	\$ 71,917,585	\$ -	\$ 71,917,585	\$ -	\$ 2,681,568	\$ 69,236,017	\$ 760,000
Total Governmental Activities	\$ 87,573,043	\$ 173,315	\$ 87,746,358	\$ 1,225,107	\$ 5,757,928	\$ 83,213,537	\$ 3,104,838
Business-type Activities:							
Compensated absences	\$ 139	\$ -	\$ 139	\$ -	\$ 139	\$ -	\$ -
Net OPEB liabilities	6,717	-	6,717	579	3,331	3,965	-
Total Business-type Activities	\$ 6,856	\$ -	\$ 6,856	\$ 579	\$ 3,470	\$ 3,965	\$ -

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

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

Year Ending June 30,	County Obligations				Governmental Activities			
	Lease Liabilities		Subscription Liability		Bonds and Notes Payable from Direct Borrowings and Direct Placements			
	Principal	Interest	Principal	Interest	Lease Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 25,590	\$ 1,250	\$ 61,504	\$ 3,175	\$ 2,045,000	\$ 199,388	\$ 110,080	\$ 10,533
2025	22,176	584	47,132	1,377	2,095,000	140,901	108,362	8,047
2026	7,154	46	-	-	935,000	98,082	106,568	5,643
2027	-	-	-	-	965,000	71,219	92,678	3,325
2028	-	-	-	-	340,000	52,779	56,505	1,505
2029	-	-	-	-	350,000	43,048	19,418	718
2030	-	-	-	-	355,000	33,082	19,859	277
2031	-	-	-	-	370,000	22,854	1,439	55
2032	-	-	-	-	380,000	12,285	-	-
2033	-	-	-	-	390,000	3,461	-	-
Total	\$ 54,920	\$ 1,880	\$ 108,636	\$ 4,552	\$ 8,225,000	\$ 677,098	\$ 514,909	\$ 30,103

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (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 Ending June 30,	Governmental Activities	
	Loans and Bonds from Direct Borrowings and Direct Placements	
	General Obligation	
	Bonds	
	Principal	Interest
2024	\$ 760,000	\$ 2,223,016
2025	810,000	2,185,697
2026	2,095,000	2,115,078
2027	2,205,000	2,009,115
2028	2,975,000	1,880,126
2029	3,135,000	1,727,399
2030	3,295,000	1,566,091
2031	3,485,000	1,394,896
2032	3,665,000	1,214,359
2033	3,850,000	1,024,605
2034	4,040,000	854,083
2035	4,160,000	730,889
2036	4,260,000	628,315
2037	4,370,000	523,858
2038	4,475,000	417,440
2039	4,585,000	305,541
2040	4,700,000	187,913
2041	2,740,000	96,025
2042	2,805,000	32,258
Total	\$ 62,410,000	\$ 21,116,701

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# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

#### Primary Government: (Continued)

Details of long-term indebtedness are as follows:

	<u>Notes</u>	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
<u>Governmental Activities:</u>							
Compensated absences (payable from the General Fund)						\$ 1,026,637	\$ 102,664
Net OPEB liabilities (payable from the General Fund)						\$ 1,194,409	\$ -
Landfill post-closure liability						\$ 2,327,434	\$ -
Direct borrowings and direct placements:							
<u>Lease Revenue Bonds:</u>							
VRA Virginia Pooled Financing Program refunding bond outstanding \$8,225,000 plus unamortized premium of \$525,575	(a)	1.78% to 2.86%	08/04/21	10/01/32	8,475,000	\$ 8,750,575	\$ 2,045,000
Total Lease revenue bonds						\$ 8,750,575	\$ 2,045,000
<u>Notes Payable:</u>							
USDA promissory note payable, secured by public works equipment		3.00%	12/20/19	12/20/24	39,000	\$ 12,265	\$ 8,156
USDA promissory note payable, secured by public works equipment		2.25%	07/09/20	07/09/30	180,000	131,509	17,346
USDA promissory note payable, secured by public works equipment		2.25%	06/22/21	06/22/26	76,500	46,900	15,299
USDA promissory note payable, secured by public works equipment		2.25%	12/01/22	12/01/27	379,270	324,235	69,279
Total Notes payable						\$ 514,909	\$ 110,080
<u>Lease Liabilities:</u>							
Copier lease		2.00%	07/01/21	11/01/24	8,700	\$ 2,871	\$ 1,715
Office space		2.00%	07/01/21	08/31/23	105,000	3,497	3,497
Boat ramp lease		3.00%	07/15/22	10/14/25	68,484	48,552	20,378
Total Lease liabilities						\$ 54,920	\$ 25,590
<u>Subscription Liability:</u>							
Tax software		3.00%	07/01/22	45,747	173,315	\$ 108,636	\$ 61,504
Total long-term obligations incurred by the County						\$ 13,977,520	\$ 2,344,838

# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

#### Primary Government: (Continued)

Details of long-term indebtedness are as follows: (Continued)

Direct borrowings and direct placements:

#### General Obligation Bonds:

VP&A Bond outstanding \$580,000 plus unamortized premium of \$42,016.	2.05% to								
	(b) 5.05%	11/15/12	07/15/28	1,290,000	\$	622,016	\$	90,000	
VP&A Bond outstanding \$24,040,000 plus unamortized premium of \$2,694,531.	2.80% to								
	(b) 5.05%	11/12/19	07/15/39	24,040,000		26,734,531		-	
VP&A Bond outstanding \$37,790,000 plus unamortized premium of \$4,089,470.	2.30% to								
	(b) 5.05%	10/19/21	07/15/41	37,790,000		41,879,470		670,000	
Total General Obligation Bonds					\$	69,236,017	\$	760,000	
Total Direct Borrowings and Direct Placements					\$	69,236,017	\$	760,000	
Total long-term obligations incurred by School Board, payable from the General Fund					\$	69,236,017	\$	760,000	
Total outstanding debt - governmental activities					\$	83,213,537	\$	3,104,838	

	Notes	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
<u>Business-type Activities:</u>							
Net OPEB liabilities (payable from the Enterprise Fund)						\$ 3,965	\$ -
Total outstanding debt - business-type activities						\$ 3,965	\$ -

#### Notes:

- (a) Title to leased real estate and improvements (Northampton County Jail) are held by the County. In the event of default, the lender may declare the entire unpaid rental payments due and payable and may take possession of the real estate and improvements and sell or sublease property to satisfy the payments due to VRA.
- (b) 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.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Component Unit—School Board:**

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

	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Compensated absences (payable from the School Fund)	\$ 402,090	\$ 27,099	\$ 10,209	\$ 418,980	\$ 41,898
Net pension liability	8,098,463	7,832,808	6,169,801	9,761,470	-
Net OPEB liabilities	3,520,541	791,484	1,055,572	3,256,453	-
Total	<u>\$ 12,021,094</u>	<u>\$ 8,651,391</u>	<u>\$ 7,235,582</u>	<u>\$ 13,436,903</u>	<u>\$ 41,898</u>

	Amount Outstanding
Compensated absences (payable from the School Fund)	\$ 418,980
Net pension liability (payable from the School Fund)	9,761,470
Net OPEB liabilities (payable from the School Fund)	<u>3,256,453</u>
Total Long-Term Obligations Incurred by School Board	<u>\$ 13,436,903</u>

**NOTE 8—ADVANCED REFUNDING:**

On August 4, 2021, the County issued \$8,475,000 in VRA Refunding Bonds, Series 2022 Summer with interest rates ranging from 1.775% to 2.862%. The net proceeds \$8,904,070 (after payment of \$201,620 in issuance costs and receipts of \$630,690 in premium on the bond) plus other available funds in the amount of \$1,301 were used to refund \$8,360,000 of outstanding VRA Bonds, Series 2012B which had interest rates ranging from 3.201% to 5.125%. The net proceeds are held by the trustee. The net carrying amount of the old debt exceeded the reacquisition price by \$2,170,784. This amount is reported as a deferred inflow of resources and is being amortized over the remaining life of the refunding debt. As of June 30, 2023, amount of deferred inflow of resources recorded for this advanced refunding was \$1,776,096.

**NOTE 9—LANDFILL POST CLOSURE COSTS:**

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Under the modified accrual basis of accounting, general fund expenditures and liabilities are to be recognized only to the extent that such costs are expected to be paid from available, expendable resources. Since the County does not expect to pay any portion of the postclosure care or corrective action costs from available, expendable resources as of June 30, 2023, the fund financial



# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### **NOTE 9—LANDFILL POST CLOSURE COSTS: (Continued)**

statements do not include any fund expenditure or liability relating to postclosure care or corrective action costs of its landfill site. The \$2,327,434 reported as a long-term liability at June 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill.

The amount of \$1,327,434 is based on what it would cost to perform all postclosure care in fiscal year 2023 and the amount of \$1,000,000 represents corrective action costs. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County closed the current landfill site in fiscal year 2011.

The applicable laws and regulations require the County to select and meet one of several approved financial assurance mechanisms to demonstrate financial responsibility for closure care costs described above. The County has selected the Financial Ratio Test method for this purpose, and has made the requisite filings with the Virginia Department of Environmental Quality.

The County demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Governmental Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VA C20-70 of the Virginia Administrative Code.

### **NOTE 10—DEFERRED AND UNAVAILABLE REVENUE:**

At June 30, 2023, deferred and unavailable revenue related to unspent jail telephone commission funds, uncollected lease income, and property taxes are reported as follows:

	<b>Government-wide Statements Governmental Activities</b>	<b>Balance Sheet Governmental Funds</b>
Unearned revenue representing the amount of unspent ARPA funding at year end	\$ 46,010	\$ 46,010
Unearned revenue representing the amount of unspent VRA grant	2,750	2,750
Total unearned revenue	<u>\$ 48,760</u>	<u>\$ 48,760</u>
Unavailable revenue representing unspent jail telephone commission funds not available for funding of current expenditures.	\$ 195,769	\$ 195,769
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	-	1,632,083
Unavailable revenue representing gain on refunding of bonds not available for funding of current expenditures	1,776,096	-
Prepaid property taxes due in December 2023 but paid in advance by taxpayers	44,465	44,465
Unavailable revenue representing opioid settlement income that are not available for funding of current expenditures	-	164,479
Unavailable revenue representing uncollected lease income that are not available for the funding of current expenditures	<u>322,353</u>	<u>322,353</u>
Total unavailable revenue	<u>\$ 2,338,683</u>	<u>\$ 2,359,149</u>

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 11—COMMITMENTS AND CONTINGENCIES:**

Federal programs in which the County and the discretely presented component unit participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of the Uniform Guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

At June 30, 2023, the County and the School Board were committed for outstanding construction contracts of \$339,562 and \$1,201,312, respectively, issued to ABM Facility Support Services. In addition, the School Board was committed for an outstanding construction contract of \$345,249 issued to WACO.

#### **NOTE 12—RISK MANAGEMENT:**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other cities and counties in the Virginia Local Government Risk Management Plan (VARISK2), a public entity risk pool currently operating as a common risk management and insurance program for several member cities and counties in Virginia. The County pays an annual premium to VARISK2 for its public officials general liability and public officials law enforcement liability insurance coverage. The agreement for formation of the VARISK2 provides that VARISK2 will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1 million for each insured event.

Through the Virginia Municipal League, the County has joined together with other cities and counties in the Virginia Municipal Group Self Insurance Association (VMGSIA) and the Virginia Association of Counties Group Self Insurance Risk Pool (VACORP), public entity risk pools currently operating as common risk management and insurance programs for several member cities and counties in Virginia. The County pays an annual premium to VMGSIA for its workers' compensation and employer's liability insurance coverage, and to VACORP for its general liability, commercial automotive, property, and crime coverage. The agreements for formation of the VMGSIA and VACORP provide that they will be self-sustaining through member premiums. Workers' compensation coverage provides the benefits as set forth in the Virginia Workers' Compensation Act. VACORP will reinsure through commercial insurance companies for claims in excess of \$250,000 for general liability, \$250,000 for automotive liability, and \$100,000 for property coverage.

The County carries commercial insurance for all other risks of loss, including employee health 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 NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 13—PENSION PLANS:**

##### ***Plan Description***

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

##### ***Benefit Structures***

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

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

**COUNTY OF NORTHAMPTON, VIRGINIA****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)****NOTE 13—PENSION PLANS: (CONTINUED)*****Average Final Compensation and Service Retirement Multiplier***

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

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

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

***Employees Covered by Benefit Terms***

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

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	117	30
Inactive members:		
Vested inactive members	24	8
Non-vested inactive members	65	15
Inactive members active elsewhere in VRS	55	10
Total inactive members	144	33
Active members	223	38
Total covered employees	484	101

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 13—PENSION PLANS: (CONTINUED)**

##### ***Contributions***

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 9.17% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$946,202 and \$875,537 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 4.06% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$32,736 and \$41,719 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

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**NOTE 13—PENSION PLANS: (CONTINUED)**

***Actuarial Assumptions - General Employees***

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 13—PENSION PLANS: (CONTINUED)**

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

Mortality rates: (Continued)

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

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

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

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

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

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 13—PENSION PLANS: (CONTINUED)**

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

###### **Mortality rates:**

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

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

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

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



COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (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:

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

***Discount Rate***

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

***Changes in Net Pension Liability (Asset)***

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 41,516,193	\$ 44,729,990	\$ (3,213,797)
Changes for the year:			
Service cost	\$ 1,183,857	\$ -	\$ 1,183,857
Interest	2,818,402	-	2,818,402
Difference between expected and actual experience	(594,235)	-	(594,235)
Contributions - employer	-	874,365	(874,365)
Contributions - employee	-	510,307	(510,307)
Net investment income	-	(48,049)	48,049
Benefit payments, including refunds of employee contributions	(1,891,906)	(1,891,906)	-
Administrative expenses	-	(27,789)	27,789
Other changes	-	1,037	(1,037)
Net changes	\$ 1,516,118	\$ (582,035)	\$ 2,098,153
Balances at June 30, 2022	\$ 43,032,311	\$ 44,147,955	\$ (1,115,644)

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

*Changes in Net Pension Liability (Asset)*

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 3,821,786	\$ 4,497,671	\$ (675,885)
Changes for the year:			
Service cost	\$ 89,179	\$ -	\$ 89,179
Interest	254,492	-	254,492
Difference between expected and actual experience	49,766	-	49,766
Contributions - employer	-	41,360	(41,360)
Contributions - employee	-	45,448	(45,448)
Net investment income	-	(2,245)	2,245
Benefit payments, including refunds of employee contributions	(281,437)	(281,437)	-
Administrative expenses	-	(2,837)	2,837
Other changes	-	101	(101)
Net changes	\$ 112,000	\$ (199,610)	\$ 311,610
Balances at June 30, 2022	\$ 3,933,786	\$ 4,298,061	\$ (364,275)

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

***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		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's			
Net Pension Liability (Asset)	\$ 4,484,850	\$ (1,115,644)	\$ (5,697,050)
Component Unit School Board's (nonprofessional)			
Net Pension Liability (Asset)	\$ 40,887	\$ (364,275)	\$ (703,579)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$434,585 and \$(34,485), respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 87,209	\$ 500,275	\$ 28,679	\$ 15,515
Changes of assumptions	492,067	-	17,198	-
Net difference between projected and actual earnings on plan investments	-	1,270,612	-	135,563
Employer contributions subsequent to the measurement date	946,202	-	32,736	-
Total	\$ 1,525,478	\$ 1,770,887	\$ 78,613	\$ 151,078

# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### **NOTE 13—PENSION PLANS: (CONTINUED)**

#### ***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

\$946,202 and \$32,736 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<b>Year ended June 30</b>	<b>Primary Government</b>	<b>Component Unit School Board (nonprofessional)</b>
2024	\$ (317,960)	\$ (28,784)
2025	(502,896)	(46,300)
2026	(980,616)	(89,954)
2027	609,861	59,837
2028	-	-
Thereafter	-	-

#### ***Pension Plan Data***

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

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

##### ***Plan Description***

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

##### ***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually required employer contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$1,550,732 and \$1,523,107 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 13—PENSION PLANS: (CONTINUED)**

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

***Contributions (Continued)***

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

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

At June 30, 2023, the school division reported a liability of \$9,761,470 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.10253% as compared to 0.10432% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$135,024. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 673,092
Change in assumptions	920,310	-
Net difference between projected and actual earnings on pension investments	-	1,272,691
Changes in proportion and differences between employer contributions and proportionate share of contributions	177	828,517
Employer contributions subsequent to the measurement date	<u>1,550,732</u>	<u>-</u>
Total	<u>\$ 2,471,219</u>	<u>\$ 2,774,300</u>

\$1,550,732 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	
2024	\$ (631,215)
2025	(720,934)
2026	(1,037,089)
2027	535,425
2028	-
Thereafter	-

**NOTE 13—PENSION PLANS: (CONTINUED)**

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

*Actuarial Assumptions*

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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



COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

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

***Actuarial Assumptions (Continued)***

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

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

***Net Pension Liability***

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 13—PENSION PLANS: (CONTINUED)**

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

***Net Pension Liability (Continued)***

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		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 17,434,732	\$ 9,761,470	\$ 3,513,747

***Pension Plan Fiduciary Net Position***

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

***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	\$ 1,525,478	\$ 1,770,887	\$ (1,115,644)	\$ 434,585	\$ -	\$ -	\$ -	-
School Board Nonprofessional	-	-	-	-	78,613	151,078	(364,275)	(34,485)
School Board Professional	-	-	-	-	2,471,219	2,774,300	9,761,470	135,024
Totals	\$ 1,525,478	\$ 1,770,887	\$ (1,115,644)	\$ 434,585	\$ 2,549,832	\$ 2,925,378	\$ 9,397,195	\$ 100,539

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 14—SURETY BONDS:**

	<b><u>Amount</u></b>
<u>Commonwealth of Virginia - Division of Risk Management - Surety</u>	
Travelers Casualty and Surety Company of America	
Traci W. Johnson, Clerk of the Circuit Court	\$ 500,000
Cynthia S. Bradford, Treasurer	400,000
Charlene Gray, Commissioner of the Revenue	3,000
David L. Doughty, Jr., Sheriff	30,000
The above constitutional officers employees blanket bond	50,000
<u>Va CORP</u>	
Board of Supervisors	1,000,000
All County Employees	250,000
<u>Virginia Municipal League</u>	
All School Board Employees	50,000
<u>Northampton Insurance Agency</u>	
All Social Service Employees	100,000

#### **NOTE 15—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.

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

##### ***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 amount is increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

##### ***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% ( $1.34\% \times 60\%$ ) and the employer component was 0.54 ( $1.34\% \times 40\%$ ). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$59,522 and \$56,622 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the Group Life Insurance Program from the Component Unit School Board professional group were \$53,340 and \$51,964 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the Group Life Insurance Program from the Component Unit School Board nonprofessional group were \$5,443 and \$5,383 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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

At June 30, 2023, the County reported a liability of \$580,374 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$532,692 and \$55,148, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the County's proportion was 0.04820% as compared to 0.04810% at June 30, 2021. At June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion was 0.04420% and 0.00460%, respectively as compared to 0.04500% and 0.00440% respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$27,830. For the year ended June 30, 2023, the Component Unit School Board professional group recognized GLI OPEB expense of \$2,367. For the year ended June 30, 2023, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$298. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,958	\$ 23,283	\$ 42,183	\$ 21,370	\$ 4,367	\$ 2,212
Net difference between projected and actual earnings on GLI OPEB plan investment	-	36,265	-	33,285	-	3,446
Changes in assumptions	21,647	56,531	19,869	51,886	2,057	5,372
Changes in proportionate share	28,806	785	1,282	48,966	1,941	6,838
Employer contributions subsequent to the measurement date	59,522	-	53,340	-	5,443	-
Total	\$ 155,933	\$ 116,864	\$ 116,674	\$ 155,507	\$ 13,808	\$ 17,868

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

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

\$59,522, \$53,340 and \$5,443, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

		<u>Primary</u>	<u>Unit School</u>	<u>Component Unit</u>
		<u>Government</u>	<u>Board</u>	<u>School Board</u>
			<u>(professional)</u>	<u>(nonprofessional)</u>
<u>Year Ended</u>				
<u>June 30</u>				
2024	\$	(12)	\$ (23,241)	\$ (2,430)
2025		973	(20,767)	(2,403)
2026		(23,629)	(38,325)	(4,334)
2027		6,416	(4,009)	(270)
2028		(4,201)	(5,831)	(66)
Thereafter		-	-	-

***Actuarial Assumptions***

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

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 15—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, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions (Continued)***

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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



COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions: (Continued)***

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 15—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, 2022, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

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

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 15—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:

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

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

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

***Discount Rate***

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 15—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)**

***Discount Rate (Continued)***

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

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

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

	Rate		
	1% Decrease	Current	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan			
Net OPEB Liability	\$ 844,513	\$ 580,374	\$ 366,915
Component School Board (professional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 775,130	\$ 532,692	\$ 336,770
Component School Board (nonprofessional)'s proportionate share of the GLI Plan			
Net OPEB Liability	\$ 80,246	\$ 55,148	\$ 34,864

***Group Life Insurance Program Fiduciary Net Position***

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

##### ***Plan Description***

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

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

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

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

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

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

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

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

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Employees Covered by Benefit Terms***

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>9</u>
Active members	<u>38</u>
Total covered employees	<u><u>47</u></u>

***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2023 was 0.49% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$4,939 and \$4,879 for the years ended June 30, 2023 and June 30, 2022, respectively.

***Net HIC OPEB Liability***

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions***

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

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

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Actuarial Assumptions: (Continued)***

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

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

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

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

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

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

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

**Discount Rate**

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

**Changes in Net HIC OPEB Liability**

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 52,559	\$ 5,014	\$ 47,545
Changes for the year:			
Service cost	\$ 868	\$ -	\$ 868
Interest	3,504	-	3,504
Benefit changes	-	-	-
Differences between expected and actual experience	(5,963)	-	(5,963)
Assumption changes	14,305	-	14,305
Contributions - employer	-	4,842	(4,842)
Net investment income	-	(42)	42
Benefit payments	(3,021)	(3,021)	-
Administrative expenses	-	(12)	12
Other changes	-	-	-
Net changes	\$ 9,693	\$ 1,767	\$ 7,926
Balances at June 30, 2022	\$ 62,252	\$ 6,781	\$ 55,471

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Sensitivity of the County's HIC Net OPEB Liability to Changes in the Discount Rate***

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net HIC OPEB Liability \$	60,781	\$ 55,471	\$ 50,873

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$5,948. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,758
Net difference between projected and actual earnings on HIC OPEB plan investments	102	-
Change in assumptions	12,198	-
Employer contributions subsequent to the measurement date	\$ 4,939	\$ -
Total	\$ 17,239	\$ 4,758

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**NOTE 16—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

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

\$4,939 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 1,963
2025	1,963
2026	1,925
2027	1,691
2028	-
Thereafter	-

***HIC Plan Data***

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

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

***Plan Description***

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

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

***Eligible Employees***

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):**

##### ***Plan Description (Continued)***

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

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

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

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

##### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$119,378 and \$116,301 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

##### ***Teacher Employee HIC 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, 2023, the school division reported a liability of \$1,288,142 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

*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 (Continued)*

employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC was 0.10313% as compared to 0.10510% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$75,627. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 52,507
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,293
Change of assumptions	37,633	3,289
Change in proportionate share and differences between actual and expected contributions	-	116,560
Employer contributions subsequent to the measurement date	119,378	-
Total	<u>\$ 157,011</u>	<u>\$ 173,649</u>

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

*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 (Continued)*

\$119,378 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (31,250)
2025	(29,225)
2026	(25,491)
2027	(20,032)
2028	(19,715)
Thereafter	(10,303)

***Actuarial Assumptions***

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

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

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

##### **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

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

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



**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Net Teacher Employee HIC OPEB Liability***

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

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

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 17—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:

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

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

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

**Discount Rate**

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 17—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)**

***Discount Rate (Continued)***

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,451,750	\$ 1,288,142	\$ 1,149,455

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

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

**NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN):**

**County and School Board**

***Plan Description***

In addition to the pension benefits described in Note 13, the County administers a single-employer defined benefit healthcare plan, The County of Northampton Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

In addition to the pension benefits described in Note 13, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Northampton County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The plan does not issue a publicly available financial report.

## COUNTY OF NORTHAMPTON, VIRGINIA

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

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#### **NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

##### **County and School Board: (Continued)**

###### ***Benefits Provided***

Postemployment benefits that are provided to eligible retirees include medical insurance, dental and disability insurance. The benefits that are provided for active employees are the same for eligible retirees and 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. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible retirees include medical, dental and disability insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Northampton County Public School's retiree healthcare plan. The retiree pays 100% of the medical insurance premium less \$158 per month credit provided by the School System.

###### ***Plan Membership***

At July 1, 2022 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	216	245
Total retirees with coverage	-	14
Total	216	259

###### ***Contributions***

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$30,000 and \$91,000.

###### ***Total OPEB Liability***

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

**County and School Board: (Continued)**

***Net OPEB Liability***

The employer’s net OPEB liability is reported herein for the County as of June 30, 2023 for the employer fiscal year and reporting period of July 1, 2022 to June 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2022 and the corresponding measurement period of July 1, 2019 to July 1, 2022. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

The employer’s net OPEB liability is reported herein for the School Board as of June 30, 2023 for the employer fiscal year and reporting period of July 1, 2022 to June 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of July 1, 2022 and the corresponding measurement period of July 1, 2020 to July 1, 2022. The measurement of the total OPEB liability is based on a valuation date of July 1, 2022.

***Actuarial Assumptions***

The actuarial valuations for both the County and the School Board were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Scale	2.50%
Discount Rate	The discount rate has been set equal to 3.69% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.
Healthcare Cost Trent Rates	6.50% for fiscal year end 2023, decreasing 0.50% per year to an ultimate rate of 5.00%.
Mortality Rate	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.
Actuarial Cost Method	Entry Age Actuarial Cost Method

***Discount Rate***

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Municipal GO AA 20-year yield curve rate as of the measurement date.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

**County and School Board: (Continued)**

***Changes in Total OPEB Liability***

	<b>Primary Government Total OPEB Liability</b>	<b>Component Unit School Board Total OPEB Liability</b>
Balances at June 30, 2022	\$ 917,000	\$ 1,548,000
Changes for the year:		
Service cost	50,000	107,000
Interest	18,000	31,000
Difference between expected and actual experience	(185,000)	(30,000)
Changes of assumptions	(152,000)	(240,000)
Contributions - employer	(30,000)	(91,000)
Net changes	\$ (299,000)	\$ (223,000)
Balances at June 30, 2023	\$ 618,000	\$ 1,325,000

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

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

	<b>Rate</b>		
	<b>1% Decrease (2.69%)</b>	<b>Current Discount Rate (3.69%)</b>	<b>1% Increase (4.69%)</b>
<b>Primary Government:</b>			
Total OPEB liability	\$ 676,000	\$ 618,000	\$ 567,000
<b>Component Unit School Board:</b>			
Total OPEB liability	\$ 1,478,000	\$ 1,325,000	\$ 1,196,000

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

**County and School Board: (Continued)**

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

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

	Rates		
	Healthcare Cost Trend		
	1% Decrease Rate	Current Rate	1% Increase Rate
<b>Primary Government:</b>			
Total OPEB liability	\$ 557,000	\$ 618,000	\$ 687,000

	Rates		
	Healthcare Cost Trend		
	1% Decrease Rate	Current Rate	1% Increase Rate
<b>Component Unit School Board:</b>			
Total OPEB liability	\$ 1,149,000	\$ 1,325,000	\$ 1,529,000

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COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 18—MEDICAL, DENTAL AND DISABILITY PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)**

**County and School Board: (Continued)**

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

For the year ended June 30, 2023, the County and the School Board recognized OPEB expense in the amount of \$(15,000) and \$93,000. At June 30, 2023, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Primary Government</b>		<b>Component Unit School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 35,000	\$ 411,000	\$ -	\$ 274,000
Changes of assumptions	103,000	142,000	205,000	256,000
Employer contributions subsequent to the measurement date	30,000	-	91,000	-
Total	<u>\$ 168,000</u>	<u>\$ 553,000</u>	<u>\$ 296,000</u>	<u>\$ 530,000</u>

\$30,000 and \$91,000 reported as deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	<b>Primary Government</b>	<b>Component Unit School Board</b>
2024	\$ (89,000)	\$ (53,000)
2025	(93,000)	(53,000)
2026	(96,000)	(53,000)
2027	(106,000)	(53,000)
2028	(31,000)	(37,000)
Thereafter	-	(76,000)

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



# COUNTY OF NORTHAMPTON, VIRGINIA

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

### **NOTE 19—SUMMARY OF OTHER POSTEMPLOYMENT BENEFIT PLANS:**

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 15):								
County	\$ 155,933	\$ 116,864	\$ 580,374	\$ 27,830	\$ -	\$ -	\$ -	-
School Board Nonprofessional	-	-	-	-	13,808	17,868	55,148	298
School Board Professional	-	-	-	-	116,674	155,507	532,692	2,367
Health Insurance Credit Plan (Note 16)	-	-	-	-	17,239	4,758	55,471	5,948
Teacher Health Insurance Credit Plan (Note 17)	-	-	-	-	157,011	173,649	1,288,142	75,627
County Stand-Alone Plan (Note 18)	168,000	553,000	618,000	(15,000)	-	-	-	-
School Stand-Alone Plan (Note 18)	-	-	-	-	296,000	530,000	1,325,000	93,000
Totals	\$ 323,933	\$ 669,864	\$ 1,198,374	\$ 12,830	\$ 600,732	\$ 881,782	\$ 3,256,453	\$ 177,240

### **NOTE 20—LINE OF DUTY ACT (LODA) (OPEB BENEFITS):**

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2023 was \$45,615.

### **NOTE 21—LITIGATION:**

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

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

**NOTE 22—ADOPTION OF ACCOUNTING PRINCIPLES:**

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscriptions:

**Primary Government:**

		<b>Governmental Activities</b>	<b>General Fund</b>
		<u>                    </u>	<u>                    </u>
Subscription assets	\$	173,315	\$ -
Subscription liability	\$	<u>173,315</u>	<u>\$ -</u>

**NOTE 23—LEASES RECEIVABLE:**

The following is a summary of lease receivable transactions of the County for the year ended June 30, 2023:

<b>Lease Revenue</b>	<b>Interest Revenue</b>	<b>Total Revenue</b>
<u>\$ 19,816</u>	<u>\$ 9,237</u>	<u>\$ 29,053</u>

The following is a detail of lease receivables as of the year ended June 30, 2023:

<b>Lease Description</b>	<b>Annual Installments</b>	<b>Start Date</b>	<b>End Date</b>
Water Tower	\$ 800	2021	2026
Water Tower	500	2021	2025
Farm Land	447	2021	2028
Building	10,000	2021	2024

There are no variable payments for the above leases.

COUNTY OF NORTHAMPTON, VIRGINIA

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 (CONTINUED)

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**NOTE 24—UPCOMING PRONOUNCEMENTS:**

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

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

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

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

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

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

**NOTE 25—SUBSEQUENT EVENT:**

On November 15, 2023, the Northampton County Board of Supervisors adopted a resolution committing to the award of a contract for the NMS/NHS School Enhancement Project at the fixed price of \$81,300,000.

## General Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 21,973,524	\$ 21,973,524	\$ 22,461,183	\$ 487,659
Other local taxes	6,363,500	6,910,427	7,280,040	369,613
Permits, privilege fees, and regulatory licenses	144,850	144,850	251,351	106,501
Fines and forfeitures	222,001	222,001	234,806	12,805
Revenue from the use of money and property	45,383	45,383	1,271,564	1,226,181
Charges for services	1,631,051	1,631,051	1,999,511	368,460
Miscellaneous	10,000	921,925	928,416	6,491
Recovered costs	96,062	473,463	375,251	(98,212)
Intergovernmental:				
Commonwealth	4,160,954	5,453,651	5,198,247	(255,404)
Federal	8,336,054	1,824,599	807,367	(1,017,232)
Total revenues	\$ 42,983,379	\$ 39,600,874	\$ 40,807,736	\$ 1,206,862
EXPENDITURES				
Current:				
General government administration	\$ 3,572,194	\$ 3,438,193	\$ 2,723,048	\$ 715,145
Judicial administration	966,186	1,035,347	1,000,182	35,165
Public safety	7,171,015	10,307,234	8,190,346	2,116,888
Public works	4,482,327	7,547,832	5,682,946	1,864,886
Health and welfare	830,304	830,304	751,048	79,256
Education	9,604,166	9,604,166	9,604,166	-
Parks, recreation, and cultural	535,750	644,023	578,555	65,468
Community development	2,185,838	2,321,879	1,880,599	441,280
Debt service:				
Principal retirement	-	-	111,428	(111,428)
Interest and other fiscal charges	-	-	4,913	(4,913)
Total expenditures	\$ 29,347,780	\$ 35,728,978	\$ 30,527,231	\$ 5,201,747
Excess (deficiency) of revenues over (under) expenditures	\$ 13,635,599	\$ 3,871,896	\$ 10,280,505	\$ 6,408,609
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,755,987	\$ 4,892,916	\$ 1,501,070	\$ (3,391,846)
Transfers out	(15,660,586)	(9,468,849)	(8,600,570)	868,279
Issuance of leases	-	-	68,484	68,484
Total other financing sources (uses)	\$ (13,904,599)	\$ (4,575,933)	\$ (7,031,016)	\$ (2,455,083)
Net change in fund balances	\$ (269,000)	\$ (704,037)	\$ 3,249,489	\$ 3,953,526
Fund balances - beginning	269,000	704,037	12,165,127	11,461,090
Fund balances - ending	\$ -	\$ -	\$ 15,414,616	\$ 15,414,616

## Eastern Shore Regional Jail Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Charges for services	\$ 4,202	\$ 54,202	\$ 61,917	\$ 7,715
Recovered costs	3,000	3,000	5,888	2,888
Intergovernmental:				
Commonwealth	2,438,076	2,317,058	2,351,255	34,197
Total revenues	\$ 2,445,278	\$ 2,374,260	\$ 2,419,060	\$ 44,800
EXPENDITURES				
Current:				
Public safety	\$ 4,797,709	\$ 5,061,233	\$ 4,887,065	\$ 174,168
Total expenditures	\$ 4,797,709	\$ 5,061,233	\$ 4,887,065	\$ 174,168
Excess (deficiency) of revenues over (under) expenditures	\$ (2,352,431)	\$ (2,686,973)	\$ (2,468,005)	\$ 218,968
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,352,431	\$ 2,686,973	\$ 2,629,602	\$ (57,371)
Transfers out	-	-	(161,597)	(161,597)
Total other financing sources (uses)	\$ 2,352,431	\$ 2,686,973	\$ 2,468,005	\$ (218,968)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

## American Rescue Plan Act Fund

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

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ 1,137,265	\$ 1,337,265	\$ 1,191,255	\$ (146,010)
Total revenues	\$ 1,137,265	\$ 1,337,265	\$ 1,191,255	\$ (146,010)
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ -	\$ 50,000	\$ -	\$ 50,000
Community development	1,064,594	100,000	3,990	96,010
Total expenditures	\$ 1,064,594	\$ 150,000	\$ 3,990	\$ 146,010
Excess (deficiency) of revenues over (under) expenditures	\$ 72,671	\$ 1,187,265	\$ 1,187,265	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (72,671)	\$ (1,187,265)	\$ (1,187,265)	\$ -
Total other financing sources (uses)	\$ (72,671)	\$ (1,187,265)	\$ (1,187,265)	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF NORTHAMPTON, VIRGINIA

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

Primary Government

For the Measurement Dates June 30, 2014 through June 30, 2022

	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 1,183,857	\$ 1,127,441	\$ 1,092,317
Interest	2,818,402	2,558,606	2,402,528
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(594,235)	(139,917)	610,469
Changes of assumptions	-	1,074,393	-
Benefit payments	(1,891,906)	(2,019,222)	(1,566,844)
<b>Net change in total pension liability</b>	<b>\$ 1,516,118</b>	<b>\$ 2,601,301</b>	<b>\$ 2,538,470</b>
<b>Total pension liability - beginning</b>	<b>41,516,193</b>	<b>38,914,892</b>	<b>36,376,422</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 43,032,311</b>	<b>\$ 41,516,193</b>	<b>\$ 38,914,892</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 874,365	\$ 829,668	\$ 752,177
Contributions - employee	510,307	491,862	465,393
Net investment income	(48,049)	9,738,103	673,237
Benefit payments	(1,891,906)	(2,019,222)	(1,566,844)
Administrator charges	(27,789)	(24,262)	(22,886)
Other	1,037	918	(856)
<b>Net change in plan fiduciary net position</b>	<b>\$ (582,035)</b>	<b>\$ 9,017,067</b>	<b>\$ 300,221</b>
<b>Plan fiduciary net position - beginning</b>	<b>44,729,990</b>	<b>35,712,923</b>	<b>35,412,702</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 44,147,955</b>	<b>\$ 44,729,990</b>	<b>\$ 35,712,923</b>
<b>County's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (1,115,644)</b>	<b>\$ (3,213,797)</b>	<b>\$ 3,201,969</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>102.59%</b>	<b>107.74%</b>	<b>91.77%</b>
<b>Covered payroll</b>	<b>\$ 10,482,260</b>	<b>\$ 9,913,126</b>	<b>\$ 9,758,018</b>
<b>County's net pension liability (asset) as a percentage of covered payroll</b>	<b>-10.64%</b>	<b>-32.42%</b>	<b>32.81%</b>

Schedule is intended to show information for 10 years. Since 2014 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

2019	2018	2017	2016	2015	2014
\$ 967,981	\$ 973,374	\$ 956,949	\$ 943,326	\$ 926,204	\$ 925,228
2,289,392	2,206,097	2,098,998	2,047,945	1,926,687	1,805,167
-	-	723,111	-	-	-
144,128	(433,911)	(497,814)	(925,448)	43,818	-
1,021,717	-	(276,394)	-	-	-
(1,504,798)	(1,606,470)	(1,343,258)	(1,329,725)	(999,177)	(989,616)
\$ 2,918,420	\$ 1,139,090	\$ 1,661,592	\$ 736,098	\$ 1,897,532	\$ 1,740,779
33,458,002	32,318,912	30,657,320	29,921,222	28,023,690	26,282,911
\$ 36,376,422	\$ 33,458,002	\$ 32,318,912	\$ 30,657,320	\$ 29,921,222	\$ 28,023,690
\$ 718,548	\$ 661,255	\$ 649,769	\$ 760,120	\$ 773,751	\$ 811,390
443,683	421,116	410,791	392,011	400,292	397,922
2,238,859	2,338,980	3,476,551	489,866	1,239,556	3,653,770
(1,504,798)	(1,606,470)	(1,343,258)	(1,329,725)	(999,177)	(989,616)
(21,900)	(20,193)	(19,927)	(17,501)	(16,542)	(19,324)
(1,413)	(2,082)	(3,102)	(209)	(261)	192
\$ 1,872,979	\$ 1,792,606	\$ 3,170,824	\$ 294,562	\$ 1,397,619	\$ 3,854,334
33,539,723	31,747,117	28,576,293	28,281,731	26,884,112	23,029,778
\$ 35,412,702	\$ 33,539,723	\$ 31,747,117	\$ 28,576,293	\$ 28,281,731	\$ 26,884,112
\$ 963,720	\$ (81,721)	\$ 571,795	\$ 2,081,027	\$ 1,639,491	\$ 1,139,578
97.35%	100.24%	98.23%	93.21%	94.52%	95.93%
\$ 9,178,895	\$ 8,367,700	\$ 8,135,972	\$ 8,016,513	\$ 8,079,121	\$ 7,965,906
10.50%	-0.98%	7.03%	25.96%	20.29%	14.31%



COUNTY OF NORTHAMPTON, VIRGINIA

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

Component Unit School Board (nonprofessional)

For the Measurement Dates June 30, 2014 through June 30, 2022

	2022	2021	2020
<b>Total pension liability</b>			
Service cost	\$ 89,179	\$ 88,317	\$ 90,741
Interest	254,492	245,229	245,863
Difference between expected and actual experience	49,766	(115,607)	(79,808)
Changes of assumptions	-	128,150	-
Benefit payments	(281,437)	(314,655)	(217,707)
<b>Net change in total pension liability</b>	\$ 112,000	\$ 31,434	\$ 39,089
<b>Total pension liability - beginning</b>	<u>3,821,786</u>	<u>3,790,352</u>	<u>3,751,263</u>
<b>Total pension liability - ending (a)</b>	<u><u>3,933,786</u></u>	<u><u>3,821,786</u></u>	<u><u>3,790,352</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 41,360	\$ 38,568	\$ 45,909
Contributions - employee	45,448	42,341	45,563
Net investment income	(2,245)	993,446	71,695
Benefit payments	(281,437)	(314,655)	(217,707)
Administrator charges	(2,837)	(2,629)	(2,509)
Other	101	92	(167)
<b>Net change in plan fiduciary net position</b>	\$ (199,610)	\$ 757,163	\$ (57,216)
<b>Plan fiduciary net position - beginning</b>	<u>4,497,671</u>	<u>3,740,508</u>	<u>3,797,724</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>4,298,061</u></u>	<u><u>4,497,671</u></u>	<u><u>3,740,508</u></u>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	\$ (364,275)	\$ (675,885)	\$ 49,844
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	109.26%	117.69%	98.68%
<b>Covered payroll</b>	\$ 996,748	\$ 911,769	\$ 971,858
<b>School Division's net pension liability (asset) as a percentage of covered payroll</b>	-36.55%	-74.13%	5.13%

Schedule is intended to show information for 10 years. Since 2014 is the first year for this presentation, no other data is available. However, additional years will be included as they become available.

2019	2018	2017	2016	2015	2014
\$ 89,764	\$ 96,360	\$ 104,546	\$ 103,098	\$ 103,369	\$ 61,828
243,749	243,920	244,018	245,622	234,428	231,160
(43,615)	(119,907)	(131,137)	(145,175)	56,039	-
89,593	-	4,446	-	-	-
(220,709)	(224,939)	(221,599)	(231,328)	(236,505)	(256,107)
\$ 158,782	\$ (4,566)	\$ 274	\$ (27,783)	\$ 157,331	\$ 36,881
3,592,481	3,597,047	3,596,773	3,624,556	3,467,225	3,430,344
\$ 3,751,263	\$ 3,592,481	\$ 3,597,047	\$ 3,596,773	\$ 3,624,556	\$ 3,467,225
\$ 48,175	\$ 61,530	\$ 62,531	105,053	\$ 105,888	\$ 115,410
47,933	46,798	48,487	49,007	49,513	52,929
241,685	259,179	392,758	56,104	144,460	443,203
(220,709)	(224,939)	(221,599)	(231,328)	(236,505)	(256,107)
(2,453)	(2,286)	(2,331)	(2,055)	(2,034)	(2,446)
(152)	(229)	(346)	(24)	(32)	23
\$ 114,479	\$ 140,053	\$ 279,500	\$ (23,243)	\$ 61,290	\$ 353,012
3,683,245	3,543,192	3,263,692	3,286,935	3,225,645	2,872,633
\$ 3,797,724	\$ 3,683,245	\$ 3,543,192	\$ 3,263,692	\$ 3,286,935	\$ 3,225,645
\$ (46,461)	\$ (90,764)	\$ 53,855	\$ 333,081	\$ 337,621	\$ 241,580
101.24%	102.53%	98.50%	90.74%	90.69%	93.03%
\$ 1,020,902	\$ 982,525	\$ 978,504	\$ 980,718	\$ 986,149	\$ 946,087
-4.55%	-9.24%	5.50%	33.96%	34.24%	25.53%

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

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
(1)	(2)	(3)	(4)	(5)	(6)
2022	0.10253%	\$ 9,761,470	\$ 9,611,675	101.56%	82.61%
2021	0.10432%	8,098,463	9,294,819	87.13%	85.46%
2020	0.10920%	15,885,647	9,678,311	164.14%	71.47%
2019	0.11336%	14,918,820	9,670,453	154.27%	73.51%
2018	0.11402%	13,409,000	9,323,625	143.82%	74.81%
2017	0.11530%	14,179,000	9,282,121	152.76%	72.92%
2016	0.11850%	16,607,000	9,067,859	183.14%	68.28%
2015	0.12128%	15,265,000	8,777,441	173.91%	70.68%
2014	0.12418%	15,007,000	9,085,111	165.18%	70.88%

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

## Schedule of Employer Contributions - Pension Plans

For the Years Ended June 30, 2014 through June 30, 2023

		Contributions in Relation to			Contributions as a % of	
		Contractually Required Contribution*	Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Covered Payroll
Date		(1)	(2)	(3)	(4)	(5)
<b>Primary Government</b>						
2023	\$	946,202	\$ 946,202	\$ -	\$ 11,022,665	8.58%
2022		875,537	875,537	-	10,482,260	8.35%
2021		832,901	832,901	-	9,913,126	8.40%
2020		752,740	752,740	-	9,758,018	8.14%
2019		720,436	720,436	-	9,178,895	8.14%
2018		661,255	661,255	-	8,367,700	8.16%
2017		663,895	663,895	-	8,135,972	8.16%
2016		772,792	772,792	-	8,016,513	9.64%
2015		778,827	778,827	-	8,079,121	9.64%
2014		810,929	810,929	-	7,965,906	10.18%
<b>Component Unit School Board (nonprofessional)</b>						
2023	\$	32,736	\$ 32,736	\$ -	\$ 1,007,906	3.25%
2022		41,719	41,719	-	996,748	4.19%
2021		38,567	38,567	-	911,769	4.23%
2020		45,909	45,909	-	971,858	5.12%
2019		48,175	48,175	-	1,020,902	5.12%
2018		61,530	61,530	-	982,525	6.58%
2017		64,386	64,386	-	978,504	6.58%
2016		106,016	106,016	-	980,718	10.81%
2015		106,603	106,603	-	986,149	10.81%
2014		115,044	115,044	-	946,087	12.16%
<b>Component Unit School Board (professional)</b>						
2023	\$	1,550,732	\$ 1,550,732	\$ -	\$ 9,865,909	15.72%
2022		1,523,107	1,523,107	-	9,611,675	15.85%
2021		1,475,811	1,475,811	-	9,294,819	15.88%
2020		1,450,509	1,450,509	-	9,678,311	15.68%
2019		941,605	941,605	-	9,670,453	15.68%
2018		1,062,589	1,062,589	-	9,323,625	16.32%
2017		1,333,472	1,333,472	-	9,282,121	14.66%
2016		1,274,941	1,274,941	-	9,067,859	14.06%
2015		1,272,729	1,272,729	-	8,777,441	14.50%
2014		1,059,324	1,059,324	-	9,085,111	11.66%

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

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

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability
				Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2022	0.04820% \$	580,374 \$	10,485,633	5.53%	67.21%
2021	0.04810%	560,480	9,939,199	5.64%	67.45%
2020	0.04742%	791,363	9,758,018	8.11%	52.64%
2019	0.04687%	762,700	9,187,117	8.30%	52.00%
2018	0.04401%	668,000	8,367,700	7.98%	51.22%
2017	0.04411%	664,000	8,135,972	8.16%	48.86%
Component Unit School Board (professional):					
2022	0.04420% \$	532,692 \$	9,622,983	5.54%	67.21%
2021	0.04500%	524,388	9,299,014	5.64%	67.45%
2020	0.04703%	784,854	13,409,000	5.85%	52.64%
2019	0.04902%	797,686	9,609,340	8.30%	52.00%
2018	0.04880%	741,000	9,279,732	7.99%	51.22%
2017	0.04982%	750,000	9,190,530	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2022	0.00460% \$	55,148 \$	996,791	5.53%	67.21%
2021	0.00440%	51,577	914,614	5.64%	67.45%
2020	0.00474%	79,103	975,093	8.11%	52.64%
2019	0.00522%	84,943	1,023,907	8.30%	52.00%
2018	0.00519%	79,000	987,248	8.00%	51.22%
2017	0.00532%	81,000	978,504	8.28%	48.86%

Schedule is intended to show information for 10 years. Information prior to the 2017 valuation is not available.

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2014 through June 30, 2023

		Contributions in Relation to			Contributions	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
Primary Government:						
2023	\$ 59,522	\$ 59,522	\$ -	\$ 11,022,665	0.54%	
2022	56,622	56,622	-	10,485,633	0.54%	
2021	53,672	53,672	-	9,939,199	0.54%	
2020	50,742	50,742	-	9,758,018	0.52%	
2019	47,773	47,773	-	9,187,117	0.52%	
2018	43,512	43,512	-	8,367,700	0.52%	
2017	42,307	42,307	-	8,135,972	0.52%	
2016	38,479	38,479	-	8,016,513	0.48%	
2015	38,780	38,780	-	8,079,121	0.48%	
2014	38,236	38,236	-	7,965,906	0.48%	
Component Unit School Board (professional):						
2023	\$ 53,340	\$ 53,340	\$ -	\$ 9,877,809	0.54%	
2022	51,964	51,964	-	9,622,983	0.54%	
2021	50,215	50,215	-	9,299,014	0.54%	
2020	50,327	50,327	-	9,678,311	0.52%	
2019	49,969	49,969	-	9,609,340	0.52%	
2018	48,679	48,679	-	9,279,732	0.52%	
2017	47,791	47,791	-	9,190,530	0.52%	
2016	43,454	43,454	-	9,052,924	0.48%	
2015	43,281	43,281	-	9,016,800	0.48%	
2014	43,611	43,611	-	9,085,647	0.48%	
Component Unit School Board (nonprofessional):						
2023	\$ 5,443	\$ 5,443	\$ -	\$ 1,007,906	0.54%	
2022	5,383	5,383	-	996,791	0.54%	
2021	4,939	4,939	-	914,614	0.54%	
2020	5,070	5,070	-	975,093	0.52%	
2019	5,324	5,324	-	1,023,907	0.52%	
2018	5,134	5,134	-	987,248	0.52%	
2017	5,100	5,100	-	978,504	0.52%	
2016	4,707	4,707	-	980,718	0.48%	
2015	4,734	4,734	-	986,149	0.48%	
2014	4,541	4,541	-	946,087	0.48%	

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

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

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

**Teachers**

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

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

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

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

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



## Schedule of Changes in the School Board's (nonprofessional) Net OPEB Liability and Related Ratios

## Health Insurance Credit (HIC) Plan

For the Measurement Dates of June 30, 2020 through June 30, 2022

	2022	2021	2020
<b>Total HIC OPEB Liability</b>			
Service cost	\$ 868	\$ 1,271	\$ -
Interest	3,504	3,159	-
Changes in benefit terms	-	-	46,800
Differences between expected and actual experience	(5,963)	-	-
Changes of assumptions	14,305	1,329	-
Benefit payments	(3,021)	-	-
<b>Net change in total HIC OPEB liability</b>	<b>\$ 9,693</b>	<b>\$ 5,759</b>	<b>\$ 46,800</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>52,559</b>	<b>46,800</b>	<b>-</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 62,252</b>	<b>\$ 52,559</b>	<b>\$ 46,800</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,842	\$ 4,467	\$ -
Net investment income	(42)	567	-
Benefit payments	(3,021)	-	-
Administrator charges	(12)	(20)	-
<b>Net change in plan fiduciary net position</b>	<b>\$ 1,767</b>	<b>\$ 5,014</b>	<b>\$ -</b>
<b>Plan fiduciary net position - beginning</b>	<b>5,014</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,781</b>	<b>\$ 5,014</b>	<b>\$ -</b>
<b>County's net HIC OPEB liability - ending (a) - (b)</b>	<b>\$ 55,471</b>	<b>\$ 47,545</b>	<b>\$ 46,800</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>10.89%</b>	<b>9.54%</b>	<b>0.00%</b>
<b>Covered payroll</b>	<b>\$ 995,669</b>	<b>\$ 911,769</b>	<b>\$ -</b>
<b>County's net HIC OPEB liability as a percentage of covered payroll</b>	<b>5.57%</b>	<b>5.21%</b>	<b>0.00%</b>

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

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

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Date	Contractually Required Contribution  (1)	Contributions in Relation to Contractually Required Contribution  (2)			Contribution Deficiency (Excess)  (3)	Employer's Covered Payroll  (4)	Contributions as a % of Covered Payroll  (5)
2023	\$ 4,939	\$ 4,939	\$ -	\$ 1,007,906	0.49%		
2022	4,879	4,879	-	995,669	0.49%		
2021	4,468	4,468	-	911,769	0.49%		

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

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

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

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

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

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

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

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<u>Date</u>	<u>Employer's Proportion of the Net HIC OPEB Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability</u>
2022	0.10313%	\$ 1,288,142	\$ 9,611,675	13.40%	15.08%
2021	0.10510%	1,349,031	9,294,819	14.51%	13.15%
2020	0.11040%	1,440,187	9,678,311	14.88%	9.95%
2019	0.11451%	1,499,048	9,604,939	15.61%	8.97%
2018	0.11463%	1,455,000	9,270,189	15.70%	8.08%
2017	0.11617%	1,473,000	9,168,130	16.07%	7.04%

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

## Schedule of Employer Contributions

## Teacher Employee Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2014 through June 30, 2023

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2023	\$ 119,378	\$ 119,378	\$ -	\$ 9,865,909	1.21%
2022	116,301	116,301	-	9,611,675	1.21%
2021	112,467	112,467	-	9,294,819	1.21%
2020	116,140	116,140	-	9,678,311	1.20%
2019	115,259	115,259	-	9,604,939	1.23%
2018	114,023	114,023	-	9,270,189	1.23%
2017	101,766	101,766	-	9,168,130	1.11%
2016	95,774	95,774	-	9,035,308	1.06%
2015	95,578	95,578	-	9,016,800	1.06%
2014	100,806	100,806	-	9,081,606	1.11%

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

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

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

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

## Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

Primary Government

For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>						
Service cost	\$ 50,000	\$ 46,000	\$ 50,000	\$ 43,000	\$ 43,000	\$ 42,000
Interest	18,000	23,000	36,000	36,000	33,000	31,000
Changes of assumptions	(152,000)	80,000	54,000	45,000	(63,000)	-
Differences between expected and actual experience	(185,000)	(108,000)	(322,000)	53,000	59,000	-
Benefit payments	(30,000)	(17,000)	(41,000)	(20,000)	(20,000)	(12,000)
<b>Net change in total OPEB liability</b>	<b>\$ (299,000)</b>	<b>\$ 24,000</b>	<b>\$ (223,000)</b>	<b>\$ 157,000</b>	<b>\$ 52,000</b>	<b>\$ 61,000</b>
<b>Total OPEB liability - beginning</b>	<b>917,000</b>	<b>893,000</b>	<b>1,116,000</b>	<b>959,000</b>	<b>907,000</b>	<b>846,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 618,000</b>	<b>\$ 917,000</b>	<b>\$ 893,000</b>	<b>\$ 1,116,000</b>	<b>\$ 959,000</b>	<b>\$ 907,000</b>
 <b>Covered employee payroll</b>	 \$ 10,373,000	 \$ 9,064,000	 \$ 9,064,000	 \$ 8,527,000	 \$ 8,527,000	 \$ 7,101,000
 <b>County's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 5.96%	 10.12%	 9.85%	 13.09%	 11.25%	 12.77%

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Component Unit School Board  
 For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>						
Service cost	\$ 107,000	\$ 85,000	\$ 79,000	\$ 66,000	\$ 76,000	\$ 74,000
Interest	31,000	36,000	46,000	53,000	57,000	55,000
Changes of assumptions	(240,000)	128,000	90,000	-	(86,000)	-
Differences between expected and actual experience	(30,000)	(34,000)	(129,000)	(114,000)	(138,000)	-
Other changes	-	-	-	62,000	-	-
Benefit payments	(91,000)	(91,000)	(101,000)	(38,000)	(40,000)	(133,000)
<b>Net change in total OPEB liability</b>	<b>\$ (223,000)</b>	<b>\$ 124,000</b>	<b>\$ (15,000)</b>	<b>\$ 29,000</b>	<b>\$ (131,000)</b>	<b>\$ (4,000)</b>
<b>Total OPEB liability - beginning</b>	<b>1,548,000</b>	<b>1,424,000</b>	<b>1,439,000</b>	<b>1,410,000</b>	<b>1,541,000</b>	<b>1,545,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,325,000</b>	<b>\$ 1,548,000</b>	<b>\$ 1,424,000</b>	<b>\$ 1,439,000</b>	<b>\$ 1,410,000</b>	<b>\$ 1,541,000</b>
 <b>Covered employee payroll</b>	 \$ 10,581,000	 \$ 10,581,000	 \$ 9,095,000	 \$ 9,095,000	 \$ 9,229,000	 \$ 9,229,000
 <b>School Board's total OPEB liability (asset) as a percentage of covered-employee payroll</b>	 12.52%	 14.63%	 15.66%	 15.82%	 15.28%	 16.70%

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



Notes to Required Supplementary Information - County OPEB  
For the Year Ended June 30, 2023

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	3.69%
Healthcare Cost Trend Rates	6.50% for fiscal year 2023, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Scale	2.50%
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

Notes to Required Supplementary Information - Component Unit School Board  
For the Year Ended June 30, 2023

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Discount Rate	3.69%
Healthcare Cost Trend Rates	3.61% for fiscal year end 2022 (to reflect actual experience), then 6.50% for fiscal year end 2023, decreasing 0.50% per year to an ultimate rate of 5.00%
Salary Increase Rates	2.50%
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

## Debt Service Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from the use of money and property	\$ -	\$ 23,148	\$ 23,775	\$ 627
Recovered costs	161,139	161,139	160,483	(656)
Total revenues	\$ 161,139	\$ 184,287	\$ 184,258	\$ (29)
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,482,246	\$ 4,475,231	\$ 4,453,500	\$ 21,731
Interest and other fiscal charges	2,824,221	2,824,412	2,827,322	(2,910)
Total expenditures	\$ 5,306,467	\$ 7,299,643	\$ 7,280,822	\$ 18,821
Excess (deficiency) of revenues over (under) expenditures				
	\$ (5,145,328)	\$ (7,115,356)	\$ (7,096,564)	\$ 18,792
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,145,328	5,145,328	5,127,014	(18,314)
Total other financing sources (uses)	\$ 5,145,328	\$ 5,145,328	\$ 5,127,014	\$ (18,314)
Net change in fund balances				
	\$ -	\$ (1,970,028)	\$ (1,969,550)	\$ 478
Fund balances - beginning	-	1,970,028	2,431,184	461,156
Fund balances - ending	\$ -	\$ -	\$ 461,634	\$ 461,634

## Capital Projects Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,015,420	\$ 2,015,420
Intergovernmental:				
Local government	361,693	361,693	1,620,987	1,259,294
Federal	-	192,900	192,900	-
Total revenues	<u>\$ 361,693</u>	<u>\$ 554,593</u>	<u>\$ 3,829,307</u>	<u>\$ 3,274,714</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Capital projects	53,571,246	58,823,474	4,491,565	54,331,909
Total expenditures	<u>\$ 53,641,246</u>	<u>\$ 58,893,474</u>	<u>\$ 4,561,565</u>	<u>\$ 54,331,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (53,279,553)</u>	<u>\$ (58,338,881)</u>	<u>\$ (732,258)</u>	<u>\$ 57,606,623</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,900,000	\$ 3,679,256	\$ 2,829,291	\$ (849,965)
Transfers out	(4,309,325)	(6,392,195)	(2,544,554)	3,847,641
Issuance of note payable	-	358,400	358,400	-
Total other financing sources (uses)	<u>\$ (2,409,325)</u>	<u>\$ (2,354,539)</u>	<u>\$ 643,137</u>	<u>\$ 2,997,676</u>
Net change in fund balances	\$ (55,688,878)	\$ (60,693,420)	\$ (89,121)	\$ 60,604,299
Fund balances - beginning	55,688,878	60,693,420	63,130,615	2,437,195
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,041,494</u>	<u>\$ 63,041,494</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023

	Virginia Public Assistance Fund	Forfeited Asset Sharing Fund	Purchase of Development Rights Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 63,657	\$ 11,446
Receivables (net of allowance for uncollectibles):			
Accounts receivable	2,395	-	-
Due from other governmental units	67,426	-	-
Prepaid items	26,850	-	-
Total assets	\$ <u>96,671</u>	\$ <u>63,657</u>	\$ <u>11,446</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	85,924	-	-
Reconciled overdraft payable	10,747	-	-
Unearned revenue	-	-	-
Total liabilities	\$ <u>96,671</u>	\$ <u>-</u>	\$ <u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	\$ 26,850	\$ -	\$ -
Restricted	(26,850)	63,657	11,446
Assigned	-	-	-
Total fund balances	\$ <u>-</u>	\$ <u>63,657</u>	\$ <u>11,446</u>
Total liabilities and fund balances	\$ <u>96,671</u>	\$ <u>63,657</u>	\$ <u>11,446</u>

Exhibit 35

<u>CDBG Projects Fund</u>	<u>Brownfield Community Assessment Fund</u>	<u>Harbor Improvement Fund</u>	<u>Total</u>
\$ 85,804	\$ 39,882	\$ 97,982	\$ 298,771
-	-	660	3,055
-	28,280	7,897	103,603
-	-	-	26,850
<u>\$ 85,804</u>	<u>\$ 68,162</u>	<u>\$ 106,539</u>	<u>\$ 432,279</u>
\$ 300	\$ 65,412	\$ 8,607	\$ 74,319
-	-	-	85,924
-	-	-	10,747
-	2,750	-	2,750
<u>\$ 300</u>	<u>\$ 68,162</u>	<u>\$ 8,607</u>	<u>\$ 173,740</u>
\$ -	\$ -	\$ -	\$ 26,850
85,504	-	-	133,757
-	-	97,932	97,932
<u>\$ 85,504</u>	<u>\$ -</u>	<u>\$ 97,932</u>	<u>\$ 258,539</u>
<u>\$ 85,804</u>	<u>\$ 68,162</u>	<u>\$ 106,539</u>	<u>\$ 432,279</u>

COUNTY OF NORTHAMPTON, VIRGINIA

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

	Virginia Public Assistance Fund	Forfeited Asset Sharing Fund	Purchase of Development Rights Fund
<b>REVENUES</b>			
Charges for services	\$ -	\$ -	\$ -
Miscellaneous	10,724	-	-
Intergovernmental:			
Commonwealth	674,385	1,567	-
Federal	1,425,288	-	-
Total revenues	<u>\$ 2,110,397</u>	<u>\$ 1,567</u>	<u>\$ -</u>
<b>EXPENDITURES</b>			
Current:			
Judicial administration	\$ -	\$ 260	\$ -
Health and welfare	2,510,045	-	-
Community development	-	-	-
Capital projects	-	-	-
Total expenditures	<u>\$ 2,510,045</u>	<u>\$ 260</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (399,648)</u>	<u>\$ 1,307</u>	<u>\$ -</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 525,000	\$ -	\$ -
Transfers out	(152,208)	-	-
Total other financing sources (uses)	<u>\$ 372,792</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (26,856)	\$ 1,307	\$ -
Fund balances - beginning	26,856	62,350	11,446
Fund balances - ending	<u>\$ -</u>	<u>\$ 63,657</u>	<u>\$ 11,446</u>

<b>CDBG Projects Fund</b>	<b>Brownfield Community Assessment Fund</b>	<b>Harbor Improvement Fund</b>	<b>Total</b>
\$ -	\$ -	\$ 18,905	\$ 18,905
2,477	-	13,500	26,701
-	47,250	67,442	790,644
-	57,940	-	1,483,228
<u>\$ 2,477</u>	<u>\$ 105,190</u>	<u>\$ 99,847</u>	<u>\$ 2,319,478</u>
\$ -	\$ -	\$ -	\$ 260
-	-	-	2,510,045
-	105,190	-	105,190
-	-	124,789	124,789
<u>\$ -</u>	<u>\$ 105,190</u>	<u>\$ 124,789</u>	<u>\$ 2,740,284</u>
<u>\$ 2,477</u>	<u>\$ -</u>	<u>\$ (24,942)</u>	<u>\$ (420,806)</u>
\$ -	\$ -	\$ 34,217	\$ 559,217
-	-	-	(152,208)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,217</u>	<u>\$ 407,009</u>
\$ 2,477	\$ -	\$ 9,275	\$ (13,797)
83,027	-	88,657	272,336
<u>\$ 85,504</u>	<u>\$ -</u>	<u>\$ 97,932</u>	<u>\$ 258,539</u>



COUNTY OF NORTHAMPTON, VIRGINIA

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

	Virginia Public Assistance Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	10,724	10,724
Intergovernmental:				
Commonwealth	1,061,998	1,061,998	674,385	(387,613)
Federal	1,111,176	1,111,176	1,425,288	314,112
Total revenues	<u>\$ 2,173,174</u>	<u>\$ 2,173,174</u>	<u>\$ 2,110,397</u>	<u>\$ (62,777)</u>
EXPENDITURES				
Current:				
Judicial administration	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Health and welfare	2,599,293	2,599,293	2,510,045	89,248
Community development	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	<u>\$ 2,599,293</u>	<u>\$ 2,599,293</u>	<u>\$ 2,510,045</u>	<u>\$ 89,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (426,119)</u>	<u>\$ (426,119)</u>	<u>\$ (399,648)</u>	<u>\$ 26,471</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 525,000	\$ 525,000	\$ 525,000	\$ -
Transfers out	(98,881)	(98,881)	(152,208)	(53,327)
Total other financing sources (uses)	<u>\$ 426,119</u>	<u>\$ 426,119</u>	<u>\$ 372,792</u>	<u>\$ (53,327)</u>
Net change in fund balances	\$ -	\$ -	\$ (26,856)	\$ (26,856)
Fund balances - beginning	-	-	26,856	26,856
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Forfeited Asset Sharing Fund				Purchase of Development Rights Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual		Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	1,567	1,567	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ 1,567	\$ 1,567	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 260	\$ (260)	\$ -	\$ -	\$ -	\$ -
-	1,567	-	1,567	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ 1,567	\$ 260	\$ 1,307	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 1,307	\$ 1,307	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 1,307	\$ 1,307	\$ -	\$ -	\$ -	\$ -
-	-	62,350	62,350	-	-	11,446	11,446
\$ -	\$ -	\$ 63,657	\$ 63,657	\$ -	\$ -	\$ 11,446	\$ 11,446

COUNTY OF NORTHAMPTON, VIRGINIA

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

CDBG Projects Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	2,477	2,477
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ -	\$ 2,477	\$ 2,477
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	-	-	-
Capital projects	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,477	\$ 2,477
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 2,477	\$ 2,477
Fund balances - beginning	-	-	83,027	83,027
Fund balances - ending	\$ -	\$ -	\$ 85,504	\$ 85,504

Brownfield Community Assessment Fund				Harbor Improvement Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 13,500	\$ 13,500	\$ 18,905	\$ 5,405
-	-	-	-	21,798	21,798	13,500	(8,298)
-	350,000	47,250	(302,750)	65,391	65,391	67,442	2,051
-	-	57,940	57,940	-	-	-	-
\$ -	\$ 350,000	\$ 105,190	\$ (244,810)	\$ 100,689	\$ 100,689	\$ 99,847	\$ (842)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	350,000	105,190	244,810	-	-	-	-
-	-	-	-	159,906	159,906	124,789	35,117
\$ -	\$ 350,000	\$ 105,190	\$ 244,810	\$ 159,906	\$ 159,906	\$ 124,789	\$ 35,117
\$ -	\$ -	\$ -	\$ -	\$ (59,217)	\$ (59,217)	\$ (24,942)	\$ 34,275
\$ -	\$ -	\$ -	\$ -	\$ 59,217	\$ 59,217	\$ 34,217	\$ (25,000)
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ 59,217	\$ 59,217	\$ 34,217	\$ (25,000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,275	\$ 9,275
-	-	-	-	-	-	88,657	88,657
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,932	\$ 97,932

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Joint IDA Operating Fund	Virginia Broadband Authority Fund	Special Welfare Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 236,191	\$ -	\$ 179,388
Accounts receivable	-	317,368	-
Due from other governmental units	-	-	-
Total assets	\$ 236,191	\$ 317,368	\$ 179,388
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	64,414	-
Reconciled overdraft payable	-	252,954	-
Total liabilities	\$ -	\$ 317,368	\$ -
<b>NET POSITION</b>			
Restricted for:			
Individuals	\$ -	\$ -	\$ 179,388
Other organizations	-	-	-
Other governments	236,191	-	-
Total net position	\$ 236,191	\$ -	\$ 179,388

Custodial Funds					
NC Tourism Commission Fund	911 Capital Fund	911 Operating Fund	Inmate Custodial Fund	Building Inspection Fees Fund	Total
\$ 647,237	\$ 416,392	\$ 458,752	\$ 72,144	\$ 686	\$ 2,010,790
-	-	45,143	-	-	362,511
-	11,827	-	-	-	11,827
<u>\$ 647,237</u>	<u>\$ 428,219</u>	<u>\$ 503,895</u>	<u>\$ 72,144</u>	<u>\$ 686</u>	<u>\$ 2,385,128</u>
\$ 12,303	\$ 13,450	\$ 15,651	\$ -	\$ -	\$ 41,404
-	-	38,374	462	686	103,936
-	-	-	-	-	252,954
<u>\$ 12,303</u>	<u>\$ 13,450</u>	<u>\$ 54,025</u>	<u>\$ 462</u>	<u>\$ 686</u>	<u>\$ 398,294</u>
\$ -	\$ -	\$ -	\$ 71,682	\$ -	\$ 251,070
634,934	-	-	-	-	634,934
-	414,769	449,870	-	-	1,100,830
<u>\$ 634,934</u>	<u>\$ 414,769</u>	<u>\$ 449,870</u>	<u>\$ 71,682</u>	<u>\$ -</u>	<u>\$ 1,986,834</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

	Custodial Funds			
	Joint IDA Operating Fund	Virginia Broadband Authority Fund	Special Welfare Fund	NC Tourism Commission Fund
<b>ADDITIONS</b>				
Contributions:				
Other governmental entities	\$ -	\$ 1,630,465	\$ -	\$ 331,128
Participant fees	14,148	-	-	-
Miscellaneous	-	-	130,850	-
State grants	6,243	-	-	4,500
Investment earnings:				
Interest and dividends	-	-	3,539	-
Total additions	\$ 20,391	\$ 1,630,465	\$ 134,389	\$ 335,628
<b>DEDUCTIONS</b>				
Recipient payments	\$ -	\$ -	\$ 113,952	\$ -
Payments for professional services	10,697	-	-	24,338
Grants to other organizations	-	-	-	185,404
Payments for other charges	-	-	-	-
Payments for capital outlay	-	-	-	-
Payments for personnel	-	1,630,136	-	-
Purchases of supplies	-	329	-	-
Total deductions	\$ 10,697	\$ 1,630,465	\$ 113,952	\$ 209,742
Net increase (decrease) in fiduciary net position	\$ 9,694	\$ -	\$ 20,437	\$ 125,886
Net position - beginning	\$ 226,497	\$ -	\$ 158,951	\$ 509,048
Net position - ending	\$ 236,191	\$ -	\$ 179,388	\$ 634,934

911 Capital Fund	911 Operating Fund	Inmate Custodial Fund	Building Inspection Fees Fund	Total
\$ 169,779	\$ 1,269,781	\$ -	\$ -	\$ 3,401,153
-	289,480	325,579	-	629,207
-	19,054	4,627	-	154,531
145,623	-	-	-	156,366
-	66	-	-	3,605
\$ <u>315,402</u>	\$ <u>1,578,381</u>	\$ <u>330,206</u>	\$ <u>-</u>	\$ <u>4,344,862</u>
\$ -	\$ -	\$ 226,332	\$ -	\$ 340,284
44,100	267,280	-	-	346,415
-	-	-	-	185,404
-	185,544	4,674	-	190,218
50,514	15,121	-	-	65,635
-	998,154	-	-	2,628,290
-	10,663	97,406	-	108,398
\$ <u>94,614</u>	\$ <u>1,476,762</u>	\$ <u>328,412</u>	\$ <u>-</u>	\$ <u>3,864,644</u>
\$ <u>220,788</u>	\$ <u>101,619</u>	\$ <u>1,794</u>	\$ <u>-</u>	\$ <u>480,218</u>
\$ <u>193,981</u>	\$ <u>348,251</u>	\$ <u>69,888</u>	\$ <u>-</u>	\$ <u>1,506,616</u>
\$ <u><u>414,769</u></u>	\$ <u><u>449,870</u></u>	\$ <u><u>71,682</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,986,834</u></u>



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

	School Operating Fund	School Grants Fund	School Cafeteria Fund	School Retiree Health Insurance Fund	School Activity Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,591,174	\$ -	\$ 604,187	\$ 48,025	\$ 424,688	\$ 6,668,074
Receivables (net of allowance for uncollectibles):						
Accounts receivable	164,248	-	2,714	-	-	166,962
Lease receivable	113,453	-	-	-	-	113,453
Interest receivable	124	-	-	-	-	124
Due from other governmental units	334,512	676,002	58,262	-	-	1,068,776
Total assets	<u>\$ 6,203,511</u>	<u>\$ 676,002</u>	<u>\$ 665,163</u>	<u>\$ 48,025</u>	<u>\$ 424,688</u>	<u>\$ 8,017,389</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 462,942	\$ 29,415	\$ 3,573	\$ -	\$ -	\$ 495,930
Accrued liabilities	1,530,327	181,908	62,243	-	-	1,774,478
Reconciled overdraft payable	-	345,104	-	-	-	345,104
Unearned revenue - lease	111,970	-	-	-	-	111,970
Unearned revenue - other	2,443	-	-	-	-	2,443
Total liabilities	<u>\$ 2,107,682</u>	<u>\$ 556,427</u>	<u>\$ 65,816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,729,925</u>
<b>FUND BALANCES</b>						
Committed	\$ 4,095,829	\$ 119,575	\$ 599,347	\$ 48,025	\$ 424,688	\$ 5,287,464
Total fund balances	<u>\$ 4,095,829</u>	<u>\$ 119,575</u>	<u>\$ 599,347</u>	<u>\$ 48,025</u>	<u>\$ 424,688</u>	<u>\$ 5,287,464</u>
Total liabilities and fund balances	<u>\$ 6,203,511</u>	<u>\$ 676,002</u>	<u>\$ 665,163</u>	<u>\$ 48,025</u>	<u>\$ 424,688</u>	<u>\$ 8,017,389</u>

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

Total fund balances per above	\$ 5,287,464
-------------------------------	--------------

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

Capital assets, cost	\$ 27,889,071	
Accumulated depreciation	(16,599,387)	11,289,684

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

Net pension asset	\$ 364,275	364,275
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Deferred outflows of resources are not available to pay for current period expenditures and therefore, are not reported in the funds.

Pension related items	\$ 2,549,832	
OPEB related items	600,732	3,150,564

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

Net OPEB liabilities	\$ (3,256,453)	
Net Pension liability	(9,761,470)	
Compensated absences	(418,980)	(13,436,903)

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

Pension related items	\$ (2,925,378)	
OPEB related items	(881,782)	(3,807,160)

Net position of governmental activities		\$ 2,847,924
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2023

	School Operating Fund	School Grants Fund	School Cafeteria Fund	School Retiree Health Insurance Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>						
Revenue from the use of property	\$ 61,554	\$ -	\$ -	\$ -	\$ -	\$ 61,554
Charges for services	-	-	75,766	117,025	-	192,791
Miscellaneous	178,002	-	-	-	356,620	534,622
Intergovernmental:						
Local government	9,647,472	-	-	-	-	9,647,472
Commonwealth	13,167,088	-	18,932	-	-	13,186,020
Federal	-	2,507,933	1,168,224	-	-	3,676,157
Total revenues	<u>\$ 23,054,116</u>	<u>\$ 2,507,933</u>	<u>\$ 1,262,922</u>	<u>\$ 117,025</u>	<u>\$ 356,620</u>	<u>\$ 27,298,616</u>
<b>EXPENDITURES</b>						
Current:						
Education	\$ 19,801,030	\$ 2,514,363	\$ 1,115,736	\$ 120,990	\$ 316,865	\$ 23,868,984
Total expenditures	<u>\$ 19,801,030</u>	<u>\$ 2,514,363</u>	<u>\$ 1,115,736</u>	<u>\$ 120,990</u>	<u>\$ 316,865</u>	<u>\$ 23,868,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,253,086</u>	<u>\$ (6,430)</u>	<u>\$ 147,186</u>	<u>\$ (3,965)</u>	<u>\$ 39,755</u>	<u>\$ 3,429,632</u>
Net change in fund balances	\$ 3,253,086	\$ (6,430)	\$ 147,186	\$ (3,965)	\$ 39,755	\$ 3,429,632
Fund balances - beginning	842,743	126,005	452,161	51,990	384,933	1,857,832
Fund balances - ending	<u>\$ 4,095,829</u>	<u>\$ 119,575</u>	<u>\$ 599,347</u>	<u>\$ 48,025</u>	<u>\$ 424,688</u>	<u>\$ 5,287,464</u>

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

Net change in fund balances - total governmental funds - per above	\$ 3,429,632
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.

Capital asset additions	\$ 856,158	
Depreciation expense	<u>(856,182)</u>	(24)

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.

Change in compensated absences	\$ (16,890)	
OPEB expense	132,073	
Pension expense	<u>1,936,134</u>	2,051,317

Change in net position of governmental activities	\$ <u>5,480,925</u>
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COUNTY OF NORTHAMPTON, VIRGINIA

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 61,554	\$ 61,554
Miscellaneous	229,915	236,165	178,002	(58,163)
Intergovernmental:				
Local government	9,647,472	9,647,472	9,647,472	-
Commonwealth	13,381,218	13,310,778	13,167,088	(143,690)
Federal	-	-	-	-
Total revenues	\$ 23,258,605	\$ 23,194,415	\$ 23,054,116	\$ (140,299)
EXPENDITURES				
Current:				
Education	\$ 23,528,885	\$ 23,464,695	\$ 19,801,030	\$ 3,663,665
Total expenditures	\$ 23,528,885	\$ 23,464,695	\$ 19,801,030	\$ 3,663,665
Excess (deficiency) of revenues over (under) expenditures	\$ (270,280)	\$ (270,280)	\$ 3,253,086	\$ 3,523,366
Net change in fund balances	\$ (270,280)	\$ (270,280)	\$ 3,253,086	\$ 3,523,366
Fund balances - beginning	270,280	270,280	842,743	572,463
Fund balances - ending	\$ -	\$ -	\$ 4,095,829	\$ 4,095,829

School Grants Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
10,175,430	10,279,569	2,507,933	(7,771,636)
\$ 10,175,430	\$ 10,279,569	\$ 2,507,933	\$ (7,771,636)
\$ 10,175,430	\$ 10,279,569	\$ 2,514,363	\$ 7,765,206
\$ 10,175,430	\$ 10,279,569	\$ 2,514,363	\$ 7,765,206
\$ -	\$ -	\$ (6,430)	\$ (6,430)
\$ -	\$ -	\$ (6,430)	\$ (6,430)
-	-	126,005	126,005
\$ -	\$ -	\$ 119,575	\$ 119,575

COUNTY OF NORTHAMPTON, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 63,013	\$ 63,013	\$ 75,766	\$ 12,753
Intergovernmental:				
Commonwealth	20,139	20,139	18,932	(1,207)
Federal	1,114,759	1,141,798	1,168,224	26,426
Total revenues	\$ 1,197,911	\$ 1,224,950	\$ 1,262,922	\$ 37,972
EXPENDITURES				
Current:				
Education	\$ 1,247,911	\$ 1,274,950	\$ 1,115,736	\$ 159,214
Total expenditures	\$ 1,247,911	\$ 1,274,950	\$ 1,115,736	\$ 159,214
Excess (deficiency) of revenues over (under) expenditures	\$ (50,000)	\$ (50,000)	\$ 147,186	\$ 197,186
Net change in fund balances	\$ (50,000)	\$ (50,000)	\$ 147,186	\$ 197,186
Fund balances - beginning	50,000	50,000	452,161	402,161
Fund balances - ending	\$ -	\$ -	\$ 599,347	\$ 599,347

School Retiree Health Insurance Fund				
Budgeted Amounts			Variance with	
Original	Final	Actual	Final Budget	
			Positive	
			(Negative)	
\$ -	\$ -	\$ 117,025	\$	117,025
-	-	-		-
-	-	-		-
\$ -	\$ -	\$ 117,025	\$	117,025
\$ -	\$ -	\$ 120,990	\$	(120,990)
\$ -	\$ -	\$ 120,990	\$	(120,990)
\$ -	\$ -	\$ (3,965)	\$	(3,965)
\$ -	\$ -	\$ (3,965)	\$	(3,965)
-	-	51,990		51,990
\$ -	\$ -	\$ 48,025	\$	48,025

Combining Statement of Fiduciary Net Position  
 Fiduciary Funds - Discretely Presented Component Unit School Board  
 June 30, 2023

Private Purpose Trust Funds

	GW Young Scholarship Fund	BF Kellam Scholarship Fund	David Lewis Scholarship Fund	SD Goldstein Scholarship Fund	Total
<b>ASSETS</b>					
Investments	\$ 20,758	\$ 5,215	\$ 72	\$ 3,434	\$ 29,407
Total assets	<u>\$ 20,758</u>	<u>\$ 5,215</u>	<u>\$ 72</u>	<u>\$ 3,434</u>	<u>\$ 29,407</u>
<b>NET POSITION</b>					
Restricted:					
Held in trust for scholarships	\$ 20,758	\$ 5,215	\$ 72	\$ 3,434	\$ 29,407
Total net position	<u>\$ 20,758</u>	<u>\$ 5,215</u>	<u>\$ 72</u>	<u>\$ 3,434</u>	<u>\$ 29,407</u>

Combining Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds - Discretely Presented Component Unit School Board  
 For the Year Ended June 30, 2023

	Private Purpose Trust Funds				
	GW Young Scholarship Fund	BF Kellam Scholarship Fund	David Lewis Scholarship Fund	SD Goldstein Scholarship Fund	Total
<b>ADDITIONS</b>					
Contributions:					
Private donations	\$ 300	\$ -	\$ 22	\$ -	\$ 300
Total contributions	\$ 300	\$ -	\$ 22	\$ -	\$ 300
Investment earnings:					
Interest	\$ 805	\$ 207	\$ 50	\$ 139	\$ 1,151
Total additions	\$ 1,105	\$ 207	\$ 72	\$ 139	\$ 1,451
Change in net position	\$ 1,105	\$ 207	\$ 72	\$ 139	\$ 1,451
Net position - beginning	19,653	5,008	-	3,295	27,956
Net position - ending	\$ 20,758	\$ 5,215	\$ 72	\$ 3,434	\$ 29,407



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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 17,306,330	\$ 17,306,330	\$ 17,530,316	\$ 223,986
Real and personal public service corporation taxes	442,980	442,980	500,762	57,782
Personal property taxes	3,829,007	3,829,007	4,054,296	225,289
Mobile home taxes	21,907	21,907	18,320	(3,587)
Penalties	223,300	223,300	227,590	4,290
Interest	150,000	150,000	129,899	(20,101)
Total general property taxes	\$ 21,973,524	\$ 21,973,524	\$ 22,461,183	\$ 487,659
Other local taxes:				
Local sales and use taxes	\$ 3,900,000	\$ 4,116,431	\$ 4,332,100	\$ 215,669
Cigarette tax	133,000	333,000	363,051	30,051
Consumers' utility taxes	325,000	325,000	329,972	4,972
Business license taxes	40,000	40,000	34,998	(5,002)
Motor vehicle licenses	375,000	375,000	358,248	(16,752)
Bank stock taxes	35,000	35,000	40,320	5,320
Taxes on recordation and wills	405,500	405,500	384,954	(20,546)
Hotel and motel room taxes	750,000	880,496	1,011,360	130,864
Restaurant food taxes	400,000	400,000	425,037	25,037
Total other local taxes	\$ 6,363,500	\$ 6,910,427	\$ 7,280,040	\$ 369,613
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 1,650	\$ 1,650	\$ 1,353	\$ (297)
Permits and other licenses	143,200	143,200	249,998	106,798
Total permits, privilege fees, and regulatory licenses	\$ 144,850	\$ 144,850	\$ 251,351	\$ 106,501
Fines and forfeitures:				
Court fines and forfeitures	\$ 222,001	\$ 222,001	\$ 234,806	\$ 12,805
Total fines and forfeitures	\$ 222,001	\$ 222,001	\$ 234,806	\$ 12,805
Revenue from use of money and property:				
Revenue from use of money	\$ 21,200	\$ 21,200	\$ 1,240,810	\$ 1,219,610
Revenue from use of property	24,183	24,183	30,754	6,571
Total revenue from use of money and property	\$ 45,383	\$ 45,383	\$ 1,271,564	\$ 1,226,181

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for courthouse maintenance	\$ 45,000	\$ 45,000	\$ 46,792	\$ 1,792
Charges for courthouse security	400,000	400,000	454,841	54,841
Charges for sheriff secondary employment	50,000	50,000	59,660	9,660
Charges for Commonwealth's Attorney	4,000	4,000	3,683	(317)
Charges for ambulance fees	306,000	306,000	385,446	79,446
Charges for school officer	50,000	50,000	36,766	(13,234)
Charges for sanitation and waste removal	719,429	719,429	943,840	224,411
Charges for solar farm fees	16,942	16,942	17,280	338
Charges for parks and recreation	39,680	39,680	51,203	11,523
Total charges for services	\$ 1,631,051	\$ 1,631,051	\$ 1,999,511	\$ 368,460
Miscellaneous:				
Miscellaneous	\$ 10,000	\$ 921,925	\$ 928,416	\$ 6,491
Total miscellaneous	\$ 10,000	\$ 921,925	\$ 928,416	\$ 6,491
Recovered costs:				
General recovered costs	\$ 96,062	\$ 96,062	\$ 43,129	\$ (52,933)
Emergency medical services	-	377,401	48,123	(329,278)
Treasurer recovered costs	-	-	283,999	283,999
Total recovered costs	\$ 96,062	\$ 473,463	\$ 375,251	\$ (98,212)
Total revenue from local sources	\$ 30,486,371	\$ 32,322,624	\$ 34,802,122	\$ 2,479,498
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ -	\$ -	\$ 1,440	\$ 1,440
Mobile home titling tax	10,000	10,000	40,555	30,555
Opioid settlement	-	-	36,366	36,366
Motor vehicle rental tax	4,000	4,000	4,967	967
Communications tax	370,857	370,857	352,408	(18,449)
State recordation tax	46,000	46,000	-	(46,000)
Personal property tax relief funds	1,421,967	1,421,967	1,421,967	-
Total noncategorical aid	\$ 1,852,824	\$ 1,852,824	\$ 1,857,703	\$ 4,879

## Schedule of Revenues - Budget and Actual

## Governmental Funds

For The Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 260,310	\$ 260,310	\$ 265,870	\$ 5,560
Sheriff	1,197,007	1,318,025	1,246,340	(71,685)
Commissioner of revenue	108,878	108,878	108,727	(151)
Treasurer	105,937	105,937	108,863	2,926
Registrar/electoral board	78,750	78,750	66,084	(12,666)
Clerk of the Circuit Court	248,184	248,184	276,053	27,869
Total shared expenses	<u>\$ 1,999,066</u>	<u>\$ 2,120,084</u>	<u>\$ 2,071,937</u>	<u>\$ (48,147)</u>
Other categorical aid:				
Four for Life	\$ 12,636	\$ 12,636	\$ -	\$ (12,636)
Litter control grant	13,297	13,297	15,950	2,653
VA rescue squad assistance grant	1	3,361	3,360	(1)
Library grant	10,816	75,416	69,827	(5,589)
VA department of emergency management	-	-	21,096	21,096
Health department settlement	20,000	20,000	6,867	(13,133)
Housing and community development	-	50,000	46,185	(3,815)
Victim-witness grant	15,156	15,156	17,843	2,687
Other state funds	202,232	1,255,951	1,054,455	(201,496)
Fire programs	34,926	34,926	33,024	(1,902)
Total other categorical aid	<u>\$ 309,064</u>	<u>\$ 1,480,743</u>	<u>\$ 1,268,607</u>	<u>\$ (212,136)</u>
Total categorical aid	<u>\$ 2,308,130</u>	<u>\$ 3,600,827</u>	<u>\$ 3,340,544</u>	<u>\$ (260,283)</u>
Total revenue from the Commonwealth	<u>\$ 4,160,954</u>	<u>\$ 5,453,651</u>	<u>\$ 5,198,247</u>	<u>\$ (255,404)</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 30,000	\$ 30,000	\$ 27,968	\$ (2,032)
Total noncategorical aid	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 27,968</u>	<u>\$ (2,032)</u>
Categorical aid:				
Victim-witness grant	\$ 45,469	\$ 45,469	\$ 41,635	\$ (3,834)
Byrne Justice assistance grant	-	6,245	2,964	(3,281)
Emergency management	7,500	7,500	7,500	-
DMV grant	8,085	8,085	-	(8,085)
USDA Grant - Rural Assistance	-	1,727,300	727,300	(1,000,000)
US Dept of Justice COPS Grant	8,245,000	-	-	-
Total categorical aid	<u>\$ 8,306,054</u>	<u>\$ 1,794,599</u>	<u>\$ 779,399</u>	<u>\$ (1,015,200)</u>
Total revenue from the federal government	<u>\$ 8,336,054</u>	<u>\$ 1,824,599</u>	<u>\$ 807,367</u>	<u>\$ (1,017,232)</u>
Total General Fund	<u>\$ 42,983,379</u>	<u>\$ 39,600,874</u>	<u>\$ 40,807,736</u>	<u>\$ 1,206,862</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds:</b>				
<b>Eastern Shore Regional Jail Fund:</b>				
Revenue from local sources:				
Charges for services:				
Jail housing and other fees	\$ 4,202	\$ 54,202	\$ 61,917	\$ 7,715
Total charges for services	\$ 4,202	\$ 54,202	\$ 61,917	\$ 7,715
Recovered costs:				
Extradition costs	\$ 3,000	\$ 3,000	\$ 5,888	\$ 2,888
Total recovered costs	\$ 3,000	\$ 3,000	\$ 5,888	\$ 2,888
Total revenue from local sources	\$ 7,202	\$ 57,202	\$ 67,805	\$ 10,603
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Shared expenses:				
Sheriff	\$ 2,223,011	\$ 2,101,993	\$ 2,250,373	\$ 148,380
Other categorical aid:				
Local jails	\$ 215,065	\$ 215,065	\$ 100,882	\$ (114,183)
Total categorical aid	\$ 2,438,076	\$ 2,317,058	\$ 2,351,255	\$ 34,197
Total revenue from the Commonwealth	\$ 2,438,076	\$ 2,317,058	\$ 2,351,255	\$ 34,197
Total Eastern Shore Regional Jail Fund	\$ 2,445,278	\$ 2,374,260	\$ 2,419,060	\$ 44,800
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 10,724	\$ 10,724
Total revenue from local sources	\$ -	\$ -	\$ 10,724	\$ 10,724
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,061,998	\$ 1,061,998	\$ 674,385	\$ (387,613)
Total categorical aid	\$ 1,061,998	\$ 1,061,998	\$ 674,385	\$ (387,613)
Total revenue from the Commonwealth	\$ 1,061,998	\$ 1,061,998	\$ 674,385	\$ (387,613)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 1,111,176	\$ 1,111,176	\$ 1,425,288	\$ 314,112
Total categorical aid	\$ 1,111,176	\$ 1,111,176	\$ 1,425,288	\$ 314,112
Total revenue from the federal government	\$ 1,111,176	\$ 1,111,176	\$ 1,425,288	\$ 314,112
Total Virginia Public Assistance Fund	\$ 2,173,174	\$ 2,173,174	\$ 2,110,397	\$ (62,777)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Forfeited Asset Sharing Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ 1,567	\$ 1,567	\$ -
Total revenue from the Commonwealth	\$ -	\$ 1,567	\$ 1,567	\$ -
Total Forfeited Asset Sharing Fund	\$ -	\$ 1,567	\$ 1,567	\$ -
<b>CDBG Projects Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Program income	\$ -	\$ -	\$ 2,477	\$ 2,477
Total miscellaneous	\$ -	\$ -	\$ 2,477	\$ 2,477
Total revenue from local sources	\$ -	\$ -	\$ 2,477	\$ 2,477
Total CDBG Projects Fund	\$ -	\$ -	\$ 2,477	\$ 2,477
<b>Brownfield Community Assessment Fund:</b>				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Environmental Proteciton Agency grant	\$ -	\$ 350,000	\$ 47,250	\$ (302,750)
Total categorical aid	\$ -	\$ 350,000	\$ 47,250	\$ (302,750)
Total revenue from the Commonwealth	\$ -	\$ 350,000	\$ 47,250	\$ (302,750)
Revenue from the federal government:				
Categorical aid:				
Environmental Protection Agency grant	\$ -	\$ -	\$ 57,940	\$ 57,940
Total Brownfield Community Assessment Fund	\$ -	\$ 350,000	\$ 105,190	\$ (244,810)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>Harbor Improvement Fund:</b>				
Revenue from local sources:				
Charges for services:				
Boat slip rentals	\$ 13,500	\$ 13,500	\$ 18,905	\$ 5,405
Total charges for services	\$ 13,500	\$ 13,500	\$ 18,905	\$ 5,405
Miscellaneous:				
Other miscellaneous	21,798	21,798	13,500	(8,298)
Total miscellaneous	\$ 21,798	\$ 21,798	\$ 13,500	\$ (8,298)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VA Port Authority Grant	\$ 65,391	\$ 65,391	\$ 67,442	\$ 2,051
Total revenue from the Commonwealth	\$ 65,391	\$ 65,391	\$ 67,442	\$ 2,051
Total Harbor Improvement Fund	\$ 100,689	\$ 100,689	\$ 99,847	\$ (842)
<b>Debt Service Fund:</b>				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ 23,148	\$ 23,775	\$ 627
Total revenue from use of money and property	\$ -	\$ 23,148	\$ 23,775	\$ 627
Recovered costs:				
Other recovered costs	\$ 161,139	\$ 161,139	\$ 160,483	\$ (656)
Total recovered costs	\$ 161,139	\$ 161,139	\$ 160,483	\$ (656)
Total revenue from local sources	\$ 161,139	\$ 184,287	\$ 184,258	\$ (29)
Total Debt Service Fund	\$ 161,139	\$ 184,287	\$ 184,258	\$ (29)
<b>Capital Projects Funds:</b>				
<b>Capital Improvements Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,015,420	\$ 2,015,420
Total revenue from use of money and property	\$ -	\$ -	\$ 2,015,420	\$ 2,015,420
Intergovernmental:				
Revenues from local governments:				
Contribution from Northampton County School Board	\$ -	\$ -	\$ 1,620,987	\$ 1,620,987
Total revenues from local governments	\$ -	\$ -	\$ 1,620,987	\$ 1,620,987
Total revenue from local sources	\$ -	\$ -	\$ 3,636,407	\$ 3,636,407

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

Categorical aid:				
USDA Grant - Rural Assistance	\$ -	\$ 192,900	\$ 192,900	\$ -
Total categorical aid	\$ -	\$ 192,900	\$ 192,900	\$ -
Total revenue from the federal government	\$ -	\$ 192,900	\$ 192,900	\$ -
Total County Capital Improvements Fund	\$ -	\$ 192,900	\$ 3,829,307	\$ 3,636,407
<b>American Rescue Plan Act Fund:</b>				
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act	\$ 1,137,265	\$ 1,337,265	\$ 1,191,255	\$ (146,010)
Total revenue from the federal government	\$ 1,137,265	\$ 1,337,265	\$ 1,191,255	\$ (146,010)
Total American Rescue Plan Act Fund	\$ 1,137,265	\$ 1,337,265	\$ 1,191,255	\$ (146,010)
Total Primary Government	\$ 49,000,924	\$ 46,315,016	\$ 50,751,094	\$ 4,436,078
<b>Discretely Presented Component Unit-School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from use of money and property:				
Revenue from the use of property	\$ -	\$ -	\$ 61,554	\$ 61,554
Total revenue from use of money and property	\$ -	\$ -	\$ 61,554	\$ 61,554
Miscellaneous:				
Other miscellaneous	\$ 229,915	\$ 236,165	\$ 178,002	\$ (58,163)
Other miscellaneous				-
Total miscellaneous revenue	\$ 229,915	\$ 236,165	\$ 178,002	\$ (58,163)
Total revenue from local sources	\$ 229,915	\$ 236,165	\$ 239,556	\$ 3,391
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Northampton, Virginia	\$ 9,647,472	\$ 9,647,472	\$ 9,647,472	\$ -
Total revenues from local governments	\$ 9,647,472	\$ 9,647,472	\$ 9,647,472	\$ -
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,129,827	\$ 2,129,827	\$ 2,234,694	\$ 104,867
Basic school aid	4,291,387	4,291,387	4,026,582	(264,805)
ISAP	8,233	8,233	8,203	(30)
Gifted and talented	37,907	37,907	37,429	(478)
Remedial education	259,257	259,257	255,986	(3,271)
Project graduation	3,789	3,789	3,789	-
English as a second language	96,679	96,679	98,264	1,585
Special education	585,944 #	585,944	601,552	15,608
Textbook payment	89,609	89,609	88,479	(1,130)
Virginia preschool initiative	165,396	165,396	165,397	1
Social security fringe benefits	255,872	255,872	252,644	(3,228)
Retirement fringe benefits	596,358	596,358	588,834	(7,524)
Group life insurance fringe benefits	18,277	18,277	18,046	(231)
SOL algebra	25,720	25,720	27,526	1,806
Early reading intervention	64,210	64,210	66,156	1,946
Supplemental support	306,586	306,586	306,586	-
GED pass-thru grant	-	25,418	25,418	-
Special education homebound	3,817	3,817	1,016	(2,801)
National Board Certification incentive awards	-	12,500	-	(12,500)
Vocational educational	204,878	208,641	206,134	(2,507)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk payments	\$ 1,201,897	\$ 1,201,897	\$ 1,187,352	\$ (14,545)
Primary class size	309,774	309,774	316,091	6,317
Compensation supplement	272,608	272,608	269,484	(3,124)
Supplemental lottery per pupil allocation	258,451	258,451	270,015	11,564
Technology	180,000	192,893	183,248	(9,645)
Alternative education	108,722	108,722	121,556	12,834
School construction	-	1,259,294	1,259,294	-
Jobs for Virginia graduates	-	-	28,784	28,784
Support in lieu of sales tax	-	-	127,496	127,496
Hold harmless	-	-	374,031	374,031
Other state funds	1,906,020	517,210	12,500	(504,710)
Mentor teacher programs	-	4,502	4,502	-
Total categorical aid	<u>\$ 13,381,218</u>	<u>\$ 13,310,778</u>	<u>\$ 13,167,088</u>	<u>\$ (143,690)</u>
Total revenue from the Commonwealth	<u>\$ 13,381,218</u>	<u>\$ 13,310,778</u>	<u>\$ 13,167,088</u>	<u>\$ (143,690)</u>
Total School Operating Fund	<u>\$ 23,258,605</u>	<u>\$ 23,194,415</u>	<u>\$ 23,054,116</u>	<u>\$ (140,299)</u>
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 63,013	\$ 63,013	\$ 75,766	\$ 12,753
Total charges for services	<u>\$ 63,013</u>	<u>\$ 63,013</u>	<u>\$ 75,766</u>	<u>\$ 12,753</u>
Total revenue from local sources	<u>\$ 63,013</u>	<u>\$ 63,013</u>	<u>\$ 75,766</u>	<u>\$ 12,753</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 20,139	\$ 20,139	\$ 18,932	\$ (1,207)
Total categorical aid	<u>\$ 20,139</u>	<u>\$ 20,139</u>	<u>\$ 18,932</u>	<u>\$ (1,207)</u>
Total revenue from the Commonwealth	<u>\$ 20,139</u>	<u>\$ 20,139</u>	<u>\$ 18,932</u>	<u>\$ (1,207)</u>



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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Cafeteria Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 1,087,341	\$ 1,114,380	\$ 1,006,412	\$ (107,968)
Summer food program grant	27,418	27,418	20,205	(7,213)
Other federal grants	-	-	3,135	3,135
USDA commodities	-	-	138,472	138,472
Total categorical aid	<u>\$ 1,114,759</u>	<u>\$ 1,141,798</u>	<u>\$ 1,168,224</u>	<u>\$ 26,426</u>
Total revenue from the federal government	<u>\$ 1,114,759</u>	<u>\$ 1,141,798</u>	<u>\$ 1,168,224</u>	<u>\$ 26,426</u>
Total School Cafeteria Fund	<u><u>\$ 1,197,911</u></u>	<u><u>\$ 1,224,950</u></u>	<u><u>\$ 1,262,922</u></u>	<u><u>\$ 37,972</u></u>
<b>School Grants Fund:</b>				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Title I Part A	\$ 919,036	\$ 1,191,100	\$ 629,562	\$ (561,538)
Title I Part C (Migrant)	333,570	161,761	97,091	(64,670)
Title II Part A	105,335	131,268	80,811	(50,457)
Title III Part A	36,251	38,192	21,742	(16,450)
Title IV Part A	99,112	138,684	72,350	(66,334)
Title V Part A	58,915	76,791	26,327	(50,464)
Title VI-B Special education	469,287	497,186	361,681	(135,505)
Title VI-B preschool	31,520	28,981	4,351	(24,630)
CTE/Perkins grant	49,172	70,461	44,138	(26,323)
1003 A school improvement grant	229,276	43,226	124,481	81,255
Consortium incentive grants	19,976	25,717	13,246	(12,471)
Other federal grants	7,823,980	7,876,202	1,032,153	(6,844,049)
Total categorical aid	<u>\$ 10,175,430</u>	<u>\$ 10,279,569</u>	<u>\$ 2,507,933</u>	<u>\$ (7,771,636)</u>
Total revenue from the federal government	<u>\$ 10,175,430</u>	<u>\$ 10,279,569</u>	<u>\$ 2,507,933</u>	<u>\$ (7,771,636)</u>
Total School Grants Fund	<u><u>\$ 10,175,430</u></u>	<u><u>\$ 10,279,569</u></u>	<u><u>\$ 2,507,933</u></u>	<u><u>\$ (7,771,636)</u></u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Retiree Health Insurance Fund:</b>				
Revenue from local sources:				
Charges for services:				
Retiree health insurance premiums	\$ -	\$ -	\$ 117,025	\$ 117,025
Total revenue from local sources	\$ -	\$ -	\$ 117,025	\$ 117,025
Total School Retiree Health Insurance Fund	\$ -	\$ -	\$ 117,025	\$ 117,025
<b>School Activity Fund:</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 356,620	\$ 356,620
Total miscellaneous revenue	\$ -	\$ -	\$ 356,620	\$ 356,620
Total School Activity Fund	\$ -	\$ -	\$ 356,620	\$ 356,620
Total Discretely Presented Component Unit - School Board	\$ 34,631,946	\$ 34,698,934	\$ 27,298,616	\$ (7,400,318)

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

				Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Fund, Function, Activity and Element				
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 53,848	\$ 53,848	\$ 51,476	\$ 2,372
General and financial administration:				
County administrator	\$ 432,346	\$ 482,346	\$ 387,343	\$ 95,003
County attorney	82,482	99,776	99,493	283
Commissioner of revenue	302,343	318,316	284,384	33,932
General reassessment	360,592	360,592	259,127	101,465
Treasurer	410,985	410,985	358,899	52,086
Finance	447,002	460,695	460,694	1
Department of information technology	506,577	506,577	374,181	132,396
Contingency	435,460	198,660	-	198,660
Other general and financial administration	218,496	224,335	224,334	1
Total general and financial administration	\$ 3,196,283	\$ 3,062,282	\$ 2,448,455	\$ 613,827
Board of elections:				
Electoral board and officials	\$ 322,063	\$ 322,063	\$ 223,117	\$ 98,946
Total board of elections	\$ 322,063	\$ 322,063	\$ 223,117	\$ 98,946
Total general government administration	\$ 3,572,194	\$ 3,438,193	\$ 2,723,048	\$ 715,145
Judicial administration:				
Courts:				
Circuit court	\$ 34,800	\$ 34,800	\$ 29,071	\$ 5,729
General district court	7,625	7,625	6,831	794
Magistrate	3,225	3,225	545	2,680
Juvenile and domestic relations district court	6,740	6,740	5,137	1,603
Clerk of the circuit court	423,077	487,677	466,010	21,667
Victim and witness assistance	62,967	62,967	60,277	2,690
Total courts	\$ 538,434	\$ 603,034	\$ 567,871	\$ 35,163
Commonwealth's attorney:				
Commonwealth's attorney	\$ 427,752	\$ 432,313	\$ 432,311	\$ 2
Total commonwealth's attorney	\$ 427,752	\$ 432,313	\$ 432,311	\$ 2
Total judicial administration	\$ 966,186	\$ 1,035,347	\$ 1,000,182	\$ 35,165
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,446,775	\$ 3,717,609	\$ 3,577,743	\$ 139,866
Total law enforcement and traffic control	\$ 3,446,775	\$ 3,717,609	\$ 3,577,743	\$ 139,866

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Ambulance and rescue	\$ 14,286	\$ 14,286	\$ 8,372	\$ 5,914
Fire prevention	219,096	269,096	275,799	(6,703)
Emergency medical services	2,604,419	3,931,155	2,225,882	1,705,273
ARPA expenditures	-	1,114,594	1,187,265	(72,671)
Total fire and rescue services	<u>\$ 2,837,801</u>	<u>\$ 5,329,131</u>	<u>\$ 3,697,318</u>	<u>\$ 1,631,813</u>
Correction and detention:				
Judicial court services	\$ 53,480	\$ 85,761	\$ 85,760	\$ 1
Total correction and detention	<u>\$ 53,480</u>	<u>\$ 85,761</u>	<u>\$ 85,760</u>	<u>\$ 1</u>
Other protection:				
Animal control	\$ 139,169	\$ 139,169	\$ 125,166	\$ 14,003
Other emergency services	658,190	999,964	679,484	320,480
Contribution to animal control facility	35,600	35,600	24,875	10,725
Total other protection	<u>\$ 832,959</u>	<u>\$ 1,174,733</u>	<u>\$ 829,525</u>	<u>\$ 345,208</u>
Total public safety	<u>\$ 7,171,015</u>	<u>\$ 10,307,234</u>	<u>\$ 8,190,346</u>	<u>\$ 2,116,888</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 2,658,605	\$ 2,833,288	\$ 2,698,519	\$ 134,769
Administration	204,986	209,800	209,800	-
Total sanitation and waste removal	<u>\$ 2,863,591</u>	<u>\$ 3,043,088</u>	<u>\$ 2,908,319</u>	<u>\$ 134,769</u>
Maintenance of general buildings and grounds:				
General properties	\$ 1,618,736	\$ 4,504,744	\$ 2,774,627	\$ 1,730,117
Total maintenance of general buildings and grounds	<u>\$ 1,618,736</u>	<u>\$ 4,504,744</u>	<u>\$ 2,774,627</u>	<u>\$ 1,730,117</u>
Total public works	<u>\$ 4,482,327</u>	<u>\$ 7,547,832</u>	<u>\$ 5,682,946</u>	<u>\$ 1,864,886</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 574,378	\$ 574,378	\$ 574,378	\$ -
Total health	<u>\$ 574,378</u>	<u>\$ 574,378</u>	<u>\$ 574,378</u>	<u>\$ -</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Community services board	\$ 79,126	\$ 79,126	\$ 79,126	\$ -
Total mental health and mental retardation	\$ 79,126	\$ 79,126	\$ 79,126	\$ -
Welfare:				
Welfare administration	\$ 1,800	\$ 1,800	\$ 1,800	\$ -
Comprehensive Services Act	175,000	175,000	95,744	79,256
Total welfare	\$ 176,800	\$ 176,800	\$ 97,544	\$ 79,256
Total health and welfare	\$ 830,304	\$ 830,304	\$ 751,048	\$ 79,256
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 26,694	\$ 26,694	\$ 26,694	\$ -
Contribution to County School Board	9,577,472	9,577,472	9,577,472	-
Total education	\$ 9,604,166	\$ 9,604,166	\$ 9,604,166	\$ -
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ 309,325	\$ 317,598	\$ 312,165	\$ 5,433
Total parks and recreation	\$ 309,325	\$ 317,598	\$ 312,165	\$ 5,433
Library:				
Contribution to regional library	\$ 196,425	\$ 296,425	\$ 236,390	\$ 60,035
Contribution to local library	30,000	30,000	30,000	-
Total library	\$ 226,425	\$ 326,425	\$ 266,390	\$ 60,035
Total parks, recreation, and cultural	\$ 535,750	\$ 644,023	\$ 578,555	\$ 65,468
Community development:				
Planning and community development:				
Community development	\$ 179,949	\$ 279,949	\$ 265,214	\$ 14,735
ARPA expenditures	-	55,000	136,208	(81,208)
Planning, permitting and enforcement	1,329,285	1,179,830	701,246	478,584
Wetlands board	5,856	5,856	3,051	2,805
Planning commission	11,796	11,796	6,200	5,596
Other economic development	492,998	623,494	623,494	-
Total planning and community development	\$ 2,019,884	\$ 2,155,925	\$ 1,735,413	\$ 420,512
Environmental management:				
Contribution to Soil and Water Conservation District	\$ 53,504	\$ 53,504	\$ 53,504	\$ -
Total environmental management	\$ 53,504	\$ 53,504	\$ 53,504	\$ -
Cooperative extension program:				
Extension office	\$ 112,450	\$ 112,450	\$ 91,682	20,768
Total cooperative extension program	\$ 112,450	\$ 112,450	\$ 91,682	20,768
Total community development	\$ 2,185,838	\$ 2,321,879	\$ 1,880,599	\$ 441,280

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ -	\$ -	\$ 111,428	\$ (111,428)
Interest and other fiscal charges	-	-	4,913	(4,913)
Total debt service	\$ -	\$ -	\$ 116,341	\$ (116,341)
Total General Fund	\$ 29,347,780	\$ 35,728,978	\$ 30,527,231	\$ 5,201,747
<b>Special Revenue Funds:</b>				
<b>Eastern Shore Regional Jail Fund:</b>				
Public safety:				
Correction and detention:				
Eastern Shore Regional Jail	\$ 4,797,709	\$ 5,061,233	\$ 4,887,065	\$ 174,168
Total correction and detention	\$ 4,797,709	\$ 5,061,233	\$ 4,887,065	\$ 174,168
Total Eastern Shore Regional Jail Fund	\$ 4,797,709	\$ 5,061,233	\$ 4,887,065	\$ 174,168
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,341,373	\$ 2,341,373	\$ 2,275,618	\$ 65,755
Public assistance	106,500	106,500	95,679	10,821
Other welfare services	151,420	151,420	138,748	12,672
Total welfare and social services	\$ 2,599,293	\$ 2,599,293	\$ 2,510,045	\$ 89,248
Total health and welfare	\$ 2,599,293	\$ 2,599,293	\$ 2,510,045	\$ 89,248
Total Virginia Public Assistance Fund	\$ 2,599,293	\$ 2,599,293	\$ 2,510,045	\$ 89,248
<b>Forfeited Asset Sharing Fund:</b>				
Judicial administration:				
Commonwealth's attorney:				
Commonwealth's attorney	\$ -	\$ -	\$ 260	\$ (260)
Public safety:				
Sheriff	\$ -	\$ 1,567	\$ -	\$ 1,567
Total Forfeited Asset Sharing Fund	\$ -	\$ 1,567	\$ 260	\$ 1,307
<b>Brownfield Community Assessment Fund:</b>				
Community development:				
Planning and community development:				
Construction and improvements	\$ -	\$ 350,000	\$ 105,190	\$ 244,810
Total community development	\$ -	\$ 350,000	\$ 105,190	\$ 244,810
Total Brownfield Community Assessment Fund	\$ -	\$ 350,000	\$ 105,190	\$ 244,810

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Special Revenue Funds: (Continued)</b>				
<b>Harbor Improvement Fund:</b>				
Capital projects:				
Harbors and boat ramps	\$ 159,906	\$ 159,906	\$ 124,789	\$ 35,117
Total capital projects	<u>\$ 159,906</u>	<u>\$ 159,906</u>	<u>\$ 124,789</u>	<u>\$ 35,117</u>
Total Harbor Improvement Fund	<u>\$ 159,906</u>	<u>\$ 159,906</u>	<u>\$ 124,789</u>	<u>\$ 35,117</u>
<b>Debt Service Fund:</b>				
<b>Debt Service Fund:</b>				
Debt service:				
Principal retirement	\$ 2,482,246	\$ 4,475,231	\$ 4,453,500	\$ 21,731
Interest and other fiscal charges	2,822,271	2,822,271	2,825,031	(2,760)
Other debt service	1,950	2,141	2,291	(150)
Total Debt Service Fund	<u>\$ 5,306,467</u>	<u>\$ 7,299,643</u>	<u>\$ 7,280,822</u>	<u>\$ 18,821</u>
<b>Capital Projects Funds:</b>				
<b>Capital Improvements Fund:</b>				
Education:				
Other instructional costs:				
Contribution to County School Board	\$ -	\$ -	\$ 70,000	\$ (70,000)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ (70,000)</u>
Capital projects expenditures:				
Other school capital projects	\$ 614,959	\$ 3,753,062	\$ 488,645	\$ 3,264,417
School enhancement project	52,956,287	53,669,112	3,908,398	49,760,714
Other construction and improvements	-	1,401,300	94,522	1,306,778
Total capital projects	<u>\$ 53,571,246</u>	<u>\$ 58,823,474</u>	<u>\$ 4,491,565</u>	<u>\$ 54,331,909</u>
Total Capital Improvements Fund	<u>\$ 53,571,246</u>	<u>\$ 58,823,474</u>	<u>\$ 4,561,565</u>	<u>\$ 54,261,909</u>
<b>American Rescue Plan Act Fund:</b>				
General and financial administration:				
County administrator	\$ -	\$ 50,000	\$ -	\$ 50,000
Total general and financial administration	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>American Rescue Plan Act Fund: (Continued)</b>				
Community development:				
Planning and community development:				
Community development	\$ 1,064,594	\$ 100,000	\$ 3,990	\$ 96,010
Total planning and community development	\$ 1,064,594	\$ 100,000	\$ 3,990	\$ 96,010
Total community development	\$ 1,064,594	\$ 100,000	\$ 3,990	\$ 96,010
Total American Rescue Plan Act Fund	\$ 1,064,594	\$ 150,000	\$ 3,990	\$ 146,010
Total Primary Government	\$ 96,846,995	\$ 110,174,094	\$ 50,000,957	\$ 60,173,137



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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit-School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
Administration, attendance and health services	\$ 1,925,725	\$ 2,027,419	\$ 1,726,962	\$ 300,457
Total administration of schools	<u>\$ 1,925,725</u>	<u>\$ 2,027,419</u>	<u>\$ 1,726,962</u>	<u>\$ 300,457</u>
Instruction costs:				
Elementary and secondary schools	\$ 16,132,998	\$ 15,960,869	\$ 13,184,299	\$ 2,776,570
Total instruction costs	<u>\$ 16,132,998</u>	<u>\$ 15,960,869</u>	<u>\$ 13,184,299</u>	<u>\$ 2,776,570</u>
Operating costs:				
Pupil transportation	\$ 1,239,297	\$ 1,220,157	\$ 1,041,117	\$ 179,040
Operation and maintenance of school plant	3,869,172	3,894,557	2,227,665	1,666,892
Total operating costs	<u>\$ 5,108,469</u>	<u>\$ 5,114,714</u>	<u>\$ 3,268,782</u>	<u>\$ 1,845,932</u>
Contribution to County Capital Projects Fund	\$ 361,693	\$ 361,693	\$ 1,620,987	\$ (1,259,294)
Total education	<u>\$ 23,528,885</u>	<u>\$ 23,464,695</u>	<u>\$ 19,801,030</u>	<u>\$ 3,663,665</u>
Total School Operating Fund	<u><u>\$ 23,528,885</u></u>	<u><u>\$ 23,464,695</u></u>	<u><u>\$ 19,801,030</u></u>	<u><u>\$ 3,663,665</u></u>
<b>School Cafeteria Fund:</b>				
Education:				
School food services:				
Administration of school food program	\$ 1,247,911	\$ 1,274,950	\$ 977,264	\$ 297,686
USDA commodities	-	-	138,472	(138,472)
Total school food services	<u>\$ 1,247,911</u>	<u>\$ 1,274,950</u>	<u>\$ 1,115,736</u>	<u>\$ 159,214</u>
Total education	<u>\$ 1,247,911</u>	<u>\$ 1,274,950</u>	<u>\$ 1,115,736</u>	<u>\$ 159,214</u>
Total School Cafeteria Fund	<u><u>\$ 1,247,911</u></u>	<u><u>\$ 1,274,950</u></u>	<u><u>\$ 1,115,736</u></u>	<u><u>\$ 159,214</u></u>
<b>School Grants Fund:</b>				
Education:				
Instruction	\$ 10,175,430	\$ 10,279,569	\$ 2,514,363	\$ 7,765,206
Total School Grants Fund	<u>\$ 10,175,430</u>	<u>\$ 10,279,569</u>	<u>\$ 2,514,363</u>	<u>\$ 7,765,206</u>
<b>School Retiree Health Insurance Fund:</b>				
Education:				
Instruction	\$ -	\$ -	\$ 120,990	\$ (120,990)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,990</u>	<u>\$ (120,990)</u>
Total School Retiree Health Insurance Fund	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,990</u></u>	<u><u>\$ (120,990)</u></u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit-School Board: (Continued)</b>				
<b>School Activity Fund:</b>				
Education:				
Instructional services:				
Elementary and secondary schools	\$ -	\$ -	\$ 316,865	\$ (316,865)
Total education	\$ -	\$ -	\$ 316,865	\$ (316,865)
Total School Activity Fund	\$ -	\$ -	\$ 316,865	\$ (316,865)
Total Discretely Presented Component Unit - School Board	\$ 34,952,226	\$ 35,019,214	\$ 23,868,984	\$ 11,150,230

COUNTY OF NORTHAMPTON, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020
Governmental activities				
Net investment in capital assets	\$ 24,143,469	\$ 20,161,411	\$ 12,847,424	\$ 12,791,941
Restricted	4,280,543	5,820,670	1,968,721	1,919,429
Unrestricted	23,270,915	12,867,512	17,225,766	14,144,763
Total governmental activities net position	<u>\$ 51,694,927</u>	<u>\$ 38,849,593</u>	<u>\$ 32,041,911</u>	<u>\$ 28,856,133</u>
Business-type activities				
Net investment in capital assets	\$ 98,283	\$ 95,221	\$ 66,293	\$ 27,740
Restricted	2,780	-	-	-
Unrestricted	268,218	184,344	129,479	112,968
Total business-type activities net position	<u>\$ 369,281</u>	<u>\$ 279,565</u>	<u>\$ 195,772</u>	<u>\$ 140,708</u>
Primary government				
Net investment in capital assets	\$ 24,241,752	\$ 20,256,632	\$ 12,913,717	\$ 12,819,681
Restricted	4,283,323	5,820,670	1,968,721	1,919,429
Unrestricted	23,539,133	13,051,856	17,355,245	14,257,731
Total primary government net position	<u>\$ 52,064,208</u>	<u>\$ 39,129,158</u>	<u>\$ 32,237,683</u>	<u>\$ 28,996,841</u>

Table 1

	2019	2018	2017	2016	2015	2014
\$	11,822,786	\$ 13,426,790	\$ 13,075,221	\$ 13,311,004	\$ 13,002,316	\$ 13,311,792
	1,671,403	3,545,615	3,195,132	2,915,707	3,005,354	2,593,299
	13,221,915	11,733,339	11,922,127	9,069,441	7,678,896	9,587,750
\$	<u>26,716,104</u>	<u>\$ 28,705,744</u>	<u>\$ 28,192,480</u>	<u>\$ 25,296,152</u>	<u>\$ 23,686,566</u>	<u>\$ 25,492,841</u>
\$	34,741	\$ 41,742	\$ 16,149	\$ 18,036	\$ -	\$ -
	-	-	-	-	-	-
	33,375	(36,699)	1,452	8,426	9,561	2,702
\$	<u>68,116</u>	<u>\$ 5,043</u>	<u>\$ 17,601</u>	<u>\$ 26,462</u>	<u>\$ 9,561</u>	<u>\$ 2,702</u>
\$	11,857,527	\$ 13,468,532	\$ 13,091,370	\$ 13,329,040	\$ 13,002,316	\$ 13,311,792
	1,671,403	3,545,615	3,195,132	2,915,707	3,005,354	2,593,299
	13,255,290	11,696,640	11,923,579	9,077,867	7,688,457	9,590,452
\$	<u>26,784,220</u>	<u>\$ 28,710,787</u>	<u>\$ 28,210,081</u>	<u>\$ 25,322,614</u>	<u>\$ 23,696,127</u>	<u>\$ 25,495,543</u>

COUNTY OF NORTHAMPTON, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020
Expenses				
Governmental activities:				
General government administration	\$ 3,702,772	\$ 2,992,729	\$ 2,966,512	\$ 3,195,073
Judicial administration	1,083,789	524,342	936,664	805,032
Public safety	12,393,961	11,792,717	11,579,210	10,763,461
Public works	4,856,616	4,555,377	3,245,658	3,148,791
Health and welfare	3,238,555	2,975,568	3,193,313	2,921,111
Education	9,252,169	9,158,147	9,640,932	9,982,925
Parks, recreation, culture	623,441	75,080	653,310	442,445
Community development	1,299,852	2,498,128	2,255,067	1,486,382
Interest on long-term debt	1,735,105	1,651,144	898,769	1,124,481
Total governmental activities expenses	<u>\$ 38,186,260</u>	<u>\$ 36,223,232</u>	<u>\$ 35,369,435</u>	<u>\$ 33,869,701</u>
Business-type activities:				
Public utilities	\$ 138,334	\$ 129,183	\$ 169,924	\$ 260,122
Total business-type activities expenses	<u>\$ 138,334</u>	<u>\$ 129,183</u>	<u>\$ 169,924</u>	<u>\$ 260,122</u>
Total Primary government expenses	<u>\$ 38,324,594</u>	<u>\$ 36,352,415</u>	<u>\$ 35,539,359</u>	<u>\$ 34,129,823</u>
Program Revenues				
Governmental activities:				
Charges for services				
General government administration	\$ 30,754	\$ 34,930	\$ -	\$ -
Judicial administration	285,281	218,219	345,436	558,010
Public safety	1,213,215	1,199,894	1,036,314	663,631
Public works	961,120	768,681	817,127	755,252
Education	36,766	43,555	39,294	17,154
Parks, recreation, culture	70,108	65,221	51,135	48,490
Community development	-	-	-	-
Operating grants and contributions	9,111,395	9,241,923	8,178,573	6,309,865
Capital grants and contributions	-	-	313,673	69,347
Total governmental activities program revenues	<u>\$ 11,708,639</u>	<u>\$ 11,572,423</u>	<u>\$ 10,781,552</u>	<u>\$ 8,421,749</u>
Business-type activities:				
Charges for services	\$ 228,050	\$ 208,075	\$ 224,988	\$ 336,989
Total business-type activities program revenues	<u>\$ 228,050</u>	<u>\$ 208,075</u>	<u>\$ 224,988</u>	<u>\$ 336,989</u>
Total primary government program revenue	<u>\$ 11,936,689</u>	<u>\$ 11,780,498</u>	<u>\$ 11,006,540</u>	<u>\$ 8,758,738</u>
Net(Expense)/Revenue				
Governmental activities	\$ (26,477,621)	\$ (24,650,809)	\$ (24,587,883)	\$ (25,447,952)
Business-type activities	89,716	78,892	55,064	76,867
Total primary government net expense	<u>\$ (26,387,905)</u>	<u>\$ (24,571,917)</u>	<u>\$ (24,532,819)</u>	<u>\$ (25,371,085)</u>

Table 2  
Page 1 of 2

2019	2018	2017	2016	2015	2014
\$ 3,050,836	\$ 2,846,063	\$ 2,635,928	\$ 2,413,847	\$ 2,654,848	\$ 2,573,634
738,392	852,560	852,577	827,333	808,280	810,083
9,602,687	9,589,223	9,215,297	8,739,709	8,723,916	8,767,356
2,850,905	2,583,136	2,483,413	2,545,525	2,006,016	2,061,988
2,786,249	3,022,247	2,851,470	2,859,742	2,885,030	2,879,167
10,493,929	9,638,974	9,341,711	10,018,401	9,587,332	9,069,634
756,434	456,076	419,903	384,855	356,931	376,031
1,215,550	1,052,847	1,018,247	912,784	1,153,095	1,932,522
435,051	534,335	622,511	697,430	765,128	817,257
<u>\$ 31,930,033</u>	<u>\$ 30,575,461</u>	<u>\$ 29,441,057</u>	<u>\$ 29,399,626</u>	<u>\$ 28,940,576</u>	<u>\$ 29,287,672</u>
\$ 194,946	\$ 218,374	\$ 192,628	\$ 185,352	\$ 165,348	\$ 172,225
<u>\$ 194,946</u>	<u>\$ 218,374</u>	<u>\$ 192,628</u>	<u>\$ 185,352</u>	<u>\$ 165,348</u>	<u>\$ 172,225</u>
<u>\$ 32,124,979</u>	<u>\$ 30,793,835</u>	<u>\$ 29,633,685</u>	<u>\$ 29,584,978</u>	<u>\$ 29,105,924</u>	<u>\$ 29,459,897</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
684,650	784,750	768,860	654,510	722,594	748,040
783,262	694,031	469,439	304,566	267,459	302,044
728,839	806,547	574,315	575,089	535,686	506,268
-	-	-	-	-	-
66,707	60,534	53,744	51,200	58,630	58,479
-	-	-	-	40	20
6,252,276	6,130,345	6,085,668	6,080,273	6,137,361	5,815,182
-	-	33,129	52,577	-	741,305
<u>\$ 8,515,734</u>	<u>\$ 8,476,207</u>	<u>\$ 7,985,155</u>	<u>\$ 7,718,215</u>	<u>\$ 7,721,770</u>	<u>\$ 8,171,338</u>
\$ 262,294	\$ 196,844	\$ 187,630	\$ 180,235	\$ 165,486	\$ 160,946
<u>\$ 262,294</u>	<u>\$ 196,844</u>	<u>\$ 187,630</u>	<u>\$ 180,235</u>	<u>\$ 165,486</u>	<u>\$ 160,946</u>
<u>\$ 8,778,028</u>	<u>\$ 8,673,051</u>	<u>\$ 8,172,785</u>	<u>\$ 7,898,450</u>	<u>\$ 7,887,256</u>	<u>\$ 8,332,284</u>
\$ (23,414,299)	\$ (22,099,254)	\$ (21,455,902)	\$ (21,681,411)	\$ (21,218,806)	\$ (21,116,334)
67,348	(21,530)	(4,998)	(5,117)	138	(11,279)
<u>\$ (23,346,951)</u>	<u>\$ (22,120,784)</u>	<u>\$ (21,460,900)</u>	<u>\$ (21,686,528)</u>	<u>\$ (21,218,668)</u>	<u>\$ (21,127,613)</u>

COUNTY OF NORTHAMPTON, VIRGINIA

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

	2023	2022	2021	2020
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
General property taxes	\$ 23,118,826	\$ 20,561,841	\$ 19,860,840	\$ 19,688,827
Local sales and use tax	4,332,100	4,139,963	1,957,466	1,443,547
Communication sales tax	363,051	-	-	-
Consumer utility tax	329,972	335,039	328,659	324,208
Motor vehicle licenses	358,248	359,014	374,220	38,265
Franchise taxes	425,037	410,177	362,177	-
Hotel and meals taxes	1,011,360	1,018,413	663,301	805,013
Other local taxes	460,272	489,697	533,308	613,373
Unrestricted revenues from use of money and property	3,280,005	259,681	144,449	602,166
Miscellaneous	955,117	144,101	181,048	169,872
Grants and contributions not restricted to specific programs	3,067,980	1,876,084	1,903,845	2,164,551
Transfers	1,620,987	1,864,481	1,464,348	1,738,169
Total governmental activities	\$ 39,322,955	\$ 31,458,491	\$ 27,773,661	\$ 27,587,991
Business-type activities:				
Transfers	\$ -	\$ 4,901	\$ -	\$ (4,275)
Total business-type activities	\$ -	\$ 4,901	\$ -	\$ (4,275)
Total primary government	\$ 39,322,955	\$ 31,463,392	\$ 27,773,661	\$ 27,583,716
Change in Net Position				
Governmental activities	\$ 12,845,334	\$ 6,807,682	\$ 3,185,778	\$ 3,000,108
Business-type activities	89,716	83,793	55,064	50,789
Total primary government	\$ 12,935,050	\$ 6,891,475	\$ 3,240,842	\$ 3,050,897

Table 2  
Page 2 of 2

	2019	2018	2017	2016	2015	2014
\$	18,776,883	\$ 18,283,266	\$ 18,041,615	\$ 17,065,329	\$ 16,695,685	\$ 16,646,517
	1,347,759	1,278,342	1,206,730	1,178,112	1,091,493	1,089,704
	-	-	-	-	-	-
	328,478	325,996	323,498	318,769	322,591	320,126
	38,126	39,667	38,221	37,220	38,132	41,232
	-	-	-	-	-	-
	844,012	828,344	624,632	598,525	553,510	527,093
	575,224	545,693	583,525	576,843	500,753	527,676
	254,371	131,362	107,437	174,263	77,791	71,502
	119,981	(158,082)	376,240	237,483	166,823	170,401
	1,920,062	1,953,926	1,972,832	1,975,885	2,012,975	2,022,633
	851,753	546,170	1,077,500	991,545	394,521	578,848
\$	<u>25,056,649</u>	<u>\$ 23,774,684</u>	<u>\$ 24,352,230</u>	<u>\$ 23,153,974</u>	<u>\$ 21,854,274</u>	<u>\$ 21,995,732</u>
\$	(4,275)	\$ 5,225	\$ (3,863)	\$ 22,018	\$ -	\$ 18,000
\$	<u>(4,275)</u>	<u>\$ 5,225</u>	<u>\$ (3,863)</u>	<u>\$ 22,018</u>	<u>\$ -</u>	<u>\$ 18,000</u>
\$	<u>25,052,374</u>	<u>\$ 23,779,909</u>	<u>\$ 24,348,367</u>	<u>\$ 23,175,992</u>	<u>\$ 21,854,274</u>	<u>\$ 22,013,732</u>
\$	(391,303)	\$ 360,385	\$ 2,252,976	\$ 1,698,072	\$ 635,468	\$ 879,398
	72,592	72,573	(25,393)	17,020	138	6,721
\$	<u>(318,711)</u>	<u>\$ 432,958</u>	<u>\$ 2,227,583</u>	<u>\$ 1,715,092</u>	<u>\$ 635,606</u>	<u>\$ 886,119</u>



COUNTY OF NORTHAMPTON, VIRGINIA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable	\$ 18,676	\$ 30,176	\$ 27,244	\$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	15,395,940	12,161,807	14,167,329	11,682,987
Total General Fund	<u>\$ 15,414,616</u>	<u>\$ 12,191,983</u>	<u>\$ 14,194,573</u>	<u>\$ 11,682,987</u>
 All Other Governmental Funds				
Nonspendable	\$ 26,850	\$ 30,176	\$ -	\$ 17,936
Restricted	51,439,582	55,710,610	24,708,712	29,129,465
Committed	12,197,303	10,008,012	8,546,295	7,640,030
Assigned	97,932	88,657	84,447	84,445
Unassigned	-	-	-	(39,946)
Total all other governmental funds	<u>\$ 63,761,667</u>	<u>\$ 65,837,455</u>	<u>\$ 33,339,454</u>	<u>\$ 36,831,930</u>

Table 3

2019	2018	2017	2016	2015	2014
\$ -	\$ 2,963	\$ 782	\$ 1,748	\$ 874	\$ 874
-	-	-	-	190,175	-
-	139,908	139,908	66,000	-	139,168
11,495,155	10,332,116	9,464,231	7,763,364	7,804,166	7,898,674
<u>\$ 11,495,155</u>	<u>\$ 10,474,987</u>	<u>\$ 9,604,921</u>	<u>\$ 7,831,112</u>	<u>\$ 7,995,215</u>	<u>\$ 8,038,716</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,671,403	3,545,615	3,195,132	2,915,707	3,005,354	2,593,299
6,642,429	6,902,495	6,684,163	5,735,985	4,691,846	4,854,183
98,719	141,413	142,280	160,978	-	-
(22,010)	(22,010)	(192,866)	(191,846)	(203,262)	(182,910)
<u>\$ 8,390,541</u>	<u>\$ 10,567,513</u>	<u>\$ 9,828,709</u>	<u>\$ 8,620,824</u>	<u>\$ 7,493,938</u>	<u>\$ 7,264,572</u>

# COUNTY OF NORTHAMPTON, VIRGINIA

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

	2023	2022	2021	2020
<b>REVENUES</b>				
General property taxes	\$ 22,461,183	\$ 20,311,351	\$ 20,092,815	\$ 19,579,185
Other local taxes	7,280,040	6,752,303	4,219,131	3,224,406
Permits, privilege fees, and regulatory licenses	251,351	217,090	154,123	128,213
Fines and forfeitures	234,806	170,093	296,670	511,699
Revenue from the use of money and property	3,310,759	294,611	54,417	602,166
Charges for services	2,080,333	1,908,387	1,716,642	1,402,625
Miscellaneous	955,117	144,101	72,004	169,872
Recovered costs	541,622	542,068	169,846	249,026
Intergovernmental revenues	13,635,883	12,987,389	12,344,988	10,277,657
Total revenues	\$ 50,751,094	\$ 43,327,393	\$ 39,120,636	\$ 36,144,849
<b>EXPENDITURES</b>				
Current:				
General government administration	\$ 2,723,048	\$ 2,711,660	\$ 2,532,056	\$ 2,480,599
Judicial administration	1,000,442	886,138	789,639	727,320
Public safety	13,077,411	13,117,885	11,044,585	10,589,133
Public works	5,682,946	6,143,311	3,033,477	3,286,052
Health and welfare	3,261,093	3,175,437	3,157,622	2,976,558
Education	9,674,166	9,124,571	9,025,571	9,050,725
Parks, recreation, and cultural	578,555	547,811	440,021	410,100
Community development	1,989,779	2,636,763	2,227,636	1,387,807
Capital projects	4,616,354	13,138,510	4,058,439	867,527
Debt service:				
Principal retirement	4,564,928	2,181,056	2,239,465	2,110,815
Interest and other fiscal charges	2,832,235	1,834,690	1,809,515	769,803
Bond issuance costs	-	199,820	-	-
Total expenditures	\$ 50,000,957	\$ 55,697,652	\$ 40,358,026	\$ 34,656,439
Excess (deficiency) of revenues over (under) expenditures	\$ 750,137	\$ (12,370,259)	\$ (1,237,390)	\$ 1,488,410
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 12,646,194	\$ 10,644,126	\$ 6,686,821	\$ 6,057,206
Transfers out	(12,646,194)	(10,649,027)	(6,686,821)	(6,165,431)
Bonds issued	-	42,094,705	-	24,040,000
Refunding bonds issued	-	8,475,000	-	-
Bond premium issuance	-	630,690	-	3,170,036
Issuance of note payable	358,400	-	256,500	39,000
Payment-refunded bonds escrow agent	-	(8,360,000)	-	-
Issuance of leases	68,484	-	-	-
Total other financing sources (uses)	\$ 426,884	\$ 42,835,494	\$ 256,500	\$ 27,140,811
Net change in fund balances	\$ 1,177,021	\$ 30,465,235	\$ (980,890)	\$ 28,629,221
Fund balances - beginning	77,999,262	47,534,027	48,514,917	19,885,696
Fund balances - ending	\$ 79,176,283	\$ 77,999,262	\$ 47,534,027	\$ 48,514,917
Debt Service as a percentage of noncapital expenditures	17.85%	10.53%	11.47%	8.66%

Table 4

2019	2018	2017	2016	2015	2014
\$ 18,998,268	\$ 18,272,125	\$ 18,039,197	\$ 17,212,661	\$ 16,682,266	\$ 16,717,264
3,133,599	3,018,042	2,776,606	2,709,469	2,506,479	2,505,831
118,752	141,646	167,599	168,928	109,011	115,874
639,442	781,255	553,690	442,889	510,887	537,765
254,371	131,362	107,437	174,263	77,791	71,502
1,505,264	1,422,961	1,145,069	973,548	964,511	961,212
119,981	44,584	347,709	209,667	130,164	138,158
348,701	282,924	483,456	402,761	213,750	272,875
9,019,816	8,635,666	9,165,266	9,122,298	8,544,857	9,175,968
\$ 34,138,194	\$ 32,730,565	\$ 32,786,029	\$ 31,416,484	\$ 29,739,716	\$ 30,496,449
\$ 2,391,971	\$ 2,098,866	\$ 2,109,381	\$ 2,150,567	\$ 1,961,308	\$ 2,038,882
673,490	685,186	689,380	677,613	648,852	623,134
9,685,493	9,139,783	8,735,849	8,240,146	8,118,561	8,019,032
2,716,341	2,488,639	2,262,325	2,130,659	2,120,556	2,142,149
2,902,092	2,938,337	2,813,823	2,892,299	2,893,156	2,835,881
8,996,636	8,687,800	8,739,800	8,754,047	8,176,890	8,306,488
425,608	430,593	376,247	366,068	338,095	353,402
1,203,882	1,000,540	988,099	977,163	1,430,497	1,770,565
1,190,630	656,236	176,072	983,315	812,998	755,337
4,149,298	1,912,130	1,822,131	2,269,250	1,861,182	1,856,774
873,625	970,634	1,054,591	1,127,579	1,191,756	1,256,768
-	-	-	-	-	-
\$ 35,209,066	\$ 31,008,744	\$ 29,767,698	\$ 30,568,706	\$ 29,553,851	\$ 29,958,412
\$ (1,070,872)	\$ 1,721,821	\$ 3,018,331	\$ 847,778	\$ 185,865	\$ 538,037
\$ 5,717,906	\$ 5,955,599	\$ 5,214,133	\$ 5,805,122	\$ 5,733,914	\$ 5,947,535
(5,766,131)	(6,008,824)	(5,250,770)	(5,867,640)	(5,733,914)	(6,115,535)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	145,277
\$ (48,225)	\$ (53,225)	\$ (36,637)	\$ (62,518)	\$ -	\$ (22,723)
\$ (1,119,097)	\$ 1,668,596	\$ 2,981,694	\$ 785,260	\$ 185,865	\$ 515,314
21,004,793	19,373,904	16,451,936	15,666,676	15,303,288	14,787,974
\$ 19,885,696	\$ 21,042,500	\$ 19,433,630	\$ 16,451,936	\$ 15,489,153	\$ 15,303,288
14.81%	9.58%	9.80%	11.33%	10.50%	10.70%

Principal Property Tax Payers  
Current and Ten Years Ago

Taxpayer	December 31, 2022			December 31, 2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Bay Creek Development, LLC	\$ 24,969,600	1	0.98%			
Cape Charles Properties, LLC (Former Bayshore Concrete Products Corporation location)	14,782,500	2	0.58%	\$ 11,583,300	4	0.42%
THS Family Limited Partnership	13,748,400	3	0.54%			
Peacock Holdings Va LLC	11,452,000	4	0.45%			
Bay Creek Resort, LLC	11,236,800	5	0.44%			
Sun Cherrystone RV, LLC	10,786,500	6	0.42%			
Hoffler, Daniel A.	10,322,300	7	0.41%	14,288,300	3	0.51%
The Nature Conservancy	9,505,100	8	0.37%	9,304,100	7	0.33%
Sun Sunset Beach RV, LLC	7,374,900	9	0.29%			
Cherrydale Holdings VA, LLC	5,060,300	10	0.20%	6,337,000	10	0.23%
Bay Creek South, LLC				33,325,100	1	1.19%
Riverside Memorial Hospital				16,036,300	2	0.57%
Ballard Brothers Fish Company				10,209,500	5	0.37%
Bay Creek LLC				9,901,600	6	0.35%
Baymark Construction Corporation				7,946,000	8	0.28%
Bay Creek Marina and Resort LLC				7,672,500	9	0.27%
	<u>\$ 119,238,400</u>		<u>4.70%</u>	<u>\$ 126,603,700</u>		<u>4.52%</u>

Source: Northampton County Commissioner of Revenue Department

Property Tax Levies and Collections  
Last Ten Fiscal Years

Tax Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjust- ments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 16,663,188	\$ 18,062	\$ 16,681,250	\$ 15,477,073	92.88%	\$ 1,187,155	\$ 16,664,228	99.90%
2014	16,654,676	6,434	16,661,110	15,677,996	94.14%	964,099	16,642,095	99.89%
2015	17,087,463	36,286	17,123,749	16,170,224	94.63%	935,264	17,105,488	99.89%
2016	18,068,330	9,998	18,078,328	17,101,267	94.65%	965,227	18,066,494	99.93%
2017	18,383,412	9,041	18,392,453	17,395,680	94.63%	983,563	18,379,243	99.93%
2018	18,972,804	2,978	18,975,782	17,985,687	94.80%	929,542	18,915,229	99.68%
2019	19,405,666	(138,776)	19,266,890	18,456,213	95.11%	686,062	19,142,275	99.35%
2020	19,976,062	(184,277)	19,791,785	19,192,031	96.08%	522,327	19,714,358	99.61%
2021	20,779,581	(2,000)	20,777,581	19,613,997	94.39%	891,789	20,505,786	98.69%
2022	23,095,563	(215,320)	22,880,243	21,577,055	93.43%	-	21,577,055	94.30%

COUNTY OF NORTHAMPTON, VIRGINIA

Table 7

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)

Fiscal Year Ended	Real Property						Personal Property										Total Taxable Assessed Value	Direct Tax Rate per \$100		
	(Class 1, 2 & 3) Residential Property	(Class 4) Commercial Property	(Class 5 & 6) Raw Land		Public Service Property	Total	Tax Rate per \$100	Motor Vehicles and Tangibles	Tax Rate per \$100	Machinery and Tools	Tax Rate per \$100	Public Service Property	Tax Rate per \$100	Heavy Equipment	Tax Rate per \$100	Boats			Tax Rate per \$100	
2014	\$ 1,644,540,300	\$ 172,302,700	\$ 484,359,100	\$ 47,337,675	\$ 2,348,539,775	\$ 0.5400	\$ 68,377,100	\$ 3.85	\$ 52,623	\$ 3.85	\$ 4,145,000	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,421,114,498	\$ 0.636
2015	1,645,307,200	161,885,000	479,901,300	48,854,329	2,335,947,829	0.6728	68,775,700	3.85	50,980	3.85	3,867,100	2.00	-	-	-	-	9,428,100	0.99	2,418,069,709	0.767
2016	1,645,468,057	159,026,800	476,301,901	52,285,130	2,333,081,888	0.6805	73,842,300	3.90	12,074	3.90	4,621,400	2.00	-	-	-	-	9,484,600	0.99	2,421,042,262	0.782
2017	1,384,987,850	141,462,300	389,505,900	51,653,101	1,967,609,151	0.8300	94,006,200	3.90	8,726	3.90	4,062,400	2.00	-	-	-	-	9,561,600	0.99	2,075,248,077	0.972
2018	1,399,425,300	147,004,700	388,836,200	53,789,964	1,989,056,164	0.8300	98,671,200	3.90	-	3.90	4,721,200	2.00	-	9,263,300	963,600	1.43	10,699,200	0.99	2,113,374,664	0.980
2019	1,448,771,200	153,521,800	380,059,700	58,245,081	2,040,597,781	0.8300	106,809,627	3.90	-	3.90	4,015,300	2.00	-	8,643,900	1,468,400	1.43	10,699,200	0.99	2,172,234,208	0.988
2020	1,463,601,100	159,402,100	376,098,200	56,636,303	2,055,737,703	0.8300	106,809,627	3.90	-	3.90	4,061,000	2.00	-	8,643,900	1,20	1.20	11,229,100	0.99	2,187,949,730	0.986
2021	1,510,344,825	166,865,000	375,563,224	59,628,880	2,112,401,929	0.8350	129,595,800	3.90	-	3.90	2,734,600	2.00	-	7,357,500	1,233,100	1.20	11,528,300	0.99	2,264,851,229	1.015
2022	1,541,505,900	166,282,400	374,765,300	58,286,800	2,140,840,400	0.8350	133,087,025	3.90	-	3.90	4,810,500	2.00	-	7,596,500	2,052,500	0.99	14,588,300	0.99	2,302,975,225	1.018
2023	1,902,842,900	192,824,100	376,944,600	65,889,700	2,538,501,300	0.7600	143,153,900	3.60	-	3.60	6,108,600	2.00	-	9,167,200	1,158,700	0.99	15,831,500	0.99	2,713,921,200	0.916

Source: Northampton County Commissioner of Revenue Department

Note: The County assesses property at 100% of actual value. Tax rates are assessed per \$100 of assessed value.

## Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year	Real Estate	Motor Vehicles and Tangibles	Public Service Property	Machinery and Tools	Farm Machinery	Heavy Equipment	Boat	Total Direct Rate
2014	0.524	0.109	0.000	0.003	0.000	0.000	0.000	0.636
2015	0.650	0.110	0.000	0.003	0.000	0.000	0.004	0.767
2016	0.656	0.119	0.000	0.004	0.000	0.000	0.004	0.782
2017	0.787	0.177	0.000	0.004	0.000	0.000	0.005	0.972
2018	0.781	0.182	0.000	0.004	0.006	0.001	0.005	0.980
2019	0.780	0.192	0.000	0.004	0.006	0.002	0.005	0.988
2020	0.780	0.190	0.000	0.004	0.005	0.002	0.005	0.986
2021	0.779	0.223	0.000	0.002	0.004	0.002	0.005	1.015
2022	0.776	0.225	0.000	0.004	0.003	0.003	0.006	1.018
2023	0.711	0.190	0.000	0.005	0.003	0.001	0.006	0.916

Source: Northampton County Commissioner of Revenue Department

Note: Direct rates are derived by calculating a weighted average that multiplies each rate by the proportion of the revenue base to which it applies.

## Overlapping Rates

Fiscal Year	Town of Eastville		Town of Cape Charles		Town of Exmore		Town of Belle Haven
	Real Estate	Tangible Property	Real Estate	Tangible Property	Real Estate	Tangible Property	Real Estate
2014	\$ 0.0590	\$ 0.0500	\$ 0.2759	2.00	\$ 0.1200	\$ 0.4900	0.0850
2015	0.0590	0.0500	0.2759	2.00	0.1200	0.4900	0.0850
2016	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2017	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2018	0.0590	0.0500	0.3260	2.00	0.1200	0.4900	0.0850
2019	0.0590	0.1000	0.2945	2.00	0.1200	0.4900	0.0850
2020	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2021	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2022	0.0590	0.1000	0.2731	2.00	0.1200	0.4900	0.0850
2023	0.0550	0.1000	0.2159	1.00	0.1200	0.4900	0.0850



Ratio of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds				Percentage of Actual Taxable Value of Property (b)
	Governmental Activities	Less: Amounts Restricted to Repaying Principal	Total	Per Capita(a)	
2014	\$ 36,023,096	\$ 2,450,550	\$ 33,572,546	\$ 2,749	1.39%
2015	34,079,522	2,762,716	31,316,806	2,552	1.30%
2016	31,651,888	2,752,047	28,899,841	2,336	1.19%
2017	29,578,315	3,057,346	26,520,969	2,147	1.28%
2018	27,414,742	3,371,311	24,043,431	1,960	1.14%
2019	23,014,001	1,518,958	21,495,043	1,755	0.99%
2020	47,900,779	1,665,914	46,234,865	3,755	2.11%
2021	45,507,869	1,816,140	43,691,729	3,579	1.93%
2022	83,026,300	2,431,184	80,595,116	6,695	3.50%
2023	77,986,592	488,484	77,498,108	6,512	2.86%

Note: Debt refinanced in July 2014.

(a) Population data can be found in Table 11

(b) See Table 7 for property value data

Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

Governmental Activities						
Fiscal Year		General Obligation Bonds	Leases/USDA Payable	Total Primary Government	Percentage of Personal Income	Per Capita
2014	\$	33,572,546	\$ 262,111	\$ 33,834,657	7.12%	\$ 2,771
2015		31,316,806	93,059	31,409,865	6.52%	2,559
2016		28,899,841	-	28,899,841	5.66%	2,336
2017		26,520,969	-	26,520,969	4.80%	2,147
2018		24,043,431	-	24,043,431	4.02%	1,960
2019		21,495,043	-	21,495,043	3.44%	1,755
2020		46,234,865	-	46,234,865	6.96%	3,755
2021		43,691,729	-	43,691,729	6.02%	3,579
2022		80,595,116	33,185	80,628,301	10.00%	6,697
2023		77,498,108	678,465	78,176,573	10.23%	6,569

Note: Debt refinanced in July 2013.

Demographic and Economic Statistics  
Last Ten Available Calendar Years

Calendar	Population	Personal Income (1)	Per Capita Personal	Median Age	Fall School Enrollment	Unemployment Rate
Year End	(1)	(in thousands)	Income (1)	(1)	(3)	(2)
2013	12,211	\$ 475,468	\$ 38,938	47.2	1,589	8.90%
2014	12,273	481,956	39,270	48.0	1,557	7.40%
2015	12,369	511,041	41,316	48.3	1,598	6.00%
2016	12,354	552,550	44,726	48.4	1,599	5.70%
2017	12,270	598,293	48,761	48.4	1,563	5.60%
2018	12,246	624,885	51,028	48.5	1,521	5.40%
2019	12,314	664,472	53,961	49	1,446	4.40%
2020	12,208	726,286	59,493	49.8	1,362	8.10%
2021	12,039	805,933	66,944	51.2	1,287	5.20%
2022	11,900	764,219	64,220	50.7	1,332	3.50%

## Sources:

- (1) Bureau of Economic Analysis
- (2) Virginia Employment Commission
- (3) Northampton County Schools

Per capita income is the total income computed for every man, woman, and child in Northampton including those living in group quarters. It is derived by dividing the aggregate income of Northampton by the total population in that group.

Principal Employers  
Current Year and Ten Years Ago

Employer	2023			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Northampton County Schools	250-499	1	8.19%	250-499	2	5.00%
County of Northampton	100-249	2	3.30%	100-249	3	2.00%
Chesapeake Bay Bridge Tunnel	100-249	3	3.30%	100-249	4	2.00%
Ballard Fish and Oyster Company	100-249	4	3.30%			
Food Lion	100-249	5	3.30%	50-99	7	1.00%
David's Nursery	50-99	6	1.85%			
Eastern Shore Rural Health System	50-99	7	1.85%			
New Ravenna Acquisition LLC	50-99	8	1.85%	50-99	8	1.00%
Totalsource III	50-99	9	1.85%			
Nassawadox Rehabilitation & Nursing	50-99	10	1.85%			
Shore Memorial Hospital (Riverside)				500-999	1	11.00%
Lfc Agricultural Services Inc.				100-249	5	2.00%
Heritage Hall (Now Nassawadox Reheb)				100-249	6	2.00%
Bayshore Concrete Products Company				50-99	9	1.00%
Tankard Nurseries				50-99	10	1.00%
Total County Employees (Q4 2023 & Q4 2013)	<u>4,056</u>		<u>30.65%</u>	<u>1,350</u>		<u>28.00%</u>

Source: Virginia Employment Commission

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

	Full-time Equivalent Employees as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government	21	20	19	20	20	20	19	19	19	19
Judicial	9	10	9	8	8	7	7	7	7	7
Public Safety	101	103	105	110	116	113	113	113	109	107
Public Works	16	16	14	13	13	10	10	10	10	10
Public Utilities	0	1	1	2	2	2	2	2	2	2
Health and Welfare	28	27	30	24	30	33	33	33	33	33
Parks, Recreation & Cultural	2	2	2	2	2	2	2	1	1	1
Community Development	8	7	8	8	9	11	9	9	9	10
<b>TOTAL</b>	<b>185</b>	<b>186</b>	<b>188</b>	<b>187</b>	<b>200</b>	<b>198</b>	<b>195</b>	<b>194</b>	<b>190</b>	<b>189</b>

Source: Northampton County Human Resources Department

## COUNTY OF NORTHAMPTON, VIRGINIA

## Operating Indicators by Function

## Last Ten Fiscal Years (where available)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Administration</b>										
<b>Treasurer</b>										
Tax bills printed	23,149	40,498	N/A	32,305	32,209	40,234	39,786	31,652	38,833	38,630
Deposits	2,612	N/A	2,467	2,277	2,237	2,217	2,223	2,177	2,172	2,247
<b>Finance</b>										
Paychecks and direct deposit notices	10,196	10,462	10,262	9,566	9,054	8,762	9,280	8,646	8,112	8,371
Accounts payable checks	3,499	3,676	3,656	3,877	3,733	3,725	3,561	3,452	3,574	3,566
<b>Judicial Administration</b>										
<b>Clerk of the Circuit Court</b>										
Criminal cases commenced	965	1,051	920	683	763	814	738	497	487	N/A
Law cases commenced	96	132	267	269	347	209	128	173	194	N/A
Deeds recorded	2,946	3,291	2,797	2,246	2,043	2,157	2,128	2,045	2,138	N/A
<b>Public Safety</b>										
<b>Sheriff</b>										
Calls for service	3,143	2,885	2,822	3,264	3,214	3,380	3,209	3,379	N/A	N/A
Arrests made * FY20 new RMS system counts in custody only	70	54	65	60	165	240	298	296	N/A	N/A
Traffic summonses	2,913	2,226	3,278	5,489	6,970	7,552	7,372	7,048	N/A	N/A
Civil processes	3,793	1,467	1,399	1,748	2,329	2,324	2,723	2,646	N/A	N/A
Local prisoner days	18,197	25,185	16,185	28,020	30,729	33,966	32,920	38,596	40,155	38,125
Inmate transports	268	325	255	285	259	274	268	288	235	295
Out of state extraditions	14	25	15	15	20	14	14	8	11	13
<b>EMS</b>										
EMS dispatched	3,233	3,040	2,913	2,934	2,895	2,790	2,628	2,699	2,842	2,759
Avg daytime response time in minutes	8.56	8.64	8.93	9.03	8.57	8.52	8.53	9.34	9.29	8.99
Avg nighttime response time in minutes	9.69	9.67	9.42	10.42	10.29	10.24	10.41	10.29	10.49	10.75
<b>Building inspections</b>										
Plan reviews/Permits issued	361	332	299	276	293	489	303	254	332	331
Inspections	1,859	1,342	1,118	879	961	766	663	765	780	1,025
<b>Public Works</b>										
<b>Solid waste services</b>										
Tons received at landfill	19,309	19,333	17,243	18,167	17,791	17,889	17,171	15,687	17,075	15,737
Per capital waster generation (lbs/p/d)	7.84	8.12	7.07	6.76	7.59	7.41	6.34	6.23	6.31	6.05
Tipping fee per ton	\$ 75.00	\$ 75.00	\$ 75.00	\$ 75.00	\$ 72.00	\$ 69.00	\$ 69.00	\$ 69.00	\$ 65.00	\$ 65.00
<b>Community Development</b>										
<b>Code compliance</b>										
Abandoned vehicle/Inoperable vehicles	-	22	39	97	5	-	2	8	11	9
Overgrown grass	12	15	34	48	43	42	12	10	61	54
Dangerous structures	18	147	139	151	41	20	2	6	31	44
Assignment 911 addresses	84	61	153	113	257	32	20	36	39	51

Sources: Various departments in Northampton County.

N/A - This information is not available.

COUNTY OF NORTHAMPTON, VIRGINIA

Table 15

Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Administration										
County Administration										
Eastville historic buildings	1	1	1	1	1	1	1	1	1	1
Eastville Inn	1	1	1	1	1	1	1	1	1	1
Temporary Admin. Bldg-Old Middle School	0	0	0	0	0	0	0	0	0	0
Former Middle School/Community Center	1	1	1	1	1	1	1	1	1	1
1899 Courthouse building	1	1	1	1	1	1	1	1	1	1
Old Jail Building	0	0	0	0	0	0	1	1	1	1
Judicial Administration										
2006 Courthouse	1	1	1	1	1	1	1	1	1	1
Public Safety										
THU (Converted to Sheriff's Admin)	1	1	1	1	1	1	1	1	1	1
Eastern Shore Regional Jail	1	1	1	1	1	1	1	1	1	1
Sheriff's vehicles	53	54	51	49	47	46	44	44	46	45
Public Works										
Landfill	1	1	1	1	1	1	1	1	1	1
Transfer station	1	1	1	1	1	1	1	1	1	1
Convenience centers	6	6	6	6	6	6	6	6	6	6
Community Development										
Social services building (old)	0	0	0	0	0	0	1	1	1	1
Social services building (new)	1	1	1	1	1	1	1	1	1	1
Parks, Recreation and Cultural										
Parks	1	1	1	1	1	1	1	1	1	1
Recreation center - Indian Town Park	1	1	1	1	1	1	1	1	1	1
Community Center (Former Middle School)	1	1	1	1	1	1	0	0	0	0
Schools										
Attendance centers, Elementary	2	2	2	2	2	2	2	2	2	2
Attendance centers, Middle	1	1	1	1	1	1	1	1	1	1
Attendance centers, Secondary	1	1	1	1	1	1	1	1	1	1
Number of classrooms, Elementary	78	78	78	78	78	78	77	77	77	78
Number of classrooms, Middle	10	10	10	10	10	10	12	11	11	10
Number of classrooms, Secondary	53	53	53	53	53	53	51	51.5	51	51

Sources: Various departments in the County of Northampton.



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

**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 Northampton  
Northampton, 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 unit, each major fund, and the aggregate remaining fund information of County of Northampton, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County of Northampton, Virginia's basic financial statements, and have issued our report thereon dated December 4, 2023.

**Report on Internal Control over Financial Reporting**

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

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Richmond, Virginia  
December 4, 2023



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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

***Basis for Opinion on Each Major Federal Program***

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

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

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

## Report on Internal Control over Compliance (Continued)

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

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

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The signature is written in a cursive, flowing style.

Richmond, Virginia  
December 4, 2023

COUNTY OF NORTHAMPTON, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	1110122/1110123	\$ 73	\$ -
Title IV-E Prevention Program	93.472	1140122/1140123	17,644	-
Temporary Assistance for Needy Families	93.558	0400122/0400123	244,314	-
		0950121/0950122/		
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950221	27,504	-
Refugee and Entrant Assistance State/Replacement Designee				
Administered Programs	93.566	0500122/0500123	1,177	-
Low-Income Home Energy Assistance	93.568	0600422/0600423	50,957	-
Child Care Mandatory and Matching Funds of the Child Care				
and Development Fund (CCDF Cluster)	93.596	0760122/0760123	55,611	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	342	-
Foster Care - Title IV-E	93.658	1100122/1100123	124,093	-
Adoption Assistance	93.659	1120122/1120123	14,529	-
Social Services Block Grant	93.667	1000122/1000123	209,238	-
John H. Chafee Foster Care Program for Successful Transition				
to Adulthood	93.674	9150121/9150122	2,024	-
Children's Health Insurance Program	93.767	0540122/0540123	1,775	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200123	221,614	-
Elder Abuse Prevention Interventions Program	93.747	8000221/8000321	7,454	-
Total Department of Health and Human Services			\$ 978,349	\$ -
Department of Agriculture:				
Direct Payments:				
Community Facilities Loans and Grants (Community Facilities Loans				
and Grants Cluster)	10.766	N/A	\$ 551,300	\$ -
Pass Through Payments:				
Department of Agriculture:				
Food Distribution--School (Child Nutrition Cluster)	10.555	Not available	\$ 138,472	\$ -
Department of Education:				
		202222N11994/		
		202323N11994/		
National School Lunch Program (Child Nutrition Cluster)	10.555	202322N89034	712,054	-
Sub-total ALN 10.555			\$ 850,526	\$ -
Department of Agriculture:				
Food Distribution--Summer school (Child Nutrition Cluster)	10.559	Not available	\$ 3,991	\$ -
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	202221N11994	16,215	-
Sub-total ALN 10.559			\$ 20,206	\$ -
Department of Education:				
		202222N11994/		
School Breakfast Program (Child Nutrition Cluster)	10.553	202323N11994	\$ 294,357	\$ -
Sub-total ALN 10.553			\$ 294,357	\$ -
			\$ 1,165,089	\$ -
		Child Nutrition Cluster		

COUNTY OF NORTHAMPTON, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Agriculture: (Continued)				
Pass Through Payments: (Continued)				
Department of Agriculture:				
Pandemic EBT Administrative Costs	10.649	2022225900941	\$ 3,135	\$ -
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0010123/ 0040122/0040123	\$ 444,904	\$ -
Total Department of Agriculture			\$ 2,164,428	\$ -
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Service:				
		22-01095VW19/ 23-		
Crime Victim Assistance	16.575	O1095VW19	\$ 41,635	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	21-U1161LO18	2,964	-
Total Department of Justice			\$ 44,599	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Emergency Management Performance Grants	97.042	776002-5014340	\$ 7,500	\$ -
Total Department of Homeland Security			\$ 7,500	\$ -
Department of Treasury:				
Direct Payments:				
Local Assistance and Tribal Consistency Fund	21.032	N/A	\$ 50,000	\$ -
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,864,565	-
Pass Through Payments:				
Virginia Tourism Corporation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not available	3,990	-
Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	158,135	-
Department of Social Services:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	9122222	2,034	-
Sub-total ALN 21.027			\$ 2,028,724	\$ -
Total Department of Treasury			\$ 2,078,724	\$ -

COUNTY OF NORTHAMPTON, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Environmental Protection Agency:				
Direct Payments:				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	N/A	\$ 57,940	\$ -
Total Environmental Protection Agency			\$ 57,940	\$ -
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A210046/ S010A200046/ S010A190046/ S010A220046	\$ 754,043	\$ -
Migrant Education - State Grant Program	84.011	S011A200047/ S011A190047/ S011A210047/ S011A220047	97,091	-
Career and Technical Education - Basic Grants to States	84.048	V048A210046/ V048A220046	44,138	-
Special Education Grants to States (Special Education Cluster)	84.027	H027A210107/ H027A200107/ H027X210107/ H027A220107	361,681	-
Special Education Preschool Grants (Special Education Cluster)	84.173	H173X210112/ H173A210112/ H173A220122	4,351	-
Special Education Cluster			\$ 366,032	\$ -
Migrant Education - Coordination Program	84.144	S144F200047/ S144F210047	\$ 13,246	\$ -
Rural Education	84.358	S358B190046/ S358B200046/ S358B210046/ S358B220046	26,327	-
English Language Acquisition State Grants	84.365	S365A190046/ S365A200046/ S365A210046/ S365A220046	21,742	-
Supporting Effective Instruction State Grants	84.367	S367A210044/ S367A220044	80,811	-
Student Support and Academic Enrichment Program	84.424	S424A190048/ S424A200048/ S424A210048/ S424A220048	72,350	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	S425C210042	11,702	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) (ESSER) Fund	84.425D	S425D210008	453,537	-
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	S425U210008	408,780	-
<b>Sub-total ALN 84.425</b>			\$ 874,019	\$ -
Total Department of Education			\$ 2,349,799	\$ -
Total Expenditures of Federal Awards			\$ 7,681,339	\$ -

See accompanying notes to schedule of expenditures of federal awards.

## COUNTY OF NORTHAMPTON, VIRGINIA

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

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#### Note 1 - Basis of Presentation

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

#### Note 2 - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

#### Note 3 - Food Donation

The value of federal awards expended in the form of noncash assistance of food commodities is reported in the schedule.

#### Note 4 - 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	\$	807,367
American Rescue Plan Act		1,191,255
Special Revenue Funds:		
Virginia Public Assistance Fund		1,425,288
Brownfield Community Assessment Fund		57,940
Total primary government	\$	<u>3,674,750</u>

Component Unit School Board:

School Cafeteria Fund	\$	1,168,224
School Grants Fund		2,507,933
Total component unit School Board	\$	<u>3,676,157</u>

Total federal expenditures per basic financial statements	\$	<u>7,350,907</u>
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Less: Federal Payment in Lieu of Taxes not included in the SEFA	\$	<u>(27,968)</u>
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Add: USDA Note payable proceeds		<u>358,400</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>7,681,339</u></u>
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#### Note 5 - De Minimis Cost Rate

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

#### Note 6 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.



COUNTY OF NORTHAMPTON, VIRGINIA

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

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**Section I-Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified?            yes   ✓   no

Significant deficiency(ies) identified?            yes   ✓   no

Noncompliance material to financial statements noted?            yes   ✓   none reported

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?            yes   ✓   no

Significant deficiency(ies) identified?            yes   ✓   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)?            yes   ✓   no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
10.553/10.555/10.559	Child Nutrition Cluster
84.425	Education Stabilization Fund
84.010	Title I

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

Auditee qualified as low-risk auditee?   ✓   yes            no

**Section II-Financial Statement Findings**

None

**Section III-Federal Award Findings and Questioned Costs**

None

COUNTY OF NORTHAMPTON, VIRGINIA

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

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There were no prior year findings.