

COUNTY OF WARREN, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

COUNTY OF WARREN, VIRGINIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

PREPARED BY:

FINANCE DEPARTMENT

COUNTY OF WARREN, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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COUNTY OF WARREN



County Administrator's Office
Warren County Government Center
220 North Commerce Avenue, Suite 100
Front Royal, Virginia 22630
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Facsimile: (540) 636-6066
Email: edaley@warrencountyva.gov

Dr. Edwin C. Daley
County Administrator

February 28, 2023

**To the Honorable Members of the Board of Supervisors
To the Citizens of Warren County
County of Warren, Virginia**

We are pleased to present the Comprehensive Annual Financial Report for the County of Warren, Virginia (the "County") for the fiscal year ended June 30, 2022. This report was prepared by the County's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls, which are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Controls: In addition to the internal accounting controls noted above, the County also maintains budgetary controls. These budgetary controls ensure compliance with provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general, major special revenue, and capital projects funds are included in the annual appropriated budget.

As a recipient of federal and state financial assistance, the County is also responsible for ensuring that adequate internal controls are in place to guarantee and document compliance with applicable laws and regulations.

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

THE REPORTING ENTITY AND ITS SERVICES

The County report includes all funds of the “primary government”. In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include public safety, public works, economic development, law enforcement, social services, recreation and cultural activities, and community development. Additionally, the County is responsible for funding primary and secondary education and appoints a separate board to handle utilities. For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, “The Financial Reporting Entity,” the County has identified two discrete component units. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government’s operations, and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. Therefore, the County School Board and the Industrial Development Authority (dba Economic Development Authority [EDA]) are reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government. The EDA is a legally separate organization providing economic development services to the County whose board is appointed by the Board of Supervisors and is fiscally independent.

COUNTY DEMOGRAPHIC AND ECONOMIC DEVELOPMENT INFORMATION

Warren County’s existing industrial sectors include, but are not limited to, agricultural, automotive, banking/finance, call centers, forest/wood products, furniture, metal fabrication, nuclear engineering/fabrication, pharmaceutical, plastics, printing, technology, textile, higher education, and trucking.

The County’s unemployment rate in December 2022 was 2.5%, a decrease over the 2.9% of December 2021. The rate of 2.5% was slightly lower than both the unemployment rate of 3.0% for Virginia and the national average of 3.5% ¹.

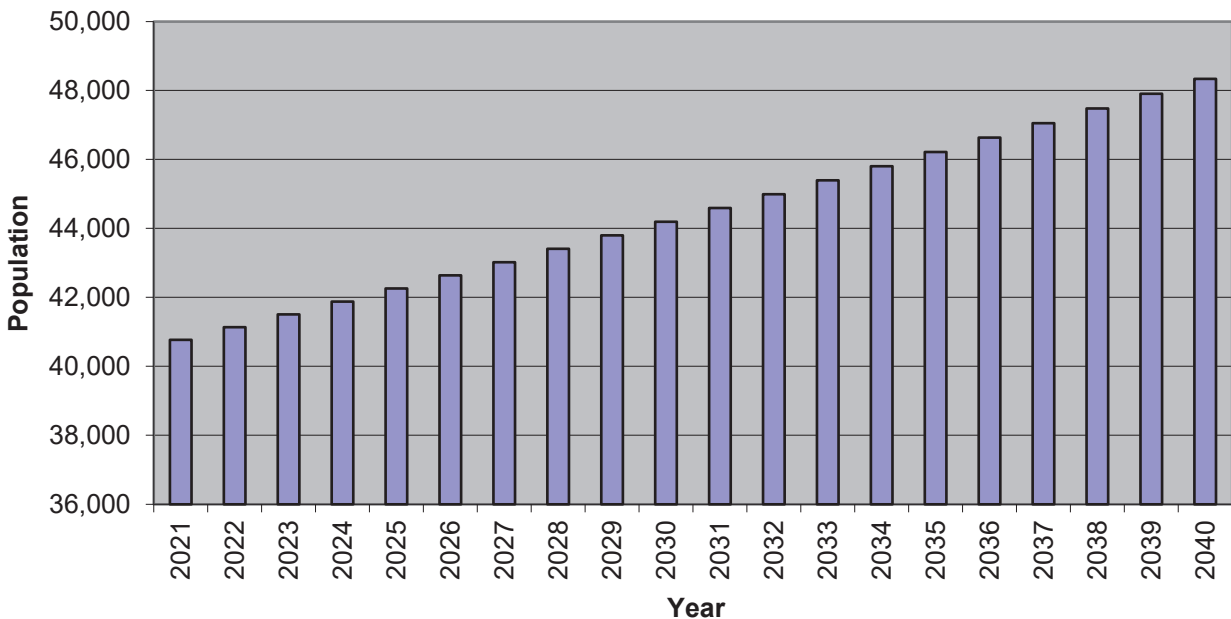
The total reported value of new construction for permits issued increased from \$76,025,788.00 in FY 2021 to \$143,421,047.25 in FY 2022 (+\$67,395,259 or 88.65%). This significant increase is attributable to the ongoing expansion in the industrial and commercial sectors along the Route 340/522 corridor, chiefly the Equus and InterChange/Nature’s Touch projects. The FY 2022 figure is higher than the 10-year average of \$93,715,601.46. The total number of building permits was down in FY 2022 over FY 2021 from 2,656 to 2,456, a decrease of 7.5%.

Warren County’s population has increased slightly from 40,727 as of April 1, 2020 to the most recent July 1, 2022 population estimate of 41,280 ², an increase of 553 persons (1.36%). Warren County’s estimated population of 41,280 is an increase of 3,705 persons (9.86%) from the 2010 Census count of 37,575. The County Planning Department projections show a steady conservative annual population growth of approximately 1% per year over the next 20 years.

¹ January 24, 2023 State Employment and Unemployment Publication by the U.S. Bureau of Labor and Statistics

² January 30, 2023 Population Estimates Publication by the Weldon Cooper Center for Public Service, Demographics Research Group

Warren County Population Projections



As the Washington Metropolitan area continues to expand, Warren County and the surrounding area will continue to see additional residential growth pressures and an influx of new homeowners. This will be somewhat offset by fuel costs and traffic congestion, which make commuting to work in the Northern Virginia area less attractive to County residents.

Increasing the industrial/commercial tax base in an effort to minimize the tax burden on residents continues to be a top priority of the County. Several projects have recently been completed or are in the review process of completion that will enhance the County's tax base.

Equus - Virginia Inland Port Logistics Center

- Equus is nearing completion of their 324,000 SF industrial facility on a 20-acre site off Route 340/522 just north of the RSW Regional Jail.
- They have successfully leased the building, though the tenant has yet to be announced as they are continuing to work on interior architectural plans
- The facility will provide an estimated 150-200 new jobs.



Recent Aerial Image of Equus Capital Partners Facility

InterChange/Nature's Touch

- In November 2021, it was announced that Nature's Touch Frozen Foods, a supplier of frozen fruits and vegetables for the United States, Canada, and Australia, would invest \$40.3 million to expand in the County after establishing its Virginia production facility in the County's Stephens Industrial Park in 2014.
- Construction of the new, 126,000-square-foot facility is underway and estimated to be completed in the second quarter of 2023.
- Upon completion, the facility will provide an estimated 60-70 new jobs.



Aerial Image of Current Nature's Touch Facility with Virginia Inland Port in Background

Commercial development has grown significantly over the past fifteen years as the Crooked Run (220,000 SF) and Riverton Commons (450,000 SF) shopping centers have been developed along the Route 340/522 Corridor. These two shopping centers are providing significant sales, meals, and real estate taxes to the community. There is new commercial construction north of the Riverton Commons Shopping center that will be the County's first climate-controlled storage facility with a similar facility across RT340/522 which is in stie plan review. Additionally, two companies already located in Warren County are building new facilities within the corridor to accommodate their growing business needs, Manuel Trucking and Terra Site Constructors.



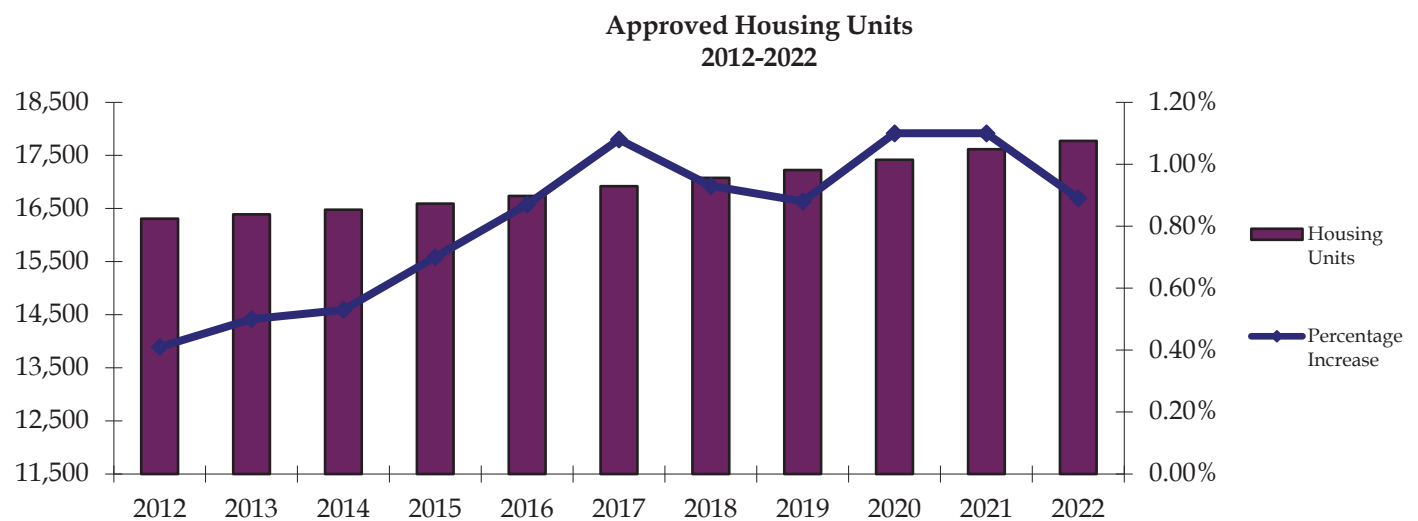
Riverton Commons and Crooked Run Shopping Centers

Residential growth in Warren County has maintained a steady and healthy pace over the past ten years. In 2022, the County had a total of 156 new home starts. Of that number, 18 were inside Town limits and the remaining 138 outside Town limits. As a comparison, in 2021 there were a total of 200 new home starts, resulting in a decrease for 2022 of 22%.

The following charts show the increase in the number of units and the percentage growth in the County since 2012.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Avg.
Front Royal	13	10	5	15	14	16	16	24	40	27	18	18
Warren County	53	72	82	101	131	165	141	126	151	173	138	121
Total	66	82	87	116	145	181	157	150	191	200	156	139



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Approved Housing Units	16,307	16,389	16,476	16,592	16,737	16,918	17,075	17,225	17,416	17,616	17,772
Annual % Increase	0.41%	0.50%	0.53%	0.70%	0.87%	1.08%	0.93%	0.88%	1.10%	1.10%	0.89%

FY 2022 OTHER ECONOMIC DEVELOPMENT ACCOMPLISHMENTS

County Staff-

In February 2022, Warren County appointed Joseph “Joe” Petty to lead the County’s Department of Economic Development. Mr. Petty coordinates with the Board of Supervisors, County staff, the Front Royal-Warren County EDA, State agencies, the Town of Front Royal and Discover Front Royal to promote tourism and Economic Development throughout Warren County.

Financial Management-

Warren County continues to serve as Fiscal Agent for the Front Royal/Warren County Economic Development Authority (EDA), and the FY20 audit is underway.

EDA Owned Properties-

During FY 2021-2022, the EDA negotiated the sale of 426 Baugh Drive building, and the purchase was finalized in FY 2022-2023. This sale has reduced taxpayer debt and future interest expenses.

Regional Economic Development Efforts-

The County and EDA have been working with Frederick, Page, Shenandoah, and Clarke Counties on a regional workforce initiative to attract highly skilled workers to the region. They are working on a framework and budget for implementation of a marketing strategy to attract top talent to the region. Establishing working relationships with regional groups and resources will be a key component to future success. The EDA and Warren County continues to work with the Laurel Ridge Small Business Development Center (SBDC) and GO Virginia to provide much needed assistance to small businesses.

VEDP’s Site Characterization Project-

The County and EDA continues to work with the VEDP on their effort to study sites across Virginia to determine their level of development for new economic development projects as part of the Virginia Business Ready Site Program (VBRSP). The VEDP developed a Tier ranking system to rate each site, and Warren County has four sites in the program. As part of a GO Virginia Grant with the Shenandoah Valley Partnership, the EDA is currently working to increase the Tier ranking for Stephens Industrial Park so they will be more competitive with others in the state and the nation.

Prospects-

Throughout 2021-2022, the EDA has seen more interest in Warren County from outside investors. It is a good sign that people see the economic opportunity Warren County and Front Royal have to offer. The EDA will continue to market Warren County to investors in the region and across the country to bring in more jobs and economic opportunity for the citizens in this community.

In 2020 Silent Falcon announced its new operations located at the Front Royal/Warren County Airport, and since have been building operations and personnel at the new location. The company continues to expand its presence in Warren County and is currently taking part in VEDP’s Commonwealth’s Development Opportunity Fund (COF) and is continuing to bring quality career opportunities to Warren County.

COUNTY VISION STATEMENT

The Strategic Vision sets the direction for an update to the County’s Comprehensive Plan. The Comprehensive Plan is the County’s official policy guide for future development related decisions. It is long range in nature and provides a picture of how the community wishes to develop over the next 15 to 20 years.

Our Vision

Warren County will be a thriving community that retains its safe, scenic, friendly and inviting character with leadership that puts community first and works cooperatively to:

- Preserve the quality of our clean water, air, natural resources and scenic landscape;
- Grow gradually at a rate that supports the local economy but does not place stress on County services or natural resources. This has historically meant a 2% to 3% annual growth rate.
- Maintain our small-town character and rural lifestyle while providing quality amenities for shopping, recreation and entertainment;
- Enhance opportunities for quality wage jobs that allow residents to live, work and raise families in the County;
- Support an excellent school environment that retains quality teachers and graduates the next generation of leaders;
- Provide a variety of housing choices to allow our citizens and workforce to live prosperously and age with dignity within their community;
- Deliver quality services such as fire, safety, and law enforcement, and provide safe and modern roads and other infrastructure within a framework of balanced taxes and sound fiscal management; and
- Make Warren County a place of choice in Virginia, where people choose to live, prosper, raise families, grow businesses, and stay a lifetime.

CAPITAL IMPROVEMENTS

Public Safety

The Department of Fire and Rescue Services (WCFR) continues work in the development and implementation of long-term Capital Needs and Asset Replacement Plans. These plans will assist the policymakers in the allocation of funds to ensure safe and reliable apparatus and equipment. In 2022, WCFR committed to purchasing (ordering) and/or placing in-service the following apparatus and equipment:

- Three 2023 Ambulance Transport Units
- One Stryker Performance PRO Cot/Upgrade
- One 2023 Pierce Enforcer Pumper

WCFR continued replacing all systemwide personal protective equipment. This has historically been a responsibility of the individual volunteer station. This process will ensure adequate and NFPA-compliant PPE across the countywide response system. Additionally, the department made several advancements in the acquisition of several training aids to assist in the training and education of our responders. These assets will prove beneficial in the enhancement of our emergency response system. Several staff members completed their education in the paramedic-level training program. These achievements have afforded the department the opportunity to enhance our advanced life support response services throughout Warren County.

WCFR began a renovation of the Linden Community Fire Station #4. This process was due to the discovery of mold and moisture issues that presented unsafe working conditions to the career and volunteer responders assigned to that station.

Public Safety is regarded by the Board of Supervisors as one of the primary functions of local government. The County of Warren is committed to providing staff with quality facilities and adequate resources to carry out their jobs.

Solid Waste

The County has been working for the past fifteen years to upgrade the County's four compactor sites and Transfer Station to better meet the needs of its citizens by increasing recycling opportunities and improving traffic flow. Over the past decade, the County has been able to:

- Expand, repave, and stripe the Rockledge Site - (2016)
- Repave and stripe the Cooley site (Route 340/522 North) - (2016)
- Tipping floor overlay at the Transfer Station - (2018)
- Repave and stripe the Transfer Station - (2019)

The Shenandoah Farms compactor site is currently located on a rented site at the Shenandoah Farms Grocery Store. Due to the relatively small size of the site, there is not room to provide for adequate traffic flow, parking, and recycling bins. With the projected future growth of the area due to the undeveloped lots, the County has identified the need to replace and upgrade the site. In addition, the County, through a formal agreement with Clarke County, accepts waste from Clarke County residents at this location.

The Cooley compactor site is currently located in the Crooked Run area within the Winchester Road Park-n-Ride. The current site is the busiest of all the County's satellite facilities and has become functionally obsolete. During the next year, the County will install a new double compactor site at the Cooley site to improve the recycle area, container storage, parking area, and traffic flow.

The County is planning for significant improvements to the Transfer Station located in Bentonville at the old County landfill site. It was opened in 1994 and is in need of significant improvements. In 2019, the County was able to complete repaving of the transfer station at a cost of \$198,212. The project was completed during shut down days without impact to operations.

The Solid Waste projects that will be implemented over the next several years include:

- Cooley Compactor Site - \$500,000
- Shenandoah Farms Compactor Site - \$750,000 - \$1,000,000
- Construction of maintenance building (warming area with office and employee break area with shower) - \$250,000

Improvements will be made as funding allows on a pay-as-you-go method.

Parks and Recreation

The Parks and Recreation Department has completed several significant projects including a new restroom/concession building at Lions Park, Eastham Trail Phases I, II, and III, practice fields and parking area at Rockland Park, and the addition of four fields, a walking trail, a large skate park, a large shelter, a small playground, a concession/restroom facility, large and small parking lots, and an access road at the Skyline Soccerplex.

In fall/winter Parks and Recreation staff, in cooperation with Warren County Public Works staff, began constructing on of a 48' x 32' shelter adjacent to Dr. Saul Seide Memorial Park, thanks to a donation from the Avtex Retirees Club. The shelter was completed in spring 2022, in time for the community to enjoy additional shaded space next to the Splash Pad.

County officials, staff, and the community will continue to work together to promote and enhance the County and the quality of life for its residents. It is a continuing goal that Warren County remains a productive and promising community as well as maintains fiscal stability for many years to come.

Information Technology

In August 2021, Warren County established its Department of Information Technology to focus on cybersecurity of critical infrastructure and staff support and to ensure the County's technology needs are made in a cost effective, secure manner.

The Department immediately employed a network monitoring system, enhanced endpoint protection, and began the replacement process for out-of-date servers and systems. The Department continues to implement standards and policies to take the County safely into the future in an efficient manner. On a daily basis, Department staff resolve technical issues with a kind and positive attitude that builds trust and maintains critical relationships with other departments necessary to protect all computer systems and meet the needs of all County employees.

PROPERTY TAX RATES

The County maintained a real estate tax rate of \$0.655 for the 2022 tax year. All other local tax rates and fees for services impacting FY 2021-2022 revenue also remained the same as 2021 except for the personal property tax rate, which was reduced from \$4.00 per \$100 of assessed value to \$3.80 per \$100 of assessed value. At \$0.655, Warren County remains fairly consistent with the real estate tax rates of its neighbors including Fauquier (\$0.903), Page (\$0.73), Clarke (\$0.61), Frederick (\$0.61), Rappahannock (\$0.60), and Shenandoah (\$0.58) Counties.

GOVERNMENT'S FINANCIAL POLICIES

The County has adhered to its adopted financial policies and has maintained its undesignated fund balance at or near the required 15% of the total operating budget.

OTHER INFORMATION

Management's Discussion and Analysis

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

Independent Audit

The Commonwealth of Virginia requires an annual audit of the financial records and transactions of all departments of the County by independent certified public accountants selected by the Board of Supervisors. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Government and Non-Profit Organizations. Information related to this single audit, including the findings and recommendations and auditors' reports on the internal control structure and compliance with laws and regulations, is contained in this report. The audit complied with these requirements, and the auditor's opinion is included in this report.

Certificate of Achievement

The County is a proud recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its FY 2022-2023 budget, which requires that a government prepare and present a budget document that exceeds guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting. The County has received this award for twelve consecutive years.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the dedicated services of the Finance Department. We would also like to thank the Board of Supervisors for its interest and support in planning and conducting the financial operations of the County in a responsible and progressive manner. In addition, we would like to thank the staff of the Finance Department, Deputy Clerk Emily Ciarrocchi, and other contributors for their assistance in the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink that reads "Edwin C. Daley". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Dr. Edwin C. Daley, ICMA-CM
County Administrator

A handwritten signature in blue ink that reads "Alisa M. Scott". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Alisa M. Scott, CPPB, VCO, PMP
Director of Finance

COUNTY OF WARREN, VIRGINIA

Board of Supervisors

Cheryl L. Cullers, Chair
Archie A. Fox, Vice-Chair
Tony F. Carter
Walter J. Mabe
Delores R. Oates

County School Board

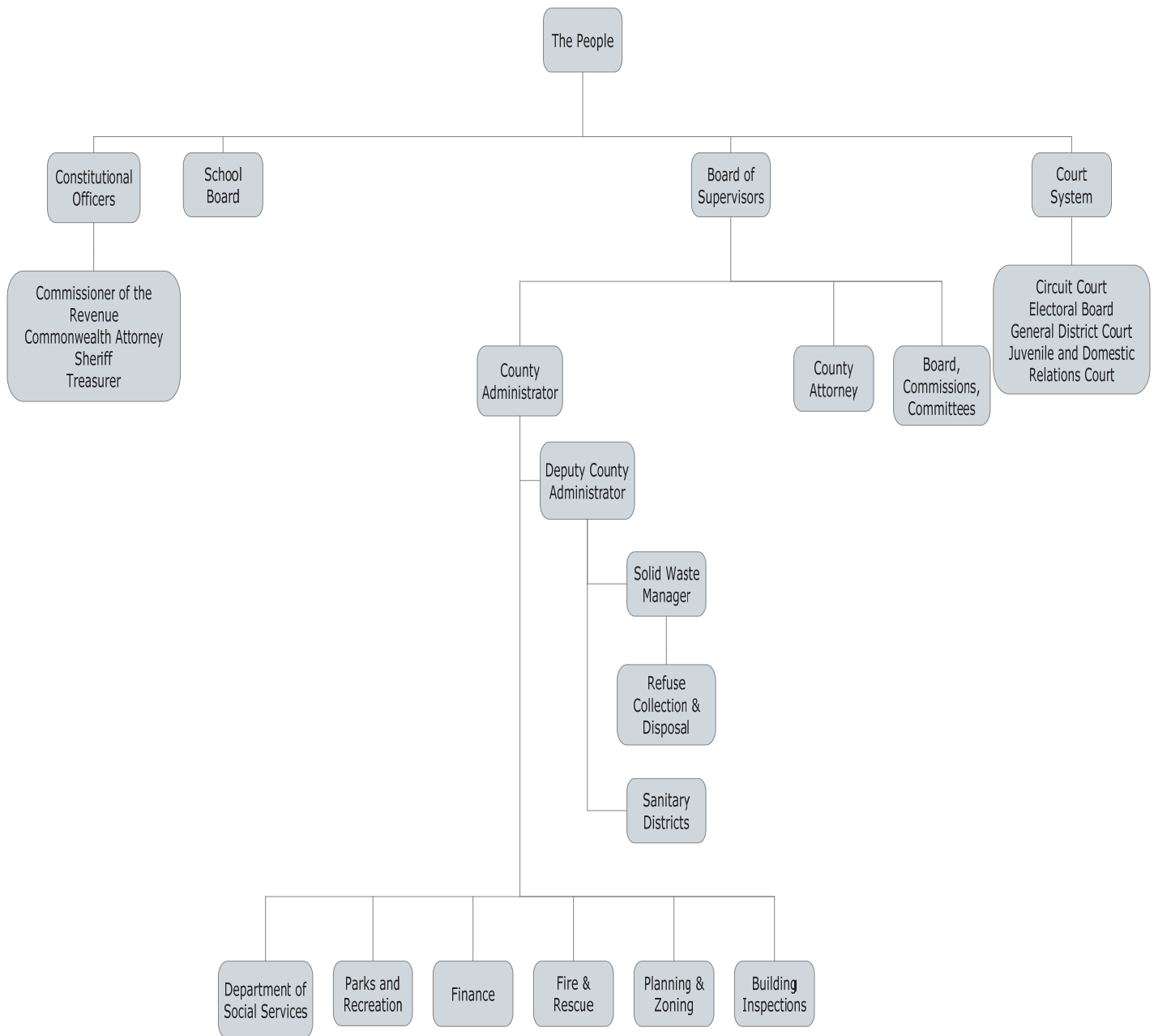
Arnold M. Williams, Jr., Chair
Catherine R. Bower, Vice Chair
Ralph A. Rinaldi
Kristen J. Pence
James S. Wells

Advisory Board for Warren County Social Services

Lorraine Brandon, Chair
Stephen Jerome
Robert Cullers
Brenda Wells

Other Officials

Judge of Circuit Court.....	William W. Sharp
Chief Judge of Circuit Court	Clark Andrew Ritchie
Judge of Circuit Court.....	Bruce D. Albertson
Clerk of Circuit Court	Angela m. Moore
Chief Judge of General District Court	W. Dale Houff
Judge of Juvenile and Domestic.....	Daryl L. Funk
Commonwealth's Attorney	John Bell
Commissioner of Revenue	Sherry T. Sours
Treasurer	Jamie L. Spiker
Sheriff	Mark A. Butler
Superintendent of Schools.....	Dr. Chris L. Ballenger
Director of Social Services.....	Jon Martz
County Attorney.....	Jason J. Ham
County Administrator	Dr. Edwin Daley
Director of Finance	Keith McLiverty





ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Members of
the Board of Supervisors
County of Warren, Virginia

Report on the Audit of the Financial Statements

Disclaimer of Opinion and Unmodified Opinions

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

Disclaimer of Opinion on the Discretely Presented Component Unit - EDA

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion on the Discretely Presented Component Unit - EDA" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit EDA of the Town of Front Royal and the County of Warren, Virginia. Accordingly, we do not express an opinion on these financial statements.

Unmodified Opinions

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

Basis for Disclaimer of Opinion and Unmodified 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 Warren, 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 unmodified audit opinions.

Matters Giving Rise to Disclaimer of Opinion on the Discretely Presented Component Unit - EDA

The financial statements of the Economic Development Authority of the Town of Front Royal and the County of Warren, Virginia (EDA) have been omitted. The amounts by which this omission would affect the assets, deferred outflow of resources, liabilities, deferred inflows of resources, net position, revenues and expenses of this discretely presented component unit have not been determined.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 19 to the financial statements, in 2022, the County restated beginning balances to report capital assets acquired by a capital financing agreement in a prior year and the outstanding principal amount of the corresponding capital financing agreement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Warren, 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. Because of the matter described in the Basis for Disclaimer of Opinion and Unmodified Opinions section, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the aggregate discretely presented component units. 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 Warren, Virginia's internal control. Accordingly, no such opinion is expressed.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Warren, 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, 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 the County of Warren, Virginia's basic financial statements. The accompanying other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the matter described in the basis for disclaimer of opinion paragraph, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of the County of Warren, 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 Warren, 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 the County of Warren, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

March 15, 2023

Management's Discussion and Analysis

As the financial management team of the County of Warren, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Warren for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

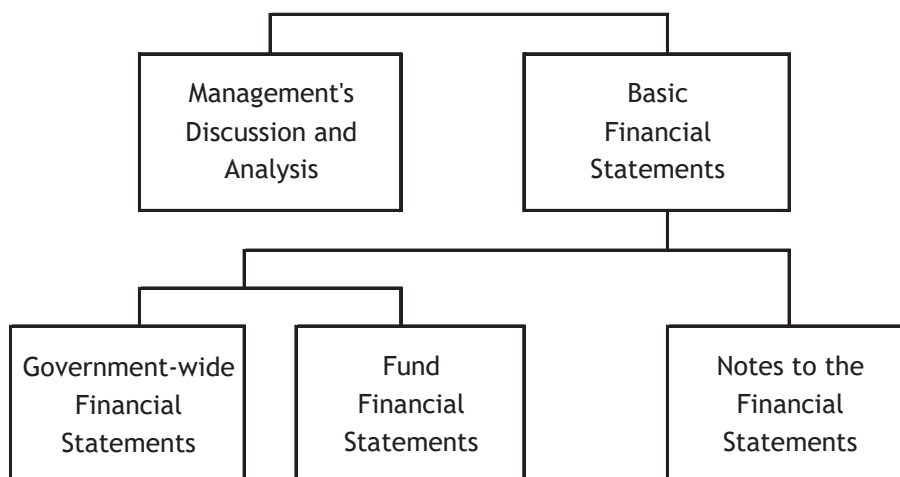
- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$101,321,993 (net position), an increase of \$8,305,258.
- As of the close of the current fiscal year, the County of Warren's governmental funds reported a combined ending fund balance of \$41,253,302, an increase of \$1,210,018 from the prior year. The majority of the balance (\$37,863,018) is available for spending at the government's discretion (unassigned, assigned or committed).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$19,338,605.
- The County's total long-term obligations (Note 7) decreased by \$14,757,475 during the current fiscal year after recording decreases attributable to scheduled debt service payments and a decrease in the net pension liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other information that will enhance the reader's understanding of the financial condition of the County of Warren.

Required Components of the Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2 on pages 31 through 33) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 11 on pages 36 through 44) are fund financial statements. These statements focus on the activities of the individual parts of the County's government and provide more detail than the government-wide statements. There are three parts to the fund financial statements: 1) the governmental funds statements, 2) the budgetary comparison statements, and 3) the fiduciary fund statements.

The next section of the basic financial statements is the Notes to Financial Statements. The notes explain in detail some of the data contained in these statements. After the notes, supplementary information is provided to show details about the County's individual funds.

Government-Wide Financial Statements

The government-wide financial statements, namely the Statement of Net Position and the Statement of Activities, are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and the County's total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The second category is the component unit. Although legally separate from the County, the Economic Development Authority is important to the County because the County exercises control over its Board of Directors by appointing the members. The Economic Development Authority issues separate financial statements.

Although the School Board is a component unit, approximately 33% of the budget for the County of Warren is designated for the public schools. The members of the School Board are elected.

The government-wide financial statements are on pages 24 through 26 of this report.

Fund Financial Statements

The fund financial statements (pages 27 through 35) provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The County of Warren, like all other governmental entities in Virginia, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements. All the funds of County of Warren are categorized as governmental funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give readers a detailed short-term view that helps them determine if there are more or fewer financial resources available to finance the County's programs. The relationship between government-wide activities (reported in the Statement of Net Position and the Statement of Activities) and the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances of the governmental funds is described in Exhibits 4 and 6 which is a reconciliation that is a part of the fund financial statements.

The County of Warren adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the appropriation resolution and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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 are on pages 36 through 107 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County of Warren's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 108 through 124 of this report.

Government-Wide Financial Analysis

The County of Warren's Net Position
Figure 2

	Governmental Activities	
	2022	2021
Current and other assets	\$ 75,942,433	\$ 67,540,613
Capital assets	190,519,776	194,999,611
Total assets	<u>\$ 266,462,209</u>	<u>\$ 262,540,224</u>
Deferred outflows of resources	\$ 7,292,872	\$ 7,083,107
Long-term liabilities outstanding	\$ 139,060,030	\$ 153,114,664
Other liabilities	7,275,982	3,648,583
Total liabilities	<u>\$ 146,336,012</u>	<u>\$ 156,763,247</u>
Deferred inflows of resources	\$ 26,097,078	\$ 19,860,276
Net position:		
Net investment in capital assets	\$ 65,430,009	\$ 61,784,432
Restricted	4,498,539	1,371,537
Unrestricted	31,393,445	29,843,839
Total net position	<u><u>\$ 101,321,993</u></u>	<u><u>\$ 92,999,808</u></u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County of Warren exceeded liabilities and deferred inflows of resources by \$101,321,993 as of June 30, 2022, compared to \$93,016,735 as of June 30, 2021. 65% of net position reflects the County's investment in capital assets (e.g. land, buildings, machinery, vehicles, and equipment) less any related debt still outstanding that was issued to acquire those items. The County of Warren uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County of Warren's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position (\$31,393,445) may be used to meet the government's ongoing obligations to citizens and creditors.

Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position including:

- Collection of general property taxes exceeded budgeted amounts by approximately \$2.2 million.
- Collection of other local taxes exceeded budgeted amounts by approximately \$1.6 million.
- Contribution to the School Board expenditure was under budget by approximately \$763,000.

Government-Wide Financial Analysis: (Continued)

County of Warren Changes in Net Position
Figure 3

	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 4,411,424	\$ 3,372,523
Operating grants and contributions	9,101,220	15,327,732
Capital grants and contributions	333,071	10,060
General revenues:		
Property taxes	60,062,924	57,742,174
Other taxes	11,564,796	10,811,276
Grants and contributions not restricted to specific programs	5,315,982	6,360,509
Other	1,632,345	2,791,439
Total revenues	<u>\$ 92,421,762</u>	<u>\$ 96,415,713</u>
Expenses:		
General government administration	\$ 5,598,524	\$ 3,960,439
Judicial administration	2,866,748	2,955,192
Public safety	18,177,668	23,026,059
Public works	8,639,729	7,983,645
Health and welfare	8,332,578	7,869,894
Parks, recreation and cultural	3,659,136	3,482,591
Community development	4,600,085	5,157,656
Education	29,610,519	26,247,774
Interest and other fiscal charges	2,631,517	6,122,748
Total expenses	<u>\$ 84,116,504</u>	<u>\$ 86,805,998</u>
Increase in net position	\$ 8,305,258	\$ 9,609,715
Net position, July 1, as restated	93,016,735	83,390,093
Net position, June 30	<u>\$ 101,321,993</u>	<u>\$ 92,999,808</u>

Financial Analysis of the County's Funds

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

Governmental Funds

The focus of the County of Warren's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County of Warren's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental Funds: (Continued)

The general fund is the chief operating fund of the County of Warren. At the end of FY 2021-2022, unassigned fund balance of the General Fund was \$19,338,605, an increase of \$2,410,072 from FY 2020-2021. The general fund portion of the governmental fund balances totaled \$21,998,312, or 53%. Approximately 36% consisted of \$16,709,392 in funds committed by the Board of Supervisors to fund capital and other special projects.

The nonmajor funds reported a collective increase of \$384,059. The majority of the increase is reported in the Sanitary Districts fund (\$362,728).

As of June 30, 2022, the governmental funds of County of Warren reported a combined fund balance of \$41,253,302 (Exhibit 5), an increase of \$1,210,018 from last year. This change mainly resulted from the decrease in expenditures incurred for larger capital projects.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original appropriation resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Included in the budget for FY 2021-2022, there were miscellaneous capital items to be funded from this unreserved fund balance which would reduce the fund balance by \$1,500,000. During the course of the year, there were several supplemental appropriations made to the budget. The total of these approved uses of fund balance totaled \$2,151,320. Fund balance for the general fund was increased by \$5,526,684, which was \$7,678,004 greater than projected. This increase was due mainly to transfers from the special projects fund, tax collections and federal revenues exceeding budgeted amounts, as well as budgeted amounts for expenditures exceeding the actual amount spent.

Capital Asset and Debt Administration

Capital Assets

The County of Warren's investment in capital assets for its governmental activities as of June 30, 2022 totaled \$190,519,776 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

County of Warren's Capital Assets
Figure 4

		Capital Assets (net of depreciation)	
		Governmental Activities	
		2022	2021
Land	\$	14,193,099	\$ 14,193,099
Buildings and improvements		170,686,519	168,876,775
Machinery and equipment		5,107,876	5,109,003
Lease equipment		145,212	-
Non-depreciable capital assets		387,070	387,070
Construction in progress		-	6,433,664
Total	\$	<u>190,519,776</u>	<u>\$ 194,999,611</u>

Additional information on the County's capital assets can be found in Note 6 - Capital Assets of the Basic Financial Statements.

Long-term Debt

As of June 30, 2022, the County of Warren had total bonds outstanding of \$123,524,004. General obligation bond debt is backed by the full faith and credit of the County. The table below includes both lease revenue and general obligation bonds.

**County of Warren's Outstanding Debt
General Obligation and Revenue Bonds
Figure 5**

	Governmental Activities	
	2022	2021
General obligation, revenue and lease revenue bonds	\$ 123,524,004	\$ 131,421,752
Total	\$ 123,524,004	\$ 131,421,752

As part of its multi-year Capital Funding Plan, in November 2014 the County conducted credit rating calls with each of the three national municipal bond rating agencies: Moody's Investors Service, Standard & Poor's, and Fitch Ratings. Discussions with each of the agencies covered financial, economic, debt-related, and management-related issues among others. Without exception, all three agencies were favorably impressed with the fiscal health of the County, the diligence and stability of staff and elected officials and the overall vibrancy of the County economy as evidenced by the strong investment grade General Obligation bond ratings secured from the agencies: Moody's: Aa2, S&P: AA, FITCH: AA+. With these assigned ratings, the County continued its steady progression of rating upgrades that began back in the early 2000's. November 2016 Fitch Ratings increased the County GO Bond rating from a AA to a AA+ rating. This rating along with the others will help to ensure that the County is able to maximize its borrowing ability in the future.

Additional information regarding the County of Warren's long-term debt can be found in Note 7 - Debt of this report.

Economic Factors and Next Year's Budgets and Rates

As the Washington Metropolitan area continues to expand, Warren County and the surrounding area will continue to see additional residential growth pressures and an influx of new homeowners. This will be somewhat offset by fuel costs and traffic congestion, which make commuting to work in the Northern Virginia area less attractive to County residents.

Increasing the industrial/commercial tax base in an effort to minimize the tax burden on residents continues to be a top priority of the County. Several projects have recently been completed or are in the review process of completion that will enhance the County's tax base.

Commercial development has grown significantly over the past fifteen years as the Crooked Run (220,000 SF) and Riverton Commons (450,000 SF) shopping centers have been developed along the Route 340/522 Corridor. These two shopping centers are providing significant sales, meals, and real estate taxes to the community. There is new commercial construction north of the Riverton Commons Shopping center that will be the County's first climate-controlled storage facility with a similar facility across RT340/522 which is in stie plan review. Additionally, two companies already located in Warren County are building new facilities within the corridor to accommodate their growing business needs, Manuel Trucking and Terra Site Constructors.

Economic Factors and Next Year's Budgets and Rates: (Continued)

In 2020, the Virginia Inland Port Logistics Center announced construction of a 324,000 SF warehouse facility on a 20-acre site off Route 340/522, which is nearing completion. They have successfully leased the building, though the tenant has yet to be announced as they are continuing to work on interior architectural plans. The facility will provide an estimated 150-200 new jobs. Additionally, it was announced that Nature's Touch Frozen Foods, a supplier of frozen fruits and vegetables for the United States, Canada, and Australia, would invest \$40.3 million to expand in the County after establishing its Virginia production facility in the County's Stephens Industrial Park in 2014. Construction of the new, 126,000 SF facility is underway and estimated to be completed in the second quarter of 2023. Upon completion, the facility will provide an estimated 60-70 new jobs.

Residential growth in Warren County has maintained a steady and healthy pace over the past ten years. In 2022, the County had a total of 156 new home starts. Of that number, 18 were inside Town limits and the remaining 138 outside Town limits. As a comparison, in 2021 there were a total of 200 new home starts, resulting in a decrease for 2022 of 22%.

Unemployment

The County's unemployment rate in December 2022 was 2.5%, a decrease over the 2.9% of December 2021. The rate of 2.5% was slightly lower than both the unemployment rate of 3.0% for Virginia and the national average of 3.5%.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities

The FY 2022-2023 budget process proved to be a difficult one due to the General Assembly's late adoption for the State's budget coupled with the increase in personal property values, chiefly the values of vehicles. Projected revenues for the General Fund and School Operating Fund (excluding use of Fund Balance) are slightly more than those of FY 2021-2022. The FY 2022-2023 budget was adopted with a real estate tax rate for calendar year 2022 of \$0.655 per \$100 of assessed value. All other local tax rates and fees for services impacting FY 2021-2022 revenue also remained the same as 2021 except for the personal property tax rate, which was reduced from \$4.00 per \$100 of assessed value to \$3.80 per \$100 of assessed value. Additionally, the Board of Supervisors and Commissioner of the Revenue worked collaboratively to lower the valuation standard used in previous years from "clean" value to "average".

Budgeted expenditures in the General Fund (excluding the local appropriation to the school fund) totaled \$68,850,444.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Edwin Daley, Interim County Administrator, County of Warren, 220 N. Commerce Avenue, Suite 100, Front Royal, VA 22630.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Unit School Board
ASSETS		
Cash and cash equivalents	\$ 37,847,023	\$ 7,236,345
Receivables (net of allowance for uncollectibles):		
Taxes receivable	23,795,659	-
Accounts receivable	1,371,572	166,733
External parties	5,000	-
Leases receivable	1,339,109	-
Due from component unit	1,431,287	-
Due from other governmental units	2,731,617	2,466,410
Prepaid items	1,315,616	311,028
Restricted assets:		
Cash and cash equivalents	3,914,300	-
Net pension asset	2,191,250	1,488,451
Capital assets (net of accumulated depreciation):		
Land	14,193,099	1,656,064
Non-depreciable assets	387,070	-
Buildings and improvements	167,958,617	12,014,638
Improvements other than buildings	2,727,902	-
Machinery and equipment	5,107,876	1,932,935
Lease equipment	145,212	70,615
Construction in progress	-	698,985
Total assets	\$ 266,462,209	\$ 28,042,204
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charged on refunding	\$ 1,807,768	\$ -
Pension related items	3,168,118	11,061,643
OPEB related items	2,316,986	1,849,133
Total deferred outflows of resources	\$ 7,292,872	\$ 12,910,776
LIABILITIES		
Accounts payable	\$ 1,690,170	\$ 1,061,821
Accrued liabilities	588,306	2,925,199
Due to primary government	-	1,431,287
Customers' deposits	5,952	-
Accrued interest payable	1,220,609	-
Unearned revenue	3,770,943	-
Long-term liabilities:		
Due within one year	9,684,275	259,032
Due in more than one year	129,375,755	38,667,870
Total liabilities	\$ 146,336,010	\$ 44,345,209
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - property taxes	\$ 17,026,760	\$ -
Pension related items	6,933,855	21,963,450
OPEB related items	812,633	2,442,568
Lease related	1,323,830	-
Total deferred inflows of resources	\$ 26,097,078	\$ 24,406,018
NET POSITION		
Net investment in capital assets	\$ 65,430,009	\$ 16,303,567
Restricted:		
Public safety	35,772	-
Proffers	694,805	-
Landfill assurance	679,981	-
Opioid settlement	896,731	-
Net pension asset	2,191,250	1,488,451
Unrestricted (deficit)	31,393,445	(45,590,265)
Total net position	\$ 101,321,993	\$ (27,798,247)

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

COUNTY OF WARREN, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 5,598,524	\$ 592,109	\$ 657,895	\$ -
Judicial administration	2,866,748	290,556	914,113	-
Public safety	18,177,668	1,672,460	2,694,333	247,831
Public works	8,639,729	1,405,045	50,039	-
Health and welfare	8,332,578	-	4,573,739	-
Education	29,610,519	-	-	-
Parks, recreation, and cultural	3,659,136	198,770	12,107	4,161
Community development	4,600,085	252,484	198,994	81,079
Interest and other fiscal charges on long-term debt	2,631,517	-	-	-
Total governmental activities	<u>\$ 84,116,504</u>	<u>\$ 4,411,424</u>	<u>\$ 9,101,220</u>	<u>\$ 333,071</u>
Total primary government	<u>\$ 84,116,504</u>	<u>\$ 4,411,424</u>	<u>\$ 9,101,220</u>	<u>\$ 333,071</u>
COMPONENT UNIT:				
School Board	\$ 65,812,178	\$ 502,897	\$ 43,318,100	\$ 528,708
	<u>\$ 65,812,178</u>	<u>\$ 502,897</u>	<u>\$ 43,318,100</u>	<u>\$ 528,708</u>

General revenues:

General property taxes
Local sales and use taxes
Consumers' utility taxes
Business licenses
Motor vehicle licenses
Meals tax
Other local taxes
Unrestricted revenues from use of money and property
Miscellaneous
Payments from Warren County
Grants and contributions not restricted to specific programs
Total general revenues
Change in net position
Net position - beginning, as restated
Net position - ending

Exhibit 2

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	School Board

\$ (4,348,520)
 (1,662,079)
 (13,563,044)
 (7,184,645)
 (3,758,839)
 (29,610,519)
 (3,444,098)
 (4,067,528)
 (2,631,517)
\$ (70,270,789)

\$ (21,462,473)
\$ (21,462,473)

\$ 60,062,924	\$
5,805,476	
758,522	
1,287,435	
842,841	
1,252,151	
1,618,371	
(478,418)	23,161
2,110,763	1,466,510
-	26,529,670
5,315,982	-
<u>\$ 78,576,047</u>	<u>\$ 28,019,341</u>
<u>\$ 8,305,258</u>	<u>\$ 6,556,868</u>
93,016,735	(34,355,115)
<u>\$ 101,321,993</u>	<u>\$ (27,798,247)</u>

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Fund Financial Statements

Balance Sheet
Governmental Funds
June 30, 2022

	General	Special Projects	Total Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 21,078,043	\$ 16,709,392	\$ -	\$ 37,787,435
Receivables (net of allowance for uncollectibles):				
Taxes receivable	21,957,819	-	1,837,840	23,795,659
Accounts receivable	1,371,572	-	-	1,371,572
External parties	5,000	-	-	5,000
Leases receivable	1,339,109	-	-	1,339,109
Due from other funds	-	-	9,771	9,771
Due from component unit	1,431,287	-	-	1,431,287
Due from other governmental units	2,731,617	-	-	2,731,617
Prepaid items	1,315,616	-	-	1,315,616
Restricted assets:				
Cash and cash equivalents	1,312,943	-	2,601,357	3,914,300
Total assets	<u>\$ 52,543,006</u>	<u>\$ 16,709,392</u>	<u>\$ 4,448,968</u>	<u>\$ 73,701,366</u>
LIABILITIES				
Accounts payable	\$ 1,656,308	\$ -	\$ 33,436	\$ 1,689,744
Accrued payroll	588,306	-	-	588,306
Customers' deposits	5,952	-	-	5,952
Due to other funds	9,771	-	-	9,771
Unearned revenue	3,770,943	-	-	3,770,943
Total liabilities	<u>\$ 6,031,280</u>	<u>\$ -</u>	<u>\$ 33,436</u>	<u>\$ 6,064,716</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 22,324,001	\$ -	\$ 1,869,934	\$ 24,193,935
Unavailable revenue - opioid settlement	865,583	-	-	865,583
Lease related	1,323,830	-	-	1,323,830
Total deferred inflows of resources	<u>\$ 24,513,414</u>	<u>\$ -</u>	<u>\$ 1,869,934</u>	<u>\$ 26,383,348</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	\$ 1,315,616	\$ -	\$ -	\$ 1,315,616
Restricted:				
Construction	632,962	-	694,805	1,327,767
Landfill assurance	679,981	-	-	679,981
Public safety	-	-	35,772	35,772
Opioid settlement	31,148	-	-	31,148
Committed:				
Capital improvements (Note 13)	-	16,709,392	-	16,709,392
Sanitary districts - roads, etc.	-	-	1,815,021	1,815,021
Unassigned	19,338,605	-	-	19,338,605
Total fund balances	<u>\$ 21,998,312</u>	<u>\$ 16,709,392</u>	<u>\$ 2,545,598</u>	<u>\$ 41,253,302</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,543,006</u>	<u>\$ 16,709,392</u>	<u>\$ 4,448,968</u>	<u>\$ 73,701,366</u>

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2022

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	41,253,302
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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	\$	249,305,216	
Accumulated depreciation		<u>(58,785,440)</u>	190,519,776

The net pension asset is not an available resource and, therefore, is not reported in the funds.		2,191,250
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - property taxes	\$	7,167,175	
Unavailable revenue - opioid settlement		<u>865,583</u>	8,032,758

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

Deferred charge on refunding	\$	1,807,768	
Pension related items		3,168,118	
OPEB related items		<u>2,316,986</u>	7,292,872

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

Pension related items	\$	(6,933,855)	
OPEB related items		<u>(812,633)</u>	(7,746,488)

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

59,162

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. These liabilities consist of:

Bonds payable	\$	(123,524,004)	
Issuance premium		(1,522,552)	
Accrued interest payable		(1,220,609)	
Line of credit		(541,071)	
Note payable		(377,531)	
Financed purchases		(1,437,863)	
Lease liabilities		(156,501)	
Compensated absences		(1,140,153)	
Landfill closure & postclosure liability		(701,070)	
Net OPEB liabilities		<u>(9,659,285)</u>	<u>(140,280,639)</u>

Net position of governmental activities	\$	<u><u>101,321,993</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General	Special Projects	Total Nonmajor Governmental Funds	Total
REVENUES				
General property taxes	\$ 56,679,955	\$ -	\$ 2,306,007	\$ 58,985,962
Other local taxes	11,564,796	-	-	11,564,796
Permits, privilege fees, and regulatory licenses	761,353	-	-	761,353
Fines and forfeitures	120,608	-	-	120,608
Revenue from the use of money and property	(311,526)	-	-	(311,526)
Charges for services	3,362,571	-	-	3,362,571
Miscellaneous	1,098,433	-	146,745	1,245,178
Recovered costs	280,988	-	-	280,988
Intergovernmental:				
Local government	14,458	-	-	14,458
Commonwealth	11,624,001	-	14,877	11,638,878
Federal	3,096,937	-	-	3,096,937
Total revenues	<u>\$ 88,292,574</u>	<u>\$ -</u>	<u>\$ 2,467,629</u>	<u>\$ 90,760,203</u>
EXPENDITURES				
Current:				
General government administration	\$ 4,313,502	\$ -	\$ -	\$ 4,313,502
Judicial administration	2,845,859	-	-	2,845,859
Public safety	17,851,538	-	9,682	17,861,220
Public works	6,558,450	-	2,067,688	8,626,138
Health and welfare	8,179,276	-	-	8,179,276
Education	27,208,552	-	-	27,208,552
Parks, recreation, and cultural	3,319,590	-	-	3,319,590
Community development	4,106,808	-	-	4,106,808
Nondepartmental	875,546	-	-	875,546
Capital projects	1,410,264	-	-	1,410,264
Debt service:				
Principal retirement	8,469,853	-	30,333	8,500,186
Interest and other fiscal charges	2,720,757	-	2,446	2,723,203
Total expenditures	<u>\$ 87,859,995</u>	<u>\$ -</u>	<u>\$ 2,110,149</u>	<u>\$ 89,970,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 432,579</u>	<u>\$ -</u>	<u>\$ 357,480</u>	<u>\$ 790,059</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2,689,679	\$ 38,500	\$ 143,397	\$ 2,871,576
Transfers out	(38,500)	(2,716,258)	(116,818)	(2,871,576)
Insurance proceeds	419,959	-	-	419,959
Total other financing sources (uses)	<u>\$ 3,071,138</u>	<u>\$ (2,677,758)</u>	<u>\$ 26,579</u>	<u>\$ 419,959</u>
Net change in fund balances	\$ 3,503,717	\$ (2,677,758)	\$ 384,059	\$ 1,210,018
Fund balances - beginning	18,494,595	19,387,150	2,161,539	40,043,284
Fund balances - ending	<u>\$ 21,998,312</u>	<u>\$ 16,709,392</u>	<u>\$ 2,545,598</u>	<u>\$ 41,253,302</u>

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

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

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

Net change in fund balances - total governmental funds	\$	1,210,018
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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. The following are adjustments related to capital assets reported in the current period.

Capital asset additions	\$	378,153	
Depreciation expense		<u>(5,842,533)</u>	(5,464,380)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			(13,227)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$	1,076,962	
Future opioid settlement payments		<u>865,583</u>	1,942,545

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

(Increase) decrease in landfill closure and postclosure liability	\$	(30,831)	
Increase (decrease) in deferred amount on refunding		(238,651)	
Principal payments		<u>8,926,689</u>	8,657,207

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

(Increase) decrease accrued interest payable	\$	95,504	
Change in pension related items		1,178,720	
Change in OPEB related items		(264,019)	
Bond premium amortization		567,347	
(Increase) decrease in compensated absences		<u>402,235</u>	1,979,787

Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Insurance claims, internal service fund - reported as expense in the respective function on Exhibit 2			<u>(6,692)</u>
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Change in net position of governmental activities	\$	<u><u>8,305,258</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Internal Service Fund
June 30, 2022

	Health Insurance Fund
	<hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 59,588
Total assets	<u>\$ 59,588</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 426
Total liabilities	<u>\$ 426</u>
NET POSITION	
Unrestricted	\$ 59,162
Total net position	<u><u>\$ 59,162</u></u>

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

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
For the Year Ended June 30, 2022

	<u>Health Insurance Fund</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ 6,692
Total operating expenses	<u>\$ 6,692</u>
 Operating income (loss)	 <u>\$ (6,692)</u>
 Income before transfers	 <u>\$ (6,692)</u>
 Change in net position	 <u>\$ (6,692)</u>
 Total net position - beginning	 <u>\$ 65,854</u>
Total net position - ending	<u><u>\$ 59,162</u></u>

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

Statement of Cash Flows
Internal Service Fund
For the Year Ended June 30, 2022

	<u>Health Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments for claims	\$ (6,266)
Net cash provided by (used for) operating activities	<u>\$ (6,266)</u>
 Net increase (decrease) in cash and cash equivalents	 \$ (6,266)
 Cash and cash equivalents - beginning	 65,854
Cash and cash equivalents - ending	<u><u>\$ 59,588</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (6,692)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase (decrease) in accounts payable	\$ 426
Total adjustments	<u>\$ 426</u>
Net cash provided by (used for) operating activities	<u><u>\$ (6,266)</u></u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2022

	Private- Purpose Trust Funds	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 254,814	\$ 1,284,117
Due from other governmental units	-	1,258,241
Total assets	<u>\$ 254,814</u>	<u>\$ 2,542,358</u>
LIABILITIES		
Accounts payable	\$ -	\$ 27,740
Reconciled overdraft	13,539	52,234
Due to general fund	-	1,028,151
Due to other governmental units	-	235,090
Total liabilities	<u>\$ 13,539</u>	<u>\$ 1,343,215</u>
NET POSITION		
Restricted for:		
Scholarships	\$ 241,275	\$ -
Special welfare	-	68,879
Employee benefits	-	14,245
North Warren Fire Department	-	241,698
Shenandoah Farms Volunteer Fire Department	-	325,825
South Warren Volunteer Fire Department	-	79,401
Shenandoah Shores Volunteer Fire Department	-	36,083
Linden Volunteer Fire Department	-	(55,461)
Fourtsmouth Volunteer Fire Department	-	17,841
Skyline Regional Criminal Justice Training Academy	-	459,630
Celebrate Shenandoah	-	11,002
Total net position	<u>\$ 241,275</u>	<u>\$ 1,199,143</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, 2022

	Private- Purpose Trust Funds	Custodial Funds
ADDITIONS		
Revenue from the use of money	\$ 9,094	\$ -
Special welfare collections	-	35,598
Local sales tax collections	-	7,162,383
Revenue from the use of money	-	2,007
Collections for agencies	-	1,073,728
Total additions	\$ 9,094	\$ 8,273,716
DEDUCTIONS		
Scholarships	\$ 15,888	\$ -
Welfare costs	-	19,727
Local sales tax disbursements	-	7,162,383
Disbursements for agencies	-	919,600
Total deductions	\$ 15,888	\$ 8,101,710
Change in net position	\$ (6,794)	\$ 172,006
Net position - beginning	248,069	1,027,137
Net position - ending	\$ 241,275	\$ 1,199,143

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of Warren, Virginia operates under a traditional form of government with a Board of Supervisors, county administrator, and elected constitutional officers. It provides its citizens with services relating to public safety, public works, health and welfare services, education, community and economic development, and judicial and general administrative services.

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

These financial statements present the County (primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Warren County Public Schools:

Warren County Public Schools (the "Schools") are responsible for elementary and secondary education within the County providing a benefit only to the Primary Government. The Schools are fiscally dependent on the County because the Schools' operational and capital budgets are approved by the County Board of Supervisors. In addition, the Schools are prohibited from issuing bonded debt without the approval of the County Board of Supervisors. The primary funding sources of the Schools are state and federal grants and significant appropriations from the primary government (County). The Schools do not have separate taxing authority.

The Schools report an operating fund and three special revenue funds (cafeteria, textbook, and vocational building funds), one capital projects fund (school capital improvements fund), all of which are accounted for as governmental funds. The Schools report one internal service fund (self-insurance fund) as a proprietary fund. Warren County Public Schools does not issue separate financial statements.

Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia:

The Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia (the "Authority") was created as a political subdivision of the Commonwealth of Virginia by ordinance of the Town Council of the Town of Front Royal and the Board of Supervisors of the County to be effective on December 21, 1967 pursuant to the provisions of the Economic Development and Revenue Bond Act. The Authority is governed by seven directors appointed by the Town of Front Royal and the County. The Authority is fiscally dependent on the County. The Authority's fiscal year June 30, 2022 financial statements have been omitted. Reference the Independent Auditors' Report for more information.

Complete financial statements of the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia may be obtained at the Authority's administrative offices.

A. Government-wide and Fund Financial Statements

Management's Discussion and Analysis - The financial statements are required to be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

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

A. Government-wide and Fund Financial Statements: (Continued)

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

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

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

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

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

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

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

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

B. Other Related Organizations

Included in the County's Financial Report

None

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are changes between the government's health insurance fund and various other functions of the government. Elimination of these changes would distort costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

Fiduciary funds have an economic resources measurement focus and use the accrual basis of accounting for purposes of asset and liability recognition.

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

C. 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 60 days after year-end are reflected as unavailable revenues. Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally 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 either recognized when earned, at the time other specific expenditures are recognized or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

Proprietary funds (internal service funds) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds are insurance premiums. Operating expenses include insurance claims and other expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the general fund as a major governmental fund.

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

Capital Projects Funds - The Capital Projects Funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The County reports the Special Projects as a major capital projects fund.

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

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

1. Governmental Funds: (Continued)

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds consist of the following funds: Drug Forfeiture, Proffers, and Sanitary Districts. All of the above funds are reported as nonmajor funds.

- 2. Fiduciary Funds - (Trust and Custodial Funds)** - account for assets held by the County unit in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include private purpose trust and custodial funds. Private purpose trust and custodial funds utilize the accrual basis of accounting as described in the proprietary funds presentation. Custodial funds utilize the accrual basis of accounting described in the governmental fund presentation. Custodial funds are not included in the government-wide financial statements. The following private-purpose trust funds are reported: Woodward Cook Scholarship Fund, the Elizabeth P. Denny Scholarship Fund, the Warren County Education Foundation Fund, the Louise Bolling Scholarship Fund, the Winnie Nicholls Scholarship Fund, and the Thompson Scholarship Fund. The following custodial funds are reported: Special Welfare Fund, Undistributed Local Sales Tax Fund, Flexible Spending Fund, Northern Warren Fire Department Building Fund, Northern Warren Fire Department Fund, Shenandoah Farms Volunteer Fire Department Fund, South Warren Volunteer Fire Department Fund, Shenandoah Shores Volunteer Fire Department Fund, Linden Volunteer Fire Department Fund, Fortsmouth Volunteer Fire Department Fund, Skyline Regional Criminal Justice Training Academy and Celebrate Shenandoah.

- 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 of the County consist of the Internal Service Funds.

Internal Service Funds - account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Internal Service Funds consist of Health Insurance Fund reported by the Primary Government and the Component Unit-School Board.

D. Budgets and Budgetary Accounting

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

D. Budgets and Budgetary Accounting: (Continued)

4. The appropriations resolutions place legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County Departments.
7. Both the original and amended budget are presented in the accompanying financial statements.
8. The following General Fund departments reported actual expenditures in excess of appropriations:
 - County Administrator
 - County Attorney
 - Personnel
 - Treasurer
 - Information Technology

Additionally, the following major funds reported actual expenditures in excess of appropriations:

- School Cafeteria Fund

E. Cash and Cash Equivalents

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

F. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, other nonparticipating investments, and external investment pools are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

G. Allowance for Uncollectible Accounts

The County calculates its allowance for uncollectible accounts using the historical collection data and, in certain cases, specific account analysis. The allowance attributed to property taxes amounted to \$2,104,047 at June 30, 2022.

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

H. Capital Assets

Capital assets, which include property, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of at least \$5,000 and an estimated useful life of multiple years. Such assets are recorded at historical cost or estimated historical cost using the consumer price inflationary index. Donated capital assets are recorded at acquisition value as of the date of donation.

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

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

Buildings and improvements	50 years
Vehicles	5 years
School buses	12 years
Equipment	5 to 7 years
Lease equipment	1 to 5 years
Land improvements	20 years

I. Bond Issue Costs

Bond issue costs are expensed as incurred.

J. Compensated Absences

County and school employees earn vacation and sick leave at various rates up to a specified amount of days. Accumulated vacation and a calculated portion of sick leave is paid upon termination. All vacation and sick pay is accrued when incurred in the government-wide financial statements. At June 30, 2022, leave liabilities of the County amounted to \$1,004,305 of outstanding vacation accruals, \$75,887 of outstanding compensatory time and \$59,961 of outstanding sick accruals, representing a net decrease of \$402,235. At June 30, 2022, leave liabilities of the Schools amounted to \$1,078,239 of outstanding vacation accruals, \$376,678 of personal leave time and \$448,697 of outstanding sick accruals, representing a net increase of \$207,241.

K. Long-term Obligations

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

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

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

L. 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 constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

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

M. Net Position: (Continued)

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 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

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items 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 report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of pension, OPEB, leases and opioid settlement are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

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

O. Leases

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

Lessee

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

Lessor

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

Key Estimates and Judgments

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

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

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

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

P. Pensions

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

Q. Other Postemployment Benefits (OPEB)

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

Health Insurance (Single-employer Defined Benefit Plan)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense have been determined on the same basis as they were reported by the plan actuary. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms.

R. Property Taxes Receivable

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in one installment on December 5th. The County bills and collects its own property taxes.

S. Restricted Assets

The County reports restricted assets (cash) in the amount of \$3,914,300 (Exhibit 1). The cash is restricted for specific capital projects as a result of proffers received, unspent bond proceeds for construction, public safety, and for an irrevocable trust held for purposes of satisfying landfill financial assurance requirements.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

T. Adoption of Accounting Principles

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

	Primary Government	
	Government-wide	General Fund
Lessor activity:		
Lease receivable	\$ 1,512,706	\$ 1,512,706
Deferred inflows of resources - lease related	\$ 1,512,706	\$ 1,512,706
Lessee activity:		
Lease equipment	\$ 278,004	\$ -
Lease liabilities	\$ 278,004	\$ -
Discretely Presented Component Unit School Board		
	Government-wide	
Lessee activity:		
Lease equipment	\$ 187,207	
Lease liabilities	\$ 187,207	

NOTE 2—DEPOSITS AND INVESTMENTS:

Deposits

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments

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

The County does not have an investment policy that addresses the various types of risks related to investments.

Credit Risk of Debt Securities

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

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings				
	AAAm	AAA	AA+	AA	AA-
U.S. Government Money Market Fund	\$ 3,620,930	\$ -	\$ -	\$ -	\$ -
State Non-Arbitrage Program	1,039,111	-	-	-	-
Fixed Income - Municipal/Public Bonds	-	970,993	1,252,584	-	-
Fixed Income - U.S. Agency Securities	-	-	5,292,364	-	-
Fixed Income - U.S. Treasury Notes	-	-	235,387	-	-
Total	\$ 4,660,041	\$ 970,993	\$ 6,780,335	\$ -	\$ -

Interest Rate Risk

Investment Type	Investment Maturity*			
	Fair Value	Less than 1	1 - 5 Years	5 - 10 Years
U.S. Government Money Market Fund	\$ 3,620,930	\$ 3,620,930	\$ -	\$ -
State Non-Arbitrage Program	1,039,111	1,039,111	-	-
Fixed Income - U.S. Treasury Notes	235,387	49,404	185,983	-
Fixed Income - Municipal/Public Bonds	2,223,577	253,744	1,969,833	-
Fixed Income - U.S. Agency Securities	5,292,364	5,004	5,287,360	-
Total investments	\$ 12,411,369	\$ 4,968,193	\$ 7,443,176	\$ -

* Weighted average maturity in years.

External Investment Pools

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 2—DEPOSITS AND INVESTMENTS: (CONTINUED)

Fair Value Measurements

Fair value for investments is determined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The three-level fair value hierarchy prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Significant observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

The County reports the following information related to its investments:

	Total June 30, 2021	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Money Market Fund	\$ 3,620,930	\$ 3,620,930	\$ -	\$ -
Fixed Income - Municipal/Public Bonds	2,223,577	2,223,577	-	-
Fixed Income - U.S. Agency Securities	5,292,364	5,292,364	-	-
Fixed Income - U.S. Treasury Notes	235,387	235,387	-	-
Total	\$ 11,372,258	\$ 11,372,258	\$ -	\$ -

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 3—INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund balances at June 30, 2022 were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
Major funds:		
General	\$ -	\$ 9,771
School operating fund	-	82,072
School cafeteria fund	82,072	-
Nonmajor governmental funds:		
Sanitary districts	<u>9,771</u>	<u>-</u>
Total	<u>\$ 91,843</u>	<u>\$ 91,843</u>

Interfund receivables and payables represent obligations between funds.

Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Major governmental funds:		
General	\$ 4,712,646	\$ 38,500
Special projects	38,500	4,739,225
School operating fund	-	4,207,716
School cafeteria fund	4,207,716	-
Nonmajor governmental funds:		
Sanitary districts	<u>143,397</u>	<u>116,818</u>
Total	<u>\$ 9,102,259</u>	<u>\$ 9,102,259</u>

Transfers between major funds and other nonmajor governmental funds were primarily to support operations of the funds.

NOTE 4—DUE FROM/TO AND TRANSFERS FROM/TO PRIMARY GOVERNMENT AND COMPONENT UNITS:

Due from/to balances between the County and its component units at June 30, 2022, were as follows:

	<u>Due From</u>	<u>Due To</u>
Primary government:		
General	<u>\$ 1,431,287</u>	<u>\$ -</u>
Component units:		
Warren County School Board	<u>\$ -</u>	<u>\$ 1,431,287</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 4—DUE FROM/TO AND TRANSFERS FROM/TO PRIMARY GOVERNMENT AND COMPONENT UNITS:
(CONTINUED)

The School Board reports a payable to the Primary Government resulting from appropriated local funds in excess of net school expenditures.

Contributions from the Primary Government to the School Board Component Unit for school operations for the year ended June 30, 2022 were as follows:

	<u>Contributions To</u>	<u>Contributions From</u>
Primary government:		
General	\$ -	\$ 27,300,858
School Board component unit:		
School operating fund	<u>27,300,858</u>	<u>-</u>
	<u>\$ 27,300,858</u>	<u>\$ 27,300,858</u>

NOTE 5—DUE FROM OTHER GOVERNMENTAL UNITS:

Amounts due from/to other governmental units are as follows at June 30, 2022:

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>General Fund</u>	<u>School Board</u>
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 117,994	\$ -
Local sales tax	1,023,151	-
State sales tax	-	1,300,051
Shared expenses - constitutional officers	251,127	-
Miscellaneous grants	12,972	142,358
Comprehensive services act	662,545	-
Rolling stock	46,684	-
Communication tax	101,808	-
Federal Government:		
Virginia Public Assistance funds	186,284	-
SAFER grant	184,533	-
ARPA VA Tourism	85,000	-
Payment in lieu of taxes	59,519	-
School operating fund grants	<u>-</u>	<u>1,024,001</u>
Total due from other governmental units	<u>\$ 2,731,617</u>	<u>\$ 2,466,410</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 6—CAPITAL ASSETS:

Primary Government

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

	Restated * Balance July 1, 2021	GASB 87 Adjustment	Additions	Deletions	Balance June 30, 2022
<u>Governmental Activities:</u>					
Capital assets not being depreciated:					
Land	\$ 14,193,099	\$ -	-	-	\$ 14,193,099
Construction in progress	6,433,664	-	77,181	6,510,845	-
Other non-depreciable assets	<u>387,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,070</u>
Total capital assets not being depreciated	\$ <u>21,013,833</u>	\$ <u>-</u>	\$ <u>77,181</u>	\$ <u>6,510,845</u>	\$ <u>14,580,169</u>
Capital assets being depreciated:					
Buildings and improvements	\$ 208,331,222	\$ -	\$ 6,499,583	\$ -	\$ 214,830,805
Improvements other than buildings	4,747,458	-	-	-	4,747,458
Machinery, equipment and vehicles	15,689,688	-	312,234	1,133,142	14,868,780
Lease equipment	<u>-</u>	<u>278,004</u>	<u>-</u>	<u>-</u>	<u>278,004</u>
Total capital assets being depreciated	\$ <u>228,768,368</u>	\$ <u>278,004</u>	\$ <u>6,811,817</u>	\$ <u>1,133,142</u>	\$ <u>234,725,047</u>
Accumulated depreciation:					
Buildings and improvements	\$ 42,397,702	\$ -	\$ 4,474,486	\$ -	\$ 46,872,188
Improvements other than buildings	1,804,203	-	215,353	-	2,019,556
Machinery, equipment and vehicles	9,860,917	-	1,019,902	1,119,915	9,760,904
Lease equipment	<u>-</u>	<u>-</u>	<u>132,792</u>	<u>-</u>	<u>132,792</u>
Total accumulated depreciation	\$ <u>54,062,822</u>	\$ <u>-</u>	\$ <u>5,842,533</u>	\$ <u>1,119,915</u>	\$ <u>58,785,440</u>
Net capital assets governmental activities	\$ <u>195,719,379</u>	\$ <u>278,004</u>	\$ <u>1,046,465</u>	\$ <u>6,524,072</u>	\$ <u>190,519,776</u>

*Beginning balance was restated prior to GASB 87 adjustment by a net amount of \$719,768 to account for assets acquired by capital financing agreement in a prior year not previously capitalized by the County.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 6—CAPITAL ASSETS: (CONTINUED)

Component Unit—School Board

	Balance July 1, 2021	GASB 87 Adjustment	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 1,656,064	\$ -	\$ -	\$ -	\$ 1,656,064
Construction in progress	-	-	698,985	-	698,985
Total capital assets not being depreciated	\$ 1,656,064	\$ -	\$ 698,985	\$ -	\$ 2,355,049
Capital assets being depreciated:					
Buildings and improvements	\$ 25,249,883	\$ -	\$ 89,518	\$ -	\$ 25,339,401
Machinery, equipment and vehicles	10,396,266	-	61,298	-	10,457,564
Lease equipment	-	187,207	-	-	187,207
Total capital assets being depreciated	\$ 35,646,149	\$ 187,207	\$ 150,816	\$ -	\$ 35,984,172
Accumulated depreciation:					
Buildings and improvements	\$ 12,855,666	\$ -	\$ 469,097	\$ -	\$ 13,324,763
Machinery, equipment and vehicles	8,129,327	-	395,302	-	8,524,629
Lease equipment	-	-	116,592	-	116,592
Total accumulated depreciation	\$ 20,984,993	\$ -	\$ 980,991	\$ -	\$ 21,965,984
Net capital assets component unit school board	\$ 16,317,220	\$ 187,207	\$ (131,190)	\$ -	\$ 16,373,237

- 1) 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 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 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 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 net effect on the County of Warren, Virginia for the year ended June 30, 2022, is that school financed assets in the net amount of \$121,485,838 are reported in the Primary Government for financial reporting purposes.

Depreciation expense was charged to functions as follows:

Governmental activities:

General government administration	\$ 781,475
Judicial administration	99,342
Public safety	819,879
Public works	231,948
Health and welfare	341,950
Education	3,105,400
Parks, recreation and cultural	272,638
Community Development	189,901
Total Governmental activities	\$ 5,842,533
Component Unit School Board	\$ 980,991

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS:

Primary Government and Component Unit—School Board

The following is a summary of changes in long-term obligations for the primary government and school board for the year ended June 30, 2022.

	Restated * Balance July 1, 2021	GASB 87 Adjustment	Issuances/ Increases	Retirements/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities Obligations:						
Primary Government:						
Direct borrowings and placements:						
General obligation bonds	\$ 48,271,752	\$ -	\$ -	\$ 2,764,748	\$ 45,507,004	\$ 2,894,802
Lease revenue bonds	75,326,000	-	-	4,798,000	70,528,000	4,945,000
Revenue bonds	7,824,000	-	-	335,000	7,489,000	369,000
Note payable	384,928	-	-	7,397	377,531	7,717
Line of credit	541,071	-	-	-	541,071	-
Compensated absences	1,542,388	-	771,194	1,173,429	1,140,153	114,015
Net OPEB liabilities	8,849,759	-	1,807,019	997,493	9,659,285	-
Net pension liability	5,979,566	-	6,815,681	12,795,247	-	-
Landfill postclosure costs	670,239	-	30,831	-	701,070	-
Financed purchases	2,337,904	-	-	900,041	1,437,863	928,084
Lease liabilities	-	278,004	-	121,503	156,501	121,082
Totals	\$ 151,727,607	\$ 278,004	\$ 9,424,725	\$ 23,892,858	\$ 137,537,478	\$ 9,379,700
Premium on bonds	\$ 2,089,898	\$ -	\$ -	\$ 567,346	\$ 1,522,552	\$ 304,575
Total for financial statement presentation - Primary Government	\$ 153,817,505	\$ 278,004	\$ 9,424,725	\$ 24,460,204	\$ 139,060,030	\$ 9,684,275
Component Unit - School Board:						
Compensated absences	\$ 1,696,373	\$ -	\$ 848,187	\$ 640,946	\$ 1,903,614	\$ 190,361
Net pension liability	52,241,018	-	9,550,333	33,639,255	28,152,096	-
Net OPEB liabilities	9,656,015	-	1,747,315	2,601,808	8,801,522	-
Lease liabilities	-	187,207	-	117,537	69,670	68,671
Total School Board	\$ 63,593,406	\$ 187,207	\$ 12,145,835	\$ 36,999,546	\$ 38,926,902	\$ 259,032

*Beginning balance was restated prior to GASB 87 adjustment by an amount of \$708,841 to account for a financed purchase from a prior year not previously recorded by the County.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

The general fund and school operating and cafeteria funds are used to fund the liability for compensated absences, net pension liability and OPEB liabilities, for the County and School Board, respectively.

Details of the primary government's debt at June 30, 2022 are as follows:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Placements</u>	
<u>General obligation bonds:</u>	
\$13,416,124 (including premium of \$686,698) general obligation school bonds issued November 8, 2007, payable in variable amounts; interest rate of 5.1% through July 15, 2028.	\$ 4,246,104
\$3,692,300 general obligation refunding bonds issued December 16, 2009 to completely defease the outstanding balance of the \$3.5 million general obligation bonds issued on December 15, 1998 and provide financing for courthouse improvements. The refunding general obligation bonds are payable in variable amounts; interest rate of 3.09% through December 2023.	435,900
\$42,440,000 general obligation bonds issued December 9, 2014 with a premium of \$2,601,367, payable in semi-annual installments in variable amounts, with variable interest rates of 3.0% to 5.0% through December 30, 2039. The bonds were issued to finance various school projects including the design and construction of a second middle school.	15,265,000
\$3,725,000 general obligation refunding bonds Series 2020A, issued November 10, 2020, payable in variable amounts; interest rate 5.05%, through July 15, 2028. The bonds were issued to advance refund Series 2013B lease revenue refunding bonds for an economic gain of \$402,305.	3,370,000
\$11,910,000 general obligation refunding bonds Series 2020B, issued November 10, 2020, payable in variable amounts; with a variable interest rate, through July 15, 2036. The bonds were issued to advance refund a portion of Series 2014 general obligation bonds for an economic gain of \$519,929.	11,830,000
\$10,535,000 general obligation refunding bonds Series 2021B, issued May 11, 2021, payable in variable amounts; with a variable interest rate, through July 15, 2039. The bonds were issued to advance refund a portion of Series 2014 general obligation bonds for an economic gain of \$763,027.	10,360,000
Total general obligation bonds	\$ <u>45,507,004</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the primary government's debt at June 30, 2022 are as follows: (Continued)

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Placements (Continued)</u>	
<u>Lease Revenue Bonds:</u>	
\$5,885,000 lease revenue bonds Series 2014B issued August 13, 2014 with a premium of \$696,727, payable in variable amounts; with variable interest rates of 1.895% to 5.125%, through October 1, 2034. The bonds were issued to finance the Leach Run Parkway, jointly with the Town of Front Royal, VA.	\$ 4,420,000
\$11,248,000 lease revenue bonds Series 2019, issued April 24, 2019, payable in variable amounts; with a fixed interest rate of 3.58%, through April 1, 2044. The bonds were issued to current refund the lines of credit issued to finance Ressie Jeffries Elementary School, Health & Human Services Complex and Rivermont Fire Station.	10,343,000
\$57,270,000 lease revenue refunding bonds Series 2019C, issued November 20, 2019, payable in variable amounts; with a variable interest rate, through April 1, 2035. The bonds were issued to advance refund a portion of Series 2011B and 2012A lease revenue refunding bonds for an economic gain of \$4,392,109.	55,765,000
Total lease revenue bonds	\$ <u>70,528,000</u>
<u>Revenue Bonds:</u>	
\$8,691,000 taxable qualified energy conservation revenue bond issued February 24, 2016, payable annually in variable amounts; with a fixed interest rate of 4.1%, through August 15, 2036. The bonds were issued to finance energy efficient improvements in Warren County Schools.	\$ 7,339,000
\$600,000 Variable rate demand revenue bonds Series 2005A, issued May 24, 2007, payable in annual fixed principal amount of \$30,000, with interest at a variable rate through June 2027.	150,000
Total revenue bonds	\$ <u>7,489,000</u>
<u>Note payable:</u>	
\$400,000 note payable to partially finance the purchase of land in April 2019. The note bears interest at a rate of 4.25% and is payable in monthly installments through April 1, 2024.	\$ <u>377,531</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the primary government's debt at June 30, 2022 are as follows: (Continued)

	<u>Amount Outstanding</u>
<u>Lease liabilities:</u>	
On 07/01/2021, Warren County,VA entered into a 44 month lease as Lessee for the use of Ricoh Copier - IM. An initial lease liability was recorded in the amount of \$9,034. Warren County,VA is required to make monthly fixed payments of \$204. The lease has an interest rate of 0.8930%.	\$ 6,649
On 07/01/2021, Warren County,VA entered into a 49 month lease as Lessee for the use of Pitney Bowes - Elections and Voter Registration. An initial lease liability was recorded in the amount of \$14,102. Warren County,VA is required to make quarterly fixed payments of \$898. The lease has an interest rate of 0.8930%.	10,616
On 07/01/2021, Warren County,VA entered into a 46 month lease as Lessee for the use of Ricoh Copiers - IM & MP. An initial lease liability was recorded in the amount of \$30,020. Warren County,VA is required to make monthly fixed payments of \$650. The lease has an interest rate of 0.8930%.	22,438
On 07/01/2021, Warren County,VA entered into a 47 month lease as Lessee for the use of Konica Minolta - BHC360i. An initial lease liability was recorded in the amount of \$18,349. Warren County,VA is required to make monthly fixed payments of \$389. The lease has an interest rate of 0.8930%.	13,813
On 07/01/2021, Warren County,VA entered into a 21 month lease as Lessee for the use of Energy Starter Kit. An initial lease liability was recorded in the amount of \$206,499. Warren County,VA is required to make annual fixed payments of \$103,514. The lease has an interest rate of 0.5140%.	102,985
Total lease liabilities	\$ <u>156,501</u>
<u>Line of Credit:</u>	
The County obtained a line of credit financing with the Industrial Development Authority of The Town of Front Royal and The County of Warren, Virginia ("EDA") to finance various projects. The County will pay the EDA interest accrued on the outstanding debt annually. The line of credit will be paid in full upon completion of the receipt and sale of tax credits or upon obtaining other permanent financing.	\$ <u>541,071</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

Details of the component unit-school board's debt at June 30, 2022 are as follows:

	<u>Amount Outstanding</u>
<u>Lease liabilities:</u>	
On 07/01/2021, the School Board entered into a 22 month lease as Lessee for the use of Warren County Middle School Copier. An initial lease liability was recorded in the amount of \$46,178. The School Board is required to make monthly fixed payments of \$2,099. The lease has an interest rate of 0.0000%.	\$ 20,990
On 07/01/2021, the School Board entered into a 14 month lease as Lessee for the use of Blue Ridge Technical Center Copier. An initial lease liability was recorded in the amount of \$5,880. The School Board is required to make monthly fixed payments of \$420.00. The lease has an interest rate of 0.0000%.	840
On 07/01/2021, the School Board entered into a 14 month lease as Lessee for the use of Skyline Middle School Copier. An initial lease liability was recorded in the amount of \$29,262. The School Board is required to make monthly fixed payments of \$2,099. The lease has an interest rate of 0.7270%.	4,194
On 07/01/2021, the School Board entered into a 25 month lease as Lessee for the use of Ressie Jeffries Elementary School Copier. An initial lease liability was recorded in the amount of \$24,842. The School Board is required to make monthly fixed payments of \$999. The lease has an interest rate of 0.5140%.	12,948
On 07/01/2021, the School Board entered into a 18 month lease as Lessee for the use of School Board Office Copier. An initial lease liability was recorded in the amount of \$12,534. The School Board is required to make monthly fixed payments of \$699. The lease has an interest rate of 0.5140%.	4,188
On 07/01/2021, the School Board entered into a 19 month lease as Lessee for the use of E Wilson Morrison Elementary School. An initial lease liability was recorded in the amount of \$30,296. The School Board is required to make monthly fixed payments of \$1,601. The lease has an interest rate of 0.5140%.	11,188
On 07/01/2021, the School Board entered into a 19 month lease as Lessee for the use of A. S. Rhodes Elementary School Copier. An initial lease liability was recorded in the amount of \$14,339. The School Board is required to make monthly fixed payments of \$720. The lease has an interest rate of 0.5140%.	5,749
On 07/01/2021, the School Board entered into a 19 month lease as Lessee for the use of LFK Copier. An initial lease liability was recorded in the amount of \$23,878. The School Board is required to make monthly fixed payments of \$1,199.00. The lease has an interest rate of 0.5140%.	9,573
Total lease liabilities	<u>\$ 69,670</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government and Component Unit—School Board (Continued)

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

Year Ending June 30,	County Obligations							
	Direct Borrowings and Placements							
	Bonds Payable		Notes Payable		Financed Purchases		Lease Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 8,208,802	\$ 3,635,928	\$ 7,717	\$ 15,896	\$ 928,084	\$ 44,521	\$ 121,082	\$ 936
2024	8,454,838	3,372,491	369,814	12,992	233,605	15,775	18,259	244
2025	8,478,588	3,096,525	-	-	229,412	8,681	17,160	81
2026	8,759,112	2,807,415	-	-	46,762	1,436	-	-
2027	9,007,344	2,535,526	-	-	-	-	-	-
2028-2032	38,823,320	9,008,545	-	-	-	-	-	-
2033-2037	30,011,000	3,639,590	-	-	-	-	-	-
2038-2042	10,470,000	788,573	-	-	-	-	-	-
2043-2044	1,311,000	47,381	-	-	-	-	-	-
Total	\$ 123,524,004	\$ 28,931,974	\$ 377,531	\$ 28,888	\$ 1,437,863	\$ 70,413	\$ 156,501	\$ 1,261

Year Ending June 30,	School Board Obligations	
	Lease Liabilities	
	Principal	Interest
2023	\$ 68,671	\$ 97
2024	999	1
Total	\$ <u>69,670</u>	\$ <u>98</u>

NOTE 8—PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% 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, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	147	99
Inactive members:		
Vested inactive members	48	47
Non-vested inactive members	67	116
Inactive members active elsewhere in VRS	154	36
Total inactive members	269	199
Active members	251	61
Total covered employees	667	359

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 10.28% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,414,073 and \$1,255,178 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 2.71% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$28,302 and \$28,325 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

The net pension liability (NPLA) 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 (asset) were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021.

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County’s and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2020 using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

- All Others (Non-10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service-related
- Pre-Retirement:
 - Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
- Post-Retirement:
 - Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
- Post-Disablement:
 - Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees: (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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

Mortality rates: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	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 WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

*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 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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

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

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 49,586,972	\$ 43,607,406	\$ 5,979,566
Changes for the year:			
Service cost	\$ 1,465,884	\$ -	\$ 1,465,884
Interest	3,260,921	-	3,260,921
Differences between expected and actual experience	(1,224,712)	-	(1,224,712)
Changes of assumptions	2,059,459	-	2,059,459
Contributions - employer	-	1,255,178	(1,255,178)
Contributions - employee	-	616,927	(616,927)
Net investment income	-	11,888,556	(11,888,556)
Benefit payments, including refunds	(2,554,070)	(2,554,070)	-
Administrative expenses	-	(29,417)	29,417
Other changes	-	1,124	(1,124)
Net changes	\$ 3,007,482	\$ 11,178,298	\$ (8,170,816)
Balances at June 30, 2021	\$ 52,594,454	\$ 54,785,704	\$ (2,191,250)

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (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, 2020	\$ 9,598,561	\$ 9,810,028	\$ (211,467)
Changes for the year:			
Service cost	\$ 153,495	\$ -	\$ 153,495
Interest	625,677	-	625,677
Differences between expected and actual experience	179,969	-	179,969
Changes of assumptions	471,364	-	471,364
Contributions - employer	-	28,664	(28,664)
Contributions - employee	-	67,482	(67,482)
Net investment income	-	2,617,982	(2,617,982)
Benefit payments, including refunds	(658,539)	(658,539)	-
Administrative expenses	-	(6,882)	6,882
Other changes	-	243	(243)
Net changes	\$ 771,966	\$ 2,048,950	\$ (1,276,984)
Balances at June 30, 2021	\$ 10,370,527	\$ 11,858,978	\$ (1,488,451)

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

The following presents the net pension liability of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (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 Net Pension Liability (Asset)	\$ 5,076,210	\$ (2,191,250)	\$ (8,119,036)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	(464,612)	(1,488,451)	(2,357,421)

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$235,353 and \$278,805, respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 131,495	\$ 1,029,122	\$ 16,361	\$ -
Change in assumptions	1,622,550	-	42,851	-
Net difference between projected and actual earnings on pension plan investments	-	5,904,733	-	1,289,994
Employer contributions subsequent to the measurement date	1,414,073	-	28,302	-
Total	<u>\$ 3,168,118</u>	<u>\$ 6,933,855</u>	<u>\$ 87,514</u>	<u>\$ 1,289,994</u>

\$1,414,073 and \$28,302 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2023	\$ (934,157)	\$ (242,782)
2024	(1,137,577)	(293,181)
2025	(1,314,269)	(299,817)
2026	(1,793,807)	(395,002)
2027	-	-
Thereafter	-	-

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$5,610,796 and \$5,130,430 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

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

At June 30, 2022, the school division reported a liability of \$28,152,096 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was 0.36264% as compared to 0.35900% at June 30, 2020.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2022, the school division recognized pension expense of \$306,863. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,397,826
Change in assumptions	4,932,174	-
Net difference between projected and actual earnings on pension plan investments	-	17,740,698
Changes in proportion and differences between employer contributions and proportionate share of contributions	431,159	534,932
Employer contributions subsequent to the measurement date	<u>5,610,796</u>	<u>-</u>
Total	<u>\$ 10,974,129</u>	<u>\$ 20,673,456</u>

\$5,610,796 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (3,619,983)
2024	(3,247,086)
2025	(3,558,920)
2026	(4,889,931)
2027	5,797

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

Mortality rates:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 8—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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)	\$ 54,332,022	\$ 28,152,096	\$ 6,615,611

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	VRS Pension Plans:			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government	\$ 3,168,118	\$ 6,933,855	\$ (2,191,250)	\$ 235,353
Component Unit School Board				
School Board Nonprofessional	\$ 87,514	\$ 1,289,994	\$ (1,488,451)	\$ 278,805
School Board Professional	10,974,129	20,673,456	28,152,096	306,863
	\$ 11,061,643	\$ 21,963,450	\$ 26,663,645	\$ 585,668

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 9—UNAVAILABLE/UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES:

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

Primary Government - Deferred Inflows of Resources

General fund:

Delinquent taxes not collected within 60 days	\$ 6,539,624
Prepaid property taxes - property taxes paid in advance	2,745,159
2nd half property tax assessments	13,039,218
Unavailable revenue - opioid settlement	865,583
Lease related	1,323,830

Sanitary districts fund:

Delinquent taxes not collected within 60 days	627,552
Prepaid property taxes - property taxes paid in advance	75,171
2nd half property tax assessments	1,167,211
Total deferred inflows of resources - governmental funds (Exhibit 3)	\$ <u>26,383,348</u>

Primary Government - Unearned Revenue

Unearned grant revenue:

Unused ARPA funding	\$ 3,767,317
General fund	3,626
Total unearned revenue - governmental funds (Exhibit 3)	\$ <u>3,770,943</u>

NOTE 10—COMMITMENTS AND CONTINGENCIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 11—LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS:

The County has closed a previously operated solid waste landfill and transfer station in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Waste Management 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 after closure. The \$701,070 reported as landfill closure care, postclosure care and corrective action liability at June 30, 2022, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. Closure, postclosure and corrective action liabilities represented \$9,728, \$400,640 and \$290,702, respectively. The County has closed the landfill. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has demonstrated financial assurance requirements for postclosure care, and corrective action costs by establishing a trust fund that conforms to the requirements stipulated in Section 9VAC20-70 of the Virginia Administrative Code. The County intends to fund these costs from accumulated funds held in the general fund. The liability the County provides financial assurance is different than the actual liability reported in the financial statements due to actual costs expended.

NOTE 12—SURETY BONDS:

	<u>Amount</u>
VA Department of General Services:	
Angela M. Moore, Clerk of the Circuit Court	\$ 400,000
Jamie Spiker, Treasurer	400,000
Sherry T. Sours, Commissioner of the Revenue	3,000
Mark A. Butler, Sheriff	30,000
All Social Service Employees - Blanket Bond	100,000
Virginia School Board Association Pool:	
All School Board Employees - Blanket Bond	50,000
Fidelity and Deposit Company of Maryland:	
Chris Ballenger, Superintendent, Deputy Clerk of the School Board	10,000
Robert H. Ballentine, Finance Director, Clerk of the School Board	10,000

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 13—COMMITTED FUND BALANCE—SPECIAL PROJECTS FUND:

	<u>Amount</u>
Permanent Reserves (Twice-a-year billing)	\$ 4,678,439
School Capital Improvements	1,640,481
Enterprise Zone Set Aside (School Capital Improvements)	538,281
RSW Regional Jail	548,921
Ressie Jeffries Renovation Project	631,137
Sanitary Districts	2,093,484
VDOT (Revenue Sharing)	649,091
Dominion Reserve (Water Payment)	930,000
Landfill	108,279
Miscellaneous	1,582,100
Parks & Recreation	508,247
Fire and Rescue	301,555
Sheriff	17,104
Solid Waste	1,137,666
Elections	105,123
Social Services	65,333
Buildings & Grounds - Improvements	284,916
Vehicles	327,550
Gypsy Moth Program	94,538
Circuit Court	77,996
Planning	58,448
Septage Receiving Facility	170,913
Tourism	129,781
Juvenile Detention Facility	<u>30,009</u>
Total Special Projects Fund	<u>\$ 16,709,392</u>

NOTE 14—RISK MANAGEMENT:

Primary Government

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 carries a broad range of insurance coverage, which management considers prudent for the protection of the County's assets and operations. Coverage currently includes \$5,000,000 commercial general liability, \$5,000,000 automobile liability, and \$3,000,000 public officials liability. The property policy provides insurance coverage for all of the County's real and personal property up to the replacement cost value of the asset.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 14—RISK MANAGEMENT: (CONTINUED)

Primary Government: (Continued)

The Schools are exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries a broad range of insurance coverage, which management considers prudent for the protection of the Schools assets and operations. Coverage currently includes \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$2,000,000 public official liability. The property policy provides insurance coverage for all of the Schools' real and personal property up to the replacement cost value of the asset.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

Benefits Provided

County:

Employees hired before July 1, 2013 and who retire from County with service eligible for VRS benefits (i.e. 50 years of age and 30 years of continuous service) and 10 years of service with the County, will receive a subsidy contribution from 50% - 100% based on years of service, for their health insurance premium until age 65 when they become eligible for Medicare, at which time benefits cease. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees not yet eligible for Medicare coverage have one coverage choice, just as active employees have. Retirees eligible for Medicare coverage have access to plans that supplement Medicare, however, the retiree is responsible for the full cost of the plan. The County establishes employer contribution rates for plan participants as part of the budgetary process each year. The County also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. For participating retirees the County pays 50%, 75%, or 100% of the health insurance premium for retirees with 10-14, 15-19, or 20 plus years of service, respectively. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

School Board:

Individuals who retire from the School Board with full VRS benefits (i.e. 50 years of age and 30 years of continuous service) including 5 years of service with the School Board are eligible for health insurance benefits under the School Board's plan for active employees. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Retirees pay the full premium for health insurance coverage. Retirees pay 100% of spousal premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan) (Continued)

Plan Membership

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

	<u>County</u>	<u>School Board</u>
Total active employees with coverage	130	594
Total inactive employees or retirees with coverage	16	15
Total	<u>146</u>	<u>609</u>

Contributions

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The County and School Board paid \$162,148 and \$105,000, respectively, in fiscal year 2022.

Total OPEB Liability

The County and School Board's total OPEB liabilities were measured as of July 1, 2021. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

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

County and School Board

Salary Increases	Increases of 2.50%
Discount Rate	1.92%
Healthcare Cost Trend Rates	7.00% for fiscal year end 2022, decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality rates for active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan) (Continued)

Discount Rate

The discount rate represents the Municipal GO AA 20-year yield curve rate as of July 1, 2021. The final equivalent single discount rate used for this year's valuation is 1.92% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution on a pay-as-you-go basis.

Changes in Total OPEB Liability

	Primary Government- County Total OPEB Liability	Component Unit- School Board Total OPEB Liability
Balances at June 30, 2021	\$ 7,881,500	\$ 2,090,100
Changes for the year:		
Service cost	240,900	153,400
Interest	196,000	53,700
Difference between expected and actual experience	(233,500)	(370,400)
Changes in assumptions	1,098,700	225,500
Benefit payments	(244,300)	(105,000)
Net changes	1,057,800	(42,800)
Balances at June 30, 2022	\$ 8,939,300	\$ 2,047,300

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 (0.92%) or one percentage point higher (2.92%) than the current discount rate:

County Rate			School Board Rate		
1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
\$ 9,909,800	\$ 8,939,300	\$ 8,066,600	\$ 2,214,700	\$ 2,047,300	\$ 1,890,300

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan) (Continued)

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current healthcare cost trend rate used of 7.00%:

County Rates			School Board Rates		
1% Decrease (6.00%)	Healthcare Cost Trend (7.00%)	1% Increase (8.00%)	1% Decrease (6.00%)	Healthcare Cost Trend (7.00%)	1% Increase (8.00%)
\$ 7,792,700	\$ 8,939,300	\$ 10,300,400	\$ 1,793,400	\$ 2,047,300	\$ 2,349,100

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

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of \$706,600 and \$44,200, respectively. At June 30, 2022, the County and School Board had the following deferred outflows and inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
County:		
Differences between expected and actual experience	\$ 428,600	\$ 532,300
Change of assumptions	1,457,300	1,500
Employer contributions subsequent to the measurement date	162,148	-
Total	<u>\$ 2,048,048</u>	<u>\$ 533,800</u>
School Board:		
Differences between expected and actual experience	\$ 204,300	\$ 1,336,100
Change of assumptions	350,000	98,800
Employer contributions subsequent to the measurement date	105,000	-
Total	<u>\$ 659,300</u>	<u>\$ 1,434,900</u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance (Single-employer Defined Benefit Plan) (Continued)

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

Amounts reported as deferred inflows of resources related to the Health Insurance (single-employer defined benefit plan) will be recognized in the OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2023	\$ 263,900	\$ (168,700)
2024	263,900	(168,700)
2025	306,900	(168,700)
2026	335,800	(142,600)
2027	164,200	(127,900)
Thereafter	17,400	(104,000)

Group Life Insurance:

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.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (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 will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Group Life Insurance Plan from the County were \$77,744 and \$69,939 for the years ended June 30, 2022 and June 30, 2021, respectively and \$200,086 (\$191,799 professional and \$8,287 nonprofessional) and \$182,710 (\$174,710 professional and \$8,000 nonprofessional) from the School Board.

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

At June 30, 2022, the County reported a liability of \$719,985, School Board-Professional employees \$1,824,413 and the School Board Nonprofessional employees \$83,479 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the Group Life Insurance Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion for the County was .06180% as compared to .05802% at June 30, 2020. At June 30, 2021, the participating employer's proportion for the School Board-Professional was .15670% as compared to .15423% at June 30, 2020. The employer's proportion for the School-Nonprofessional employees was .00720% as compared to .00740% at June 30, 2020.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

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

For the year ended June 30, 2022, the County, School Board-Professional employees and School Board-Nonprofessional employees recognized GLI OPEB expense of \$47,610, \$76,886 and \$(5,635). 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, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 82,117	\$ 5,486
Net difference between projected and actual earnings on GLI OPEB program investments	-	171,845
Change in assumptions	39,693	98,509
Changes in proportion	69,384	2,993
Employer contributions subsequent to the measurement date	<u>77,744</u>	<u>-</u>
Total	<u><u>\$ 268,938</u></u>	<u><u>\$ 278,833</u></u>

School Board - Professional:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 208,081	\$ 13,901
Net difference between projected and actual earnings on GLI OPEB program investments	-	435,448
Change in assumptions	100,579	249,619
Changes in proportion	35,624	23,224
Employer contributions subsequent to the measurement date	<u>191,799</u>	<u>-</u>
Total	<u><u>\$ 536,083</u></u>	<u><u>\$ 722,192</u></u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

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

School Board - Nonprofessional:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,521	\$ 636
Net difference between projected and actual earnings on GLI OPEB program investments	-	19,924
Change in assumptions	4,602	11,422
Changes in proportion	-	35,447
Employer contributions subsequent to the measurement date	<u>8,287</u>	<u>-</u>
Total	<u>\$ 22,410</u>	<u>\$ 67,429</u>

\$77,744, \$191,799 and \$8,287 (County, School Board-Professional and School Board-Nonprofessional) reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>	
		<u>Professional</u>	<u>Nonprofessional</u>
2023	\$ (17,356)	\$ (87,735)	\$ (13,168)
2024	(11,096)	(69,468)	(12,241)
2025	(14,922)	(70,184)	(11,394)
2026	(43,464)	(130,995)	(13,325)
2027	(801)	(19,526)	(3,178)
Thereafter	-	-	-

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers: (Continued)

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

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

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Actuarial Assumptions (Continued)

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

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

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

NET GLI OPEB Liability

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Group Life Insurance (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 1,051,925	\$ 719,985	\$ 451,929
School Board - Professional employees proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 2,665,534	\$ 1,824,413	\$ 1,145,170
School Board - Nonprofessional employees proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 121,965	\$ 83,479	\$ 52,399

Group Life Insurance Plan Fiduciary Net Position

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>32</u>
Inactive members:	
Vested inactive members	5
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	<u>5</u>
Active members	<u>61</u>
Total covered employees	<u>98</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2022 was 0.83% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$12,665 and \$12,297 for the years ended June 30, 2022 and June 30, 2021, respectively.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions: (Continued)

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

Net HIC OPEB Liability

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

Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
Locality - General employees	3.50%-5.35%
Locality - Hazardous Duty employees	3.50%-4.75%
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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted 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 WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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:

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 148,183	\$ -	\$ 148,183
Changes for the year:			
Service cost	\$ 1,963	\$ -	\$ 1,963
Interest	10,002	-	10,002
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	7,525	-	7,525
Contributions - employer	-	12,297	(12,297)
Net investment income	-	1,701	(1,701)
Benefit payments	-	-	-
Administrative expenses	-	(55)	55
Other changes	-	-	-
Net changes	\$ 19,490	\$ 13,943.00	\$ 5,547
Balances at June 30, 2021	\$ 167,673	\$ 13,943	\$ 153,730

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board Nonprofessional Net HIC OPEB Liability	\$ 168,809	\$ 153,730	\$ 140,724

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

For the year ended June 30, 2022, the School Board recognized HIC Plan OPEB expense of \$13,240. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board Nonprofessional's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,030
Change in assumptions	5,634	-
Changes in proportionate share	-	-
Employer contributions subsequent to the measurement date	12,665	-
Total	\$ 18,299	\$ 1,030

\$12,665 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB at June 30, 2022.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

HIC Plan Data

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

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan)

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee Health Insurance Credit Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee Health Insurance Credit Plan were \$429,591 and \$391,220 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of \$4,692,600 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB Liability. The Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee Health Insurance Credit Plan OPEB liability used to calculate the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee Health Insurance Credit Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee Health Insurance Credit Plan OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was .36559% as compared to .36185% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of \$375,095. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee Health Insurance Credit Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 81,886
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	61,816
Change in assumptions	126,850	18,859
Change in proportion	56,600	54,456
Employer contributions subsequent to the measurement date	<u>429,591</u>	<u>-</u>
Total	<u>\$ 613,041</u>	<u>\$ 217,017</u>

\$429,591 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (12,821)
2024	(13,523)
2025	(11,248)
2026	(11,573)
2027	6,116
Thereafter	9,482

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 20120 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)

Long-Term Expected Rate of Return

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

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

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

*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%.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)**Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan) (Continued)*****Discount Rate***

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 5,282,567	\$ 4,692,600	\$ 4,193,347

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee Health Insurance Credit Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS: (CONTINUED)

Primary Government and Component Unit School Board

Aggregate OPEB Information

VRS OPEB Plans:	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
Primary Government				
Group Life Insurance Program:				
County	\$ 268,938	\$ 278,833	\$ 719,985	\$ 47,610
County Stand-Alone Plan	2,048,048	533,800	8,939,300	706,600
Totals	<u>\$ 2,316,986</u>	<u>\$ 812,633</u>	<u>\$ 9,659,285</u>	<u>\$ 754,210</u>
Component Unit School Board				
Group Life Insurance Program:				
School Board Nonprofessional	\$ 22,410	\$ 67,429	\$ 83,479	\$ (5,635)
School Board Professional	536,083	722,192	1,824,413	76,886
Nonprofessional Health Insurance Credit Program	18,299	1,030	153,730	13,240
Teacher Health Insurance Credit Program	613,041	217,017	4,692,600	375,095
School Stand-Alone Plan	659,300	1,434,900	2,047,300	44,200
Totals	<u>\$ 1,849,133</u>	<u>\$ 2,442,568</u>	<u>\$ 8,801,522</u>	<u>\$ 503,786</u>

NOTE 16—UPCOMING PRONOUNCEMENTS:

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

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

NOTE 16—UPCOMING PRONOUNCEMENTS: (CONTINUED)

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

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

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

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

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

NOTE 17—COMMITMENTS AND CONTINGENCIES:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2, Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 18—LEASES RECEIVABLE:

Details of the primary government's leases receivable at June 30, 2022 are as follows:

	<u>Amount Receivable</u>
<u>Leases receivable:</u>	
On 07/01/2021, Warren County,VA entered into a 113 month lease as Lessor for the use of 229 Stokes Airport Road. An initial lease receivable was recorded in the amount of \$52,662. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 1.5270%.	\$ 47,361
On 07/01/2021, Warren County,VA entered into a 41 month lease as Lessor for the use of 200 North Commerce Avenue. An initial lease receivable was recorded in the amount of \$252,995. The lessee is required to make monthly fixed payments of \$6,246. The lease has an interest rate of 0.7270%	179,489
On 07/01/2021, Warren County,VA entered into a 24 month lease as Lessor for the use of 902 Country Club Road. An initial lease receivable was recorded in the amount of \$23,882. The lessee is required to make monthly fixed payments of \$1,000. The lease has an interest rate of 0.5140%.	11,967
On 07/01/2021, Warren County,VA entered into a 172 month lease as Lessor for the use of 500 West 15th Street. An initial lease receivable was recorded in the amount of \$1,092,474. The lessee is required to make monthly fixed payments of \$6,712. The lease has an interest rate of 1.9130%.	1,030,528
On 07/01/2021, Warren County,VA entered into a 78 month lease as Lessor for the use of 201 East 2nd Street. An initial lease receivable was recorded in the amount of \$80,565. The lessee is required to make monthly fixed payments of \$1,050. The lease has an interest rate of 0.5140%.	68,315
On 07/01/2021, Warren County,VA entered into a 14 month lease as Lessor for the use of 136 Hillidge Street. An initial lease receivable was recorded in the amount of \$10,129. The lessee is required to make monthly fixed payments of \$725. The lease has an interest rate of 0.3870%.	1,449
Total leases receivable	\$ <u><u>1,339,109</u></u>

COUNTY OF WARREN, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

NOTE 18—LEASES RECEIVABLE: (CONTINUED)

Expected future payments at June 30, 2022 are as follows:

Year Ending June 30,	Leases Receivable	
	Principal	Interest
2023	\$ 166,265	\$ 21,279
2024	154,718	19,376
2025	112,815	17,559
2026	87,342	16,100
2027	91,010	14,581
2028-2032	423,805	49,544
2033-2037	<u>303,154</u>	<u>10,010</u>
Total	\$ <u>1,339,109</u>	\$ <u>148,449</u>

The County recognized \$188,876 of lease revenue and \$21,197 of lease interest revenue during the fiscal year ended June 30, 2022.

NOTE 19—RESTATEMENT OF BEGINNING NET POSITION:

The County restated beginning net position as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2021, as previously reported	\$ 92,999,808
Capital assets acquired by capital financing agreements in prior year not previously capitalized by County	719,768
Outstanding principal balance of capital financing agreements not previously recorded by County	<u>(702,841)</u>
Net Position at June 30, 2021, as restated	\$ <u>93,016,735</u>

REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund

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

	Budgeted Amounts				Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts		
REVENUES					
General property taxes	\$ 54,488,781	\$ 54,488,781	\$ 56,679,955	\$	2,191,174
Other local taxes	9,960,000	9,960,000	11,564,796		1,604,796
Permits, privilege fees, and regulatory licenses	674,000	840,172	761,353		(78,819)
Fines and forfeitures	90,000	90,000	120,608		30,608
Revenue from the use of money and property	742,000	742,000	(311,526)		(1,053,526)
Charges for services	3,027,500	3,046,166	3,362,571		316,405
Miscellaneous	2,647,400	2,759,231	1,098,433		(1,660,798)
Recovered costs	1,208,000	1,228,593	280,988		(947,605)
Intergovernmental:					
Local government	-	14,458	14,458		-
Commonwealth	12,635,268	13,601,573	11,624,001		(1,977,572)
Federal	2,537,051	2,791,049	3,096,937		305,888
Total revenues	\$ 88,010,000	\$ 89,562,023	\$ 88,292,574	\$	(1,269,449)
EXPENDITURES					
Current:					
General government administration					
Board of supervisors	\$ 179,000	\$ 181,500	\$ 167,487	\$	14,013
County administrator	502,000	502,000	664,261		(162,261)
County attorney	344,000	344,000	374,051		(30,051)
Personnel	167,900	167,900	182,646		(14,746)
Commissioner of revenue	777,000	777,000	734,828		42,172
Reassessment	50,000	422,400	251,208		171,192
Treasurer	566,000	572,000	575,969		(3,969)
Finance and purchasing	448,000	499,500	483,409		16,091
Information technology	70,000	144,336	516,322		(371,986)
Electoral board and officials	391,000	455,458	363,321		92,137
Total general government administration	\$ 3,494,900	\$ 4,066,094	\$ 4,313,502	\$	(247,408)
Judicial administration					
Circuit court	\$ 70,800	\$ 66,272	\$ 95,726	\$	(29,454)
General district court	24,300	24,300	19,503		4,797
Special magistrates	5,800	5,800	5,374		426
Clerk of the circuit court	635,600	621,599	656,588		(34,989)
Juvenile and domestic relations court	16,600	18,128	16,709		1,419
Sheriff - courts	998,300	1,025,300	863,931		161,369
Law library	54,300	54,300	50,482		3,818
Commonwealth's attorney	1,105,200	1,103,400	1,137,546		(34,146)
Total judicial administration	\$ 2,910,900	\$ 2,919,099	\$ 2,845,859	\$	73,240
Public safety					
Sheriff - law enforcement	\$ 5,013,480	\$ 5,139,768	\$ 5,579,813	\$	(440,045)
Work release program	706,320	733,206	493,090		240,116
E - 911 system	753,000	959,250	1,012,801		(53,551)
Cost recovery fees	45,000	45,000	47,629		(2,629)
Other fire and rescue costs	475,000	535,711	470,264		65,447
Cost recovery reimbursement to fire companies	380,000	380,000	62,805		317,195
Contributions to fire and rescue squads	940,000	1,237,750	1,284,844		(47,094)
Emergency services	4,376,000	5,540,204	4,695,407		844,797
Regional jail	3,464,967	3,464,967	2,649,427		815,540
Probation office	41,000	41,000	5,182		35,818
Juvenile detention center	344,769	344,769	234,322		110,447
Building	618,000	700,462	712,336		(11,874)
Animal control	705,800	717,380	602,918		114,462
Medical examiner	1,000	1,000	700		300
Total public safety	\$ 17,864,336	\$ 19,840,467	\$ 17,851,538	\$	1,988,929

General Fund

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

Expenditures (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public works				
Management of sanitary districts	\$ 428,200	\$ 402,148	\$ 401,353	\$ 795
Streets and highways	20,000	20,000	11,534	8,466
Refuse collection	1,012,000	1,171,748	1,261,125	(89,377)
Refuse disposal	2,880,000	3,272,234	3,057,928	214,306
General properties	1,396,000	1,789,743	1,826,510	(36,767)
Total public works	\$ 5,736,200	\$ 6,655,873	\$ 6,558,450	\$ 97,423
Health and welfare				
Local health department	\$ 382,412	\$ 382,412	\$ 382,412	\$ -
Northwestern community services	372,746	372,746	372,746	-
Warren association for retarded citizens	2,500	2,500	-	2,500
Public assistance and welfare administration	10,091,558	10,091,558	4,622,757	5,468,801
Shenandoah area agency on aging	54,000	54,000	54,765	(765)
Warren county council on domestic violence	9,511	9,511	9,511	-
Other social services	46,489	46,489	56,474	(9,985)
Rental of property - Health and Human Services Complex	161,700	161,700	-	161,700
Property tax relief for the elderly and handicapped	-	-	476,154	(476,154)
Children's Services Act	1,785,000	2,185,000	2,204,457	(19,457)
Total health and welfare	\$ 12,905,916	\$ 13,305,916	\$ 8,179,276	\$ 5,126,640
Education				
Contribution to local school board	\$ 27,720,000	\$ 28,063,600	\$ 27,167,184	\$ 896,416
Contributions to community college	41,368	41,368	41,368	-
Total education	\$ 27,761,368	\$ 28,104,968	\$ 27,208,552	\$ 896,416
Parks, recreation, and cultural				
Programs and operations	\$ 2,486,100	\$ 2,475,993	\$ 2,301,490	\$ 174,503
Browntown community center	2,500	2,500	2,500	-
Blue ridge arts council	9,500	9,500	9,500	-
4-H center	3,000	3,000	3,000	-
Contribution to Samuels Public Library	1,003,100	1,003,100	1,003,100	-
Total parks, recreation and cultural	\$ 3,504,200	\$ 3,494,093	\$ 3,319,590	\$ 174,503
Community development				
Planning and zoning administration	\$ 473,000	\$ 473,000	\$ 439,992	\$ 33,008
Enterprise zone grant - IDA	40,000	440,000	148,302	291,698
Industrial development authority	220,500	458,850	787,850	(329,000)
Route 340/522 trolley	25,000	25,000	59,904	(34,904)
Other contributions	200,000	284,900	99,020	185,880
Other community development	2,737,000	2,098,650	2,011,599	87,051
Contribution to soil and water conservation district	5,000	5,000	12,500	(7,500)
Other environmental management	13,500	13,500	7,510	5,990
Airport Commission operations	219,800	423,751	415,644	8,107
VPI extension service	121,000	121,000	124,487	(3,487)
Total community development	\$ 4,054,800	\$ 4,343,651	\$ 4,106,808	\$ 236,843
Nondepartmental				
Retiree medical insurance and unemployment insurance	\$ 156,300	\$ 156,300	\$ 163,631	\$ (7,331)
Route 340/522 Revenue Sharing Agreement Payment	260,000	260,000	267,349	(7,349)
Central equipment and maintenance	181,000	161,956	112,607	49,349
Other nondepartmental	800,000	300,000	331,959	(31,959)
Total nondepartmental	\$ 1,397,300	\$ 878,256	\$ 875,546	\$ 2,710

General Fund

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

Expenditures (Continued)	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Capital projects				
Fishnet property	\$ -	\$ -	\$ 356	(356)
Airport capital projects	200	21,130	21,130	-
Building improvement fund	-	-	74,507	(74,507)
Purchase of second street property	-	-	25,581	(25,581)
Simpsons Landing	-	-	69,202	(69,202)
Health and Human Services building	-	250,375	43,185	207,190
Voter registration facility renovations	-	-	4,324	(4,324)
Other capital projects	3,029,408	3,705,579	1,171,979	2,533,600
Total capital projects	\$ 3,029,608	\$ 3,977,084	\$ 1,410,264	\$ 2,566,820
Debt service				
Principal retirement	\$ 8,469,853	\$ 8,469,853	\$ 8,469,853	\$ -
Interest	3,426,398	3,426,398	2,720,757	705,641
Total debt service	\$ 11,896,251	\$ 11,896,251	\$ 11,190,610	\$ 705,641
Total expenditures	\$ 94,555,779	\$ 99,481,752	\$ 87,859,995	\$ 11,621,757
Excess (deficiency) of revenues over (under) expenditures	\$ (6,545,779)	\$ (9,919,729)	\$ 432,579	\$ 10,352,308
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 5,045,779	\$ 7,452,140	\$ 2,689,679	\$ (4,762,461)
Transfers out	-	(83,020)	(38,500)	44,520
Insurance proceeds	-	399,289	419,959	20,670
Total other financing sources (uses)	\$ 5,045,779	\$ 7,768,409	\$ 3,071,138	\$ (4,697,271)
Net change in fund balances	\$ (1,500,000)	\$ (2,151,320)	\$ 3,503,717	\$ 5,655,037
Fund balances - beginning	1,500,000	2,151,320	18,494,595	16,343,275
Fund balances - ending	\$ -	\$ -	\$ 21,998,312	\$ 21,998,312

COUNTY OF WARREN, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios

Primary Government

Pension Plans

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

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 1,465,884	\$ 1,364,429	\$ 1,280,172	\$ 1,211,705
Interest	3,260,921	3,155,677	2,972,645	2,854,513
Differences between expected and actual experience	(1,224,712)	(458,784)	953,339	(248,388)
Changes in assumptions	2,059,459	-	1,440,774	-
Benefit payments, including refunds of employee contributions	(2,554,070)	(2,450,253)	(2,274,766)	(1,985,707)
Net change in total pension liability	\$ 3,007,482	\$ 1,611,069	\$ 4,372,164	\$ 1,832,123
Total pension liability - beginning	49,586,972	47,975,903	43,603,739	41,771,616
Total pension liability - ending (a)	\$ 52,594,454	\$ 49,586,972	\$ 47,975,903	\$ 43,603,739
Plan fiduciary net position				
Contributions - employer	\$ 1,255,178	\$ 1,008,393	\$ 976,942	\$ 957,477
Contributions - employee	616,927	579,295	553,276	553,248
Net investment income	11,888,556	829,138	2,764,899	2,896,521
Benefit payments, including refunds of employee contributions	(2,554,070)	(2,450,253)	(2,274,766)	(1,985,707)
Administrative expense	(29,417)	(28,349)	(27,486)	(24,860)
Other	1,124	(983)	(1,743)	(2,587)
Net change in plan fiduciary net position	\$ 11,178,298	\$ (62,759)	\$ 1,991,122	\$ 2,394,092
Plan fiduciary net position - beginning	43,607,406	43,670,165	41,679,043	39,284,951
Plan fiduciary net position - ending (b)	\$ 54,785,704	\$ 43,607,406	\$ 43,670,165	\$ 41,679,043
County's net pension liability - ending (a) - (b)	\$ (2,191,250)	\$ 5,979,566	\$ 4,305,738	\$ 1,924,696
Plan fiduciary net position as a percentage of the total pension liability	104.17%	87.94%	91.03%	95.59%
Covered payroll	\$ 12,757,325	\$ 11,927,497	\$ 11,424,285	\$ 10,904,355
County's net pension liability as a percentage of covered payroll	-17.18%	50.13%	37.69%	17.65%

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.

Exhibit 13

	2017	2016	2015	2014
\$	1,198,533	\$ 1,176,281	\$ 1,258,260	\$ 1,300,026
	2,710,955	2,598,660	2,491,805	2,333,930
	264,255	(332,064)	(626,648)	-
	(158,008)	-	-	-
	(1,944,095)	(1,733,230)	(1,460,618)	(1,296,578)
\$	2,071,640	\$ 1,709,647	\$ 1,662,799	\$ 2,337,378
	39,699,976	37,990,329	36,327,530	33,990,152
\$	<u>41,771,616</u>	<u>\$ 39,699,976</u>	<u>\$ 37,990,329</u>	<u>\$ 36,327,530</u>
\$	911,215	\$ 1,156,426	\$ 1,111,161	\$ 1,212,641
	528,537	482,585	485,091	486,779
	4,306,187	618,544	1,536,746	4,527,083
	(1,944,095)	(1,733,230)	(1,460,618)	(1,296,578)
	(24,834)	(21,587)	(20,580)	(23,831)
	(3,839)	(260)	(327)	239
\$	<u>3,773,171</u>	<u>\$ 502,478</u>	<u>\$ 1,651,473</u>	<u>\$ 4,906,333</u>
	35,511,780	35,009,302	33,357,829	28,451,496
\$	<u>39,284,951</u>	<u>\$ 35,511,780</u>	<u>\$ 35,009,302</u>	<u>\$ 33,357,829</u>
\$	2,486,665	\$ 4,188,196	\$ 2,981,027	\$ 2,969,701
	94.05%	89.45%	92.15%	91.83%
\$	10,291,665	\$ 9,824,708	\$ 9,411,440	\$ 9,756,199
	24.16%	42.63%	31.67%	30.44%

COUNTY OF WARREN, VIRGINIA

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

	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 153,495	\$ 149,578	\$ 185,424	\$ 197,650
Interest	625,677	609,272	630,676	609,221
Differences between expected and actual experience	179,969	136,407	(405,849)	111,904
Changes in assumptions	471,364	-	225,216	-
Benefit payments, including refunds of employee contributions	(658,539)	(645,886)	(591,881)	(632,661)
Net change in total pension liability	\$ 771,966	\$ 249,371	\$ 43,586	\$ 286,114
Total pension liability - beginning	9,598,561	9,349,190	9,305,604	9,019,490
Total pension liability - ending (a)	<u>\$ 10,370,527</u>	<u>\$ 9,598,561</u>	<u>\$ 9,349,190</u>	<u>\$ 9,305,604</u>
Plan fiduciary net position				
Contributions - employer	\$ 28,664	\$ 54,118	\$ 71,546	\$ 81,242
Contributions - employee	67,482	68,734	89,010	90,635
Net investment income	2,617,982	191,229	647,283	706,784
Benefit payments, including refunds of employee contributions	(658,539)	(645,886)	(591,881)	(632,661)
Administrative expense	(6,882)	(6,831)	(6,717)	(6,370)
Other	243	(278)	(405)	(617)
Net change in plan fiduciary net position	\$ 2,048,950	\$ (338,914)	\$ 208,836	\$ 239,013
Plan fiduciary net position - beginning	9,810,028	10,148,942	9,940,106	9,701,093
Plan fiduciary net position - ending (b)	<u>\$ 11,858,978</u>	<u>\$ 9,810,028</u>	<u>\$ 10,148,942</u>	<u>\$ 9,940,106</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (1,488,451)	\$ (211,467)	\$ (799,752)	\$ (634,502)
Plan fiduciary net position as a percentage of the total pension liability	114.35%	102.20%	108.55%	106.82%
Covered payroll	\$ 1,481,570	\$ 1,498,545	\$ 1,957,816	\$ 1,954,160
School Division's net pension liability (asset) as a percentage of covered payroll	-100.46%	-14.11%	-40.85%	-32.47%

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

Exhibit 14

	2017	2016	2015	2014
\$	196,224	\$ 207,929	\$ 362,362	\$ 363,215
	607,042	606,765	580,063	550,481
	(173,660)	(246,769)	15,972	-
	(2,908)	-	-	-
	(558,464)	(569,479)	(584,416)	(397,751)
\$	68,234	\$ (1,554)	\$ 373,981	\$ 515,945
	8,951,256	8,952,810	8,578,829	8,062,884
\$	<u>9,019,490</u>	<u>\$ 8,951,256</u>	<u>\$ 8,952,810</u>	<u>\$ 8,578,829</u>
\$	82,987	\$ 144,630	\$ 193,055	\$ 330,326
	91,718	90,844	122,376	152,969
	1,077,002	153,305	411,657	1,232,240
	(558,464)	(569,479)	(584,416)	(397,751)
	(6,467)	(5,842)	(5,814)	(6,502)
	(948)	(66)	(85)	65
\$	685,828	\$ (186,608)	\$ 136,773	\$ 1,311,347
	9,015,265	9,201,873	9,065,100	7,753,753
\$	<u>9,701,093</u>	<u>\$ 9,015,265</u>	<u>\$ 9,201,873</u>	<u>\$ 9,065,100</u>
\$	(681,603)	\$ (64,009)	\$ (249,063)	\$ (486,271)
	107.56%	100.72%	102.78%	105.67%
\$	1,973,870	\$ 1,917,874	\$ 2,519,459	\$ 3,059,236
	-34.53%	-3.34%	-9.89%	-15.90%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2021	0.36264%	\$ 28,152,096	\$ 32,332,233	87.07%	85.46%
2020	0.35900%	52,241,018	31,722,797	164.68%	71.47%
2019	0.35966%	47,333,300	30,329,689	156.06%	73.51%
2018	0.36798%	43,274,000	29,808,438	145.17%	74.81%
2017	0.36687%	45,117,000	28,925,850	155.97%	72.92%
2016	0.36687%	51,414,000	27,973,986	183.79%	68.28%
2015	0.37348%	47,008,000	27,765,923	169.30%	70.68%
2014	0.38456%	46,473,000	28,102,102	165.37%	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

Pension Plans

For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1) *	Contributions in Relation to Contractually Required Contribution (2) *	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2022	\$ 1,414,073	\$ 1,414,073	\$ -	\$ 14,391,498	9.83%
2021	1,255,178	1,255,178	-	12,757,325	9.84%
2020	1,010,738	1,010,738	-	11,927,497	8.47%
2019	978,882	978,882	-	11,424,285	8.57%
2018	957,477	957,477	-	10,904,355	8.78%
2017	909,186	909,186	-	10,291,665	8.83%
2016	1,156,616	1,156,616	-	9,824,708	11.77%
2015	1,116,197	1,116,197	-	9,411,440	11.86%
2014	1,213,671	1,213,671	-	9,756,199	12.44%
2013	1,141,529	1,141,529	-	9,176,281	12.44%
Component Unit School Board (nonprofessional)					
2022	\$ 28,302	\$ 28,302	\$ -	\$ 1,525,896	1.85%
2021	28,325	28,325	-	1,481,570	1.91%
2020	56,208	56,208	-	1,498,545	3.75%
2019	72,021	72,021	-	1,957,816	3.68%
2018	81,242	81,242	-	1,954,160	4.16%
2017	93,424	93,424	-	1,973,870	4.73%
2016	144,913	144,913	-	1,917,874	7.56%
2015	196,770	196,770	-	2,519,459	7.81%
2014	330,703	330,703	-	3,059,236	10.81%
2013	319,901	319,901	-	2,959,307	10.81%
Component Unit School Board (professional) *					
2022	\$ 5,610,796	\$ 5,610,796	\$ -	\$ 35,503,371	15.80%
2021	5,130,430	5,130,430	-	32,332,233	15.87%
2020	4,770,146	4,770,146	-	31,722,797	15.04%
2019	4,609,126	4,609,126	-	30,329,689	15.20%
2018	4,798,005	4,798,005	-	29,808,438	16.10%
2017	4,624,709	4,624,709	-	28,925,850	15.99%
2016	3,906,383	3,906,383	-	27,973,986	13.96%
2015	4,026,059	4,026,059	-	27,765,923	14.50%

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

* 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.

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government and Component Unit - School Board
Health Insurance (Single-Employer Defined Benefit Plan)
For the Years Ended June 30, 2018 through June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County:					
Total OPEB liability					
Service cost	\$ 240,900	\$ 213,000	\$ 193,100	\$ 239,300	\$ 233,500
Interest	196,000	206,500	228,200	229,500	217,600
Changes in assumptions	1,098,700	548,900	317,100	(3,900)	-
Differences between expected and actual experience	(233,500)	636,800	(302,600)	(467,600)	-
Benefit payments	(244,300)	(216,800)	(106,400)	(83,900)	(160,200)
Net change in total OPEB liability	\$ 1,057,800	\$ 1,388,400	\$ 329,400	\$ (86,600)	\$ 290,900
Total OPEB liability - beginning	7,881,500	6,493,100	6,163,700	6,250,300	5,959,400
Total OPEB liability - ending	\$ 8,939,300	\$ 7,881,500	\$ 6,493,100	\$ 6,163,700	\$ 6,250,300
Covered employee payroll	\$ 7,569,400	\$ 7,569,400	\$ 7,462,700	\$ 7,462,700	\$ 7,914,900
County's total OPEB liability (asset) as a percentage of covered employee payroll	118.10%	104.12%	87.01%	82.59%	78.97%
School Board:					
Total OPEB liability					
Service cost	\$ 153,400	\$ 196,200	158,700	171,200	\$ 167,000
Interest	53,700	99,400	93,800	103,900	97,600
Changes in assumptions	225,500	111,600	119,900	(208,400)	-
Differences between expected and actual experience	(370,400)	(1,198,700)	337,500	(285,500)	-
Benefit payments	(105,000)	(194,400)	(133,400)	(56,400)	(126,700)
Net change in total OPEB liability	\$ (42,800)	\$ (985,900)	576,500	(275,200)	\$ 137,900
Total OPEB liability - beginning	2,090,100	3,076,000	2,499,500	2,774,700	2,636,800
Total OPEB liability - ending	\$ 2,047,300	\$ 2,090,100	3,076,000	2,499,500	\$ 2,774,700
Covered employee payroll	\$ 28,553,200	\$ 28,553,200	29,634,300	29,634,300	\$ 28,969,300
School Boards total OPEB liability (asset) as a percentage of covered employee payroll	7.17%	7.32%	10.38%	8.43%	9.58%

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

Notes to Required Supplementary Information
 Primary Government and Component Unit - School Board
 Health Insurance (Single-Employer Defined Benefit Plan)
 For the Year Ended June 30, 2022

Valuation Date: 7/1/2020

Measurement Date: 7/1/2021

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

Methods and assumptions used to determine OPEB liability - County and School Board:

Actuarial Cost Method	Entry age actuarial cost method
Discount Rate	1.92%
Healthcare Trend Rate	The healthcare trend rate assumption is 7.00% for fiscal year end 2022 and decreases 0.25% per year to an ultimate rate of 5.00%.
Salary Increase Rates	Increases of 2.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

Schedule of County's Share of Net OPEB Liability
 Group Life Insurance (GLI) Plan
 For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
County:					
2021	0.06180%	\$ 719,985	\$ 12,766,437	5.64%	67.45%
2020	0.05802%	968,259	11,940,566	8.11%	52.64%
2019	0.05831%	948,859	11,431,136	8.30%	52.00%
2018	0.05745%	873,000	10,904,583	8.01%	51.22%
2017	0.05580%	840,000	10,291,665	8.16%	48.86%
School Board - Professional:					
2021	0.15670%	\$ 1,824,413	\$ 32,353,640	5.64%	67.45%
2020	0.15423%	2,573,846	31,741,298	8.11%	52.64%
2019	0.15476%	2,518,357	30,377,402	8.29%	52.00%
2018	0.15689%	2,383,000	29,831,844	7.99%	51.22%
2017	0.15701%	2,363,000	28,925,850	8.17%	48.86%
School Board - Nonprofessional:					
2021	0.00720%	\$ 83,479	\$ 1,481,570	5.63%	67.45%
2020	0.00740%	123,493	1,524,043	8.10%	52.64%
2019	0.01001%	162,889	1,961,498	8.30%	52.00%
2018	0.01032%	156,000	1,961,389	7.95%	51.22%
2017	0.01077%	162,000	1,973,870	8.21%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2022	\$ 77,744	\$ 77,744	\$ -	\$ 14,396,998	0.54%
2021	68,939	68,939	-	12,766,437	0.54%
2020	62,091	62,091	-	11,940,566	0.52%
2019	59,442	59,442	-	11,431,136	0.52%
2018	56,808	56,808	-	10,904,583	0.52%
2017	53,517	53,517	-	10,291,665	0.52%
School Board - Professional:					
2022	\$ 191,799	\$ 191,799	\$ -	\$ 35,518,302	0.54%
2021	174,710	174,710	-	32,353,640	0.54%
2020	165,055	165,055	-	31,741,298	0.52%
2019	157,754	157,754	-	30,377,402	0.52%
2018	156,196	156,196	-	29,831,844	0.52%
2017	150,599	150,599	-	28,925,850	0.52%
School Board - Nonprofessional:					
2022	\$ 8,287	\$ 8,287	\$ -	\$ 1,534,681	0.54%
2021	8,000	8,000	-	1,481,570	0.54%
2020	7,925	7,925	-	1,524,043	0.52%
2019	10,200	10,200	-	1,961,498	0.52%
2018	10,199	10,199	-	1,961,389	0.52%
2017	10,328	10,328	-	1,973,870	0.52%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement
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 (Nonprofessional)

Net OPEB Liability and Related Ratios

Health Insurance Credit (HIC) Plan

For the Measurement Dates of June 30, 2020 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Total HIC OPEB liability		
Service cost	\$ 1,963	\$ -
Interest	10,002	-
Changes in benefit terms	-	148,183
Changes in assumptions	7,525	-
Differences between expected and actual experience	-	-
Benefit payments	-	-
Net change in total HIC OPEB liability	\$ 19,490	\$ 148,183
Total HIC OPEB Liability - beginning	148,183	-
Total HIC OPEB Liability - ending (a)	<u>\$ 167,673</u>	<u>\$ 148,183</u>
Plan fiduciary net position		
Contributions - employer	\$ 12,297	\$ -
Net investment income	1,701	-
Benefit payments	-	-
Administrative expense	(55)	-
Other	-	-
Net change in plan fiduciary net position	\$ 13,943	\$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u>\$ 13,943</u>	<u>\$ -</u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 153,730	\$ 148,183
Plan fiduciary net position as a percentage of the total HIC OPEB liability	8.32%	0.00%
Covered payroll	1,481,570	-
School Board's net HIC OPEB liability as a percentage of covered payroll	10.38%	N/A

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
School Board - Professional:					
2021	0.36559%	\$ 4,692,600	\$ 32,332,233	14.51%	13.15%
2020	0.36185%	4,720,393	31,722,797	14.88%	9.95%
2019	0.36160%	4,733,696	30,329,689	15.61%	8.97%
2018	0.36852%	4,679,000	29,803,925	15.70%	8.08%
2017	0.36649%	4,649,000	28,925,850	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
 Health Insurance Credit (HIC) Plans
 For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
School Board - Non-professional:					
2022	\$ 12,665	\$ 12,665	\$ -	\$ 1,525,896	0.83%
2021	12,297	12,297	-	1,481,570	0.83%
School Board - Professional:					
2022	\$ 429,591	\$ 429,591	\$ -	\$ 35,503,371	1.21%
2021	391,220	391,220	-	32,332,233	1.21%
2020	380,674	380,674	-	31,722,797	1.20%
2019	363,956	363,956	-	30,329,689	1.20%
2018	366,378	366,378	-	29,803,925	1.23%
2017	321,046	321,046	-	28,923,040	1.11%

Schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

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

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

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

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

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OTHER SUPPLEMENTARY INFORMATION

Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

	<u>Special Revenue Funds</u>
ASSETS	
Receivables (net of allowance for uncollectibles):	
Taxes receivable	\$ 1,837,840
Due from other funds	9,771
Restricted assets:	
Cash and cash equivalents	2,601,357
Total assets	\$ <u>4,448,968</u>
LIABILITIES	
Accounts payable	\$ 33,436
Total liabilities	\$ <u>33,436</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	\$ 1,869,934
Total deferred inflows of resources	\$ <u>1,869,934</u>
FUND BALANCES	
Restricted:	
Construction	\$ 694,805
Public safety	35,772
Sanitary districts - roads, etc.	1,815,021
Total fund balances	\$ <u>2,545,598</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>4,448,968</u>

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

	Special Revenue Funds
REVENUES	
General property taxes	\$ 2,306,007
Miscellaneous	146,745
Intergovernmental:	
Commonwealth	14,877
Total revenues	<u>\$ 2,467,629</u>
EXPENDITURES	
Current:	
Public safety	\$ 9,682
Public works	2,067,688
Debt service:	
Principal retirement	30,333
Interest and other fiscal charges	2,446
Total expenditures	<u>\$ 2,110,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 357,480</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	\$ 143,397
Transfers out	(116,818)
Total other financing sources (uses)	<u>\$ 26,579</u>
Net change in fund balances	\$ 384,059
Fund balances - beginning	2,161,539
Fund balances - ending	<u><u>\$ 2,545,598</u></u>

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	Drug Forfeiture	Proffers	Sanitary Districts	Total
ASSETS				
Receivables (net of allowance for uncollectibles):				
Taxes receivable	\$ -	\$ -	\$ 1,837,840	\$ 1,837,840
Due from other funds	-	-	9,771	9,771
Restricted assets:				
Cash and cash equivalents	35,772	694,805	1,870,780	2,601,357
Total assets	<u>\$ 35,772</u>	<u>\$ 694,805</u>	<u>\$ 3,718,391</u>	<u>\$ 4,448,968</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 33,436	\$ 33,436
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,436</u>	<u>\$ 33,436</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ -	\$ -	\$ 1,869,934	\$ 1,869,934
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,869,934</u>	<u>\$ 1,869,934</u>
FUND BALANCES				
Restricted:				
Construction	\$ -	\$ 694,805	\$ -	\$ 694,805
Public safety	35,772	-	-	35,772
Sanitary districts - roads, etc.	-	-	1,815,021	1,815,021
Total fund balances	<u>\$ 35,772</u>	<u>\$ 694,805</u>	<u>\$ 1,815,021</u>	<u>\$ 2,545,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,772</u>	<u>\$ 694,805</u>	<u>\$ 3,718,391</u>	<u>\$ 4,448,968</u>

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

	Drug Forfeiture	Proffers	Sanitary Districts	Total
REVENUES				
General property taxes	\$ -	\$ -	\$ 2,306,007	\$ 2,306,007
Miscellaneous	-	24,000	122,745	146,745
Intergovernmental:				
Commonwealth	7,013	-	7,864	14,877
Total revenues	<u>\$ 7,013</u>	<u>\$ 24,000</u>	<u>\$ 2,436,616</u>	<u>\$ 2,467,629</u>
EXPENDITURES				
Current:				
Public safety	\$ 9,682	\$ -	\$ -	\$ 9,682
Public works	-	-	2,067,688	2,067,688
Debt service:				
Principal retirement	-	-	30,333	30,333
Interest and other fiscal charges	-	-	2,446	2,446
Total expenditures	<u>\$ 9,682</u>	<u>\$ -</u>	<u>\$ 2,100,467</u>	<u>\$ 2,110,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,669)</u>	<u>\$ 24,000</u>	<u>\$ 336,149</u>	<u>\$ 357,480</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 143,397	\$ 143,397
Transfers out	-	-	(116,818)	(116,818)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,579</u>	<u>\$ 26,579</u>
Net change in fund balances	\$ (2,669)	\$ 24,000	\$ 362,728	\$ 384,059
Fund balances - beginning	38,441	670,805	1,452,293	2,161,539
Fund balances - ending	<u>\$ 35,772</u>	<u>\$ 694,805</u>	<u>\$ 1,815,021</u>	<u>\$ 2,545,598</u>

COUNTY OF WARREN, VIRGINIA

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

	Drug Forfeiture			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
General property taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	7,013	7,013
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,013</u>	<u>\$ 7,013</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ 9,682	\$ (9,682)
Public works	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,682</u>	<u>\$ (9,682)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,669)</u>	<u>\$ (2,669)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ (2,669)	\$ (2,669)
Fund balances - beginning	-	-	38,441	38,441
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,772</u>	<u>\$ 35,772</u>

Proffers				Sanitary Districts			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 2,101,343	\$ 2,188,160	\$ 2,306,007	\$ 117,847
-	-	24,000	24,000	-	-	122,745	122,745
-	-	-	-	-	-	7,864	7,864
\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 2,101,343	\$ 2,188,160	\$ 2,436,616	\$ 248,456
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,012,944	2,277,212	2,067,688	209,524
-	-	-	-	30,000	-	30,333	(30,333)
-	-	-	-	6,500	2,446	2,446	-
\$ -	\$ -	\$ -	\$ -	\$ 2,049,444	\$ 2,279,658	\$ 2,100,467	\$ 179,191
\$ -	\$ -	\$ 24,000	\$ 24,000	\$ 51,899	\$ (91,498)	\$ 336,149	\$ 427,647
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,397	\$ 143,397	\$ -
-	-	-	-	(51,899)	(51,899)	(116,818)	(64,919)
\$ -	\$ -	\$ -	\$ -	\$ (51,899)	\$ 91,498	\$ 26,579	\$ (64,919)
\$ -	\$ -	\$ 24,000	\$ 24,000	\$ -	\$ -	\$ 362,728	\$ 362,728
-	-	670,805	670,805	-	-	1,452,293	1,452,293
\$ -	\$ -	\$ 694,805	\$ 694,805	\$ -	\$ -	\$ 1,815,021	\$ 1,815,021

Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Private-Purpose Trust Funds
 June 30, 2022

	Private-Purpose Trust Funds						
	Woodward Cook Scholarship	Louise Bolling Scholarship	Elizabeth P. Denny Scholarship	Warren County Education Foundation	Thompson Scholarship	Winnie Nicholls Scholarship	Total
ASSETS							
Cash and cash equivalents	\$ 9	\$ 5,157	\$ 63,045	\$ 185,947	\$ -	\$ 656	\$ 254,814
Total assets	<u>\$ 9</u>	<u>\$ 5,157</u>	<u>\$ 63,045</u>	<u>\$ 185,947</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 254,814</u>
LIABILITIES							
Reconciled overdraft	\$ -	\$ -	\$ -	\$ -	\$ 13,539	\$ -	\$ 13,539
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,539</u>	<u>\$ -</u>	<u>\$ 13,539</u>
NET POSITION							
Restricted for:							
Scholarships	\$ 9	\$ 5,157	\$ 63,045	\$ 185,947	\$ (13,539)	\$ 656	\$ 241,275
Total net position	<u>\$ 9</u>	<u>\$ 5,157</u>	<u>\$ 63,045</u>	<u>\$ 185,947</u>	<u>\$ (13,539)</u>	<u>\$ 656</u>	<u>\$ 241,275</u>

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Private-Purpose Trust Funds
 For the Year Ended June 30, 2022

	Private-Purpose Trust Funds						
	Woodward Cook Scholarship	Louise Bolling Scholarship	Elizabeth P. Denny Scholarship	Warren County Education Foundation	Thompson Scholarship	Winnie Nicholls Scholarship	Total
ADDITIONS							
Revenue from the use of money	\$ -	\$ 92	\$ 1,071	\$ -	\$ 7,930	\$ 1	\$ 9,094
Total additions	\$ -	\$ 92	\$ 1,071	\$ -	\$ 7,930	\$ 1	\$ 9,094
DEDUCTIONS							
Scholarships	\$ -	\$ -	\$ -	\$ 5,888	\$ 10,000	\$ -	\$ 15,888
Total deductions	\$ -	\$ -	\$ -	\$ 5,888	\$ 10,000	\$ -	\$ 15,888
Change in net position	\$ -	\$ 92	\$ 1,071	\$ (5,888)	\$ (2,070)	\$ 1	\$ (6,794)
Total net position - beginning	9	5,065	61,974	191,835	(11,469)	655	248,069
Total net position - ending	\$ 9	\$ 5,157	\$ 63,045	\$ 185,947	\$ (13,539)	\$ 656	\$ 241,275

COUNTY OF WARREN, VIRGINIA

Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2022

	Custodial Funds				
	Special Welfare Fund	Undistributed Local Sales Tax Fund	Flexible Spending Fund	North Warren Fire Department Building Fund	North Warren Fire Department Fund
ASSETS					
Cash and cash equivalents	\$ 68,879	\$ -	\$ 19,245	\$ 217,059	\$ 33,558
Due from other governmental units	-	1,258,241	-	-	-
Total assets	<u>\$ 68,879</u>	<u>\$ 1,258,241</u>	<u>\$ 19,245</u>	<u>\$ 217,059</u>	<u>\$ 33,558</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,919
Reconciled overdraft	-	-	-	-	-
Due to general fund	-	1,023,151	5,000	-	-
Due to other governmental units	-	235,090	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 1,258,241</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 8,919</u>
NET POSITION					
Restricted for:					
Special welfare	\$ 68,879	\$ -	\$ -	\$ -	\$ -
Employee benefits	-	-	14,245	-	-
North Warren Fire Department	-	-	-	217,059	24,639
Shenandoah Farms Volunteer Fire Department	-	-	-	-	-
South Warren Volunteer Fire Department	-	-	-	-	-
Shenandoah Shores Volunteer Fire Department	-	-	-	-	-
Linden Volunteer Fire Department	-	-	-	-	-
Fourtsmouth Volunteer Fire Department	-	-	-	-	-
Skyline Regional Criminal Justice Training Academy	-	-	-	-	-
Celebrate Shenandoah	-	-	-	-	-
Total net position	<u>\$ 68,879</u>	<u>\$ -</u>	<u>\$ 14,245</u>	<u>\$ 217,059</u>	<u>\$ 24,639</u>

Custodial Funds							
Shenandoah Farms Vol. Fire Department Fund	South Warren Vol. Fire Department Fund	Shenandoah Shores Vol. Fire Department Fund	Linden Vol. Fire Department Fund	Fortsmouth Vol. Fire Department Fund	Skyline Regional Criminal Justice Training Academy	Celebrate Shenandoah	Total
\$ 328,688	\$ 84,794	\$ 36,545	\$ -	\$ 18,845	\$ 465,502	\$ 11,002	\$ 1,284,117
-	-	-	-	-	-	-	1,258,241
<u>\$ 328,688</u>	<u>\$ 84,794</u>	<u>\$ 36,545</u>	<u>\$ -</u>	<u>\$ 18,845</u>	<u>\$ 465,502</u>	<u>\$ 11,002</u>	<u>\$ 2,542,358</u>
\$ 2,863	\$ 5,393	\$ 462	\$ 3,227	\$ 1,004	\$ 5,872	\$ -	\$ 27,740
-	-	-	52,234	-	-	-	52,234
-	-	-	-	-	-	-	1,028,151
-	-	-	-	-	-	-	235,090
<u>\$ 2,863</u>	<u>\$ 5,393</u>	<u>\$ 462</u>	<u>\$ 55,461</u>	<u>\$ 1,004</u>	<u>\$ 5,872</u>	<u>\$ -</u>	<u>\$ 1,343,215</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,879
-	-	-	-	-	-	-	14,245
-	-	-	-	-	-	-	241,698
325,825	-	-	-	-	-	-	325,825
-	79,401	-	-	-	-	-	79,401
-	-	36,083	-	-	-	-	36,083
-	-	-	(55,461)	-	-	-	(55,461)
-	-	-	-	17,841	-	-	17,841
-	-	-	-	-	459,630	-	459,630
-	-	-	-	-	-	11,002	11,002
<u>\$ 325,825</u>	<u>\$ 79,401</u>	<u>\$ 36,083</u>	<u>\$ (55,461)</u>	<u>\$ 17,841</u>	<u>\$ 459,630</u>	<u>\$ 11,002</u>	<u>\$ 1,199,143</u>

COUNTY OF WARREN, VIRGINIA

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds - Custodial Funds

For the Year Ended June 30, 2022

	Custodial Funds				
	Special Welfare Fund	Undistributed Local Sales Tax Fund	Flexible Spending Fund	North Warren Fire Department Building Fund	North Warren Fire Department Fund
ADDITIONS					
Special welfare collections	\$ 35,598	\$ -	\$ -	\$ -	\$ -
Local sales tax collections	-	7,162,383	-	-	-
Revenue from the use of money	-	-	2,007	-	-
Collections for agencies	-	-	-	27,867	69,092
Total additions	\$ 35,598	\$ 7,162,383	\$ 2,007	\$ 27,867	\$ 69,092
DEDUCTIONS					
Welfare costs	\$ 19,727	\$ -	\$ -	\$ -	\$ -
Local sales tax disbursements	-	7,162,383	-	-	-
Disbursements for agencies	-	-	-	2,745	70,473
Total deductions	\$ 19,727	\$ 7,162,383	\$ -	\$ 2,745	\$ 70,473
Change in net position	\$ 15,871	\$ -	\$ 2,007	\$ 25,122	\$ (1,381)
Total net position - beginning	53,008	-	12,238	191,937	26,020
Total net position - ending	\$ 68,879	\$ -	\$ 14,245	\$ 217,059	\$ 24,639

Custodial Funds							
Shenandoah Farms Vol. Fire Department Fund	South Warren Vol. Fire Department Fund	Shenandoah Shores Vol. Fire Department Fund	Linden Vol. Fire Department Fund	Fortsmouth Vol. Fire Department Fund	Skyline Regional Criminal Justice Training Academy	Celebrate Shenandoah	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,598
-	-	-	-	-	-	-	7,162,383
-	-	-	-	-	-	-	2,007
92,767	70,721	66,347	68,005	66,347	612,582	-	1,073,728
<u>\$ 92,767</u>	<u>\$ 70,721</u>	<u>\$ 66,347</u>	<u>\$ 68,005</u>	<u>\$ 66,347</u>	<u>\$ 612,582</u>	<u>\$ -</u>	<u>\$ 8,273,716</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,727
-	-	-	-	-	-	-	7,162,383
42,097	44,736	63,206	69,941	64,882	561,520	-	919,600
<u>\$ 42,097</u>	<u>\$ 44,736</u>	<u>\$ 63,206</u>	<u>\$ 69,941</u>	<u>\$ 64,882</u>	<u>\$ 561,520</u>	<u>\$ -</u>	<u>\$ 8,101,710</u>
\$ 50,670	\$ 25,985	\$ 3,141	\$ (1,936)	\$ 1,465	\$ 51,062	\$ -	\$ 172,006
275,155	53,416	32,942	(53,525)	16,376	408,568	11,002	1,027,137
<u>\$ 325,825</u>	<u>\$ 79,401</u>	<u>\$ 36,083</u>	<u>\$ (55,461)</u>	<u>\$ 17,841</u>	<u>\$ 459,630</u>	<u>\$ 11,002</u>	<u>\$ 1,199,143</u>

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

	School Operating Fund	School Cafeteria Fund	Capital Improvements Fund	Vocational Building Fund	School Activity Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,328,442	\$ 3,100,400	\$ 27,762	\$ 116,169	\$ 708,397	\$ 6,281,170
Accounts receivable	166,733	-	-	-	-	166,733
Due from other funds	-	82,072	-	-	-	82,072
Due from other governmental units	2,466,410	-	-	-	-	2,466,410
Prepaid items	311,028	-	-	-	-	311,028
Total assets	<u>\$ 5,272,613</u>	<u>\$ 3,182,472</u>	<u>\$ 27,762</u>	<u>\$ 116,169</u>	<u>\$ 708,397</u>	<u>\$ 9,307,413</u>
LIABILITIES						
Accounts payable	\$ 834,055	\$ 227,766	\$ -	\$ -	\$ -	\$ 1,061,821
Accrued liabilities	2,925,199	-	-	-	-	2,925,199
Due to other funds	82,072	-	-	-	-	82,072
Due to primary government	1,431,287	-	-	-	-	1,431,287
Total liabilities	<u>\$ 5,272,613</u>	<u>\$ 227,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,500,379</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 311,028	\$ -	\$ -	\$ -	\$ -	\$ 311,028
Committed:						
Education - capital improvements	-	-	27,762	116,169	-	143,931
Education - school activities	-	-	-	-	708,397	708,397
Assigned:						
Education	(311,028)	2,954,706	-	-	-	2,643,678
Total fund balances	<u>\$ -</u>	<u>\$ 2,954,706</u>	<u>\$ 27,762</u>	<u>\$ 116,169</u>	<u>\$ 708,397</u>	<u>\$ 3,807,034</u>
Total liabilities and fund balances	<u>\$ 5,272,613</u>	<u>\$ 3,182,472</u>	<u>\$ 27,762</u>	<u>\$ 116,169</u>	<u>\$ 708,397</u>	<u>\$ 9,307,413</u>

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

Total fund balances per above \$ 3,807,034

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

Capital assets	\$ 38,339,221	
Accumulated depreciation	<u>(21,965,984)</u>	16,373,237

The net pension asset is not an available resource and, therefore, is not reported in the funds - Nonprofessional group 1,488,451

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in School Board activities in the statement of net position. 955,175

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

Pension related items	\$ 11,061,643	
OPEB related items	<u>1,849,133</u>	12,910,776

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

Pension related items	\$ (21,963,450)	
OPEB related items	<u>(2,442,568)</u>	(24,406,018)

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

Leases	\$ (69,670)	
Compensated absences	(1,903,614)	
Net pension liability - professional group	(28,152,096)	
Net OPEB liability	<u>(8,801,522)</u>	(38,926,902)

Net position of governmental activities \$ (27,798,247)

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

	School Operating Fund	School Cafeteria Fund	Capital Improvements Fund	Vocational Building Fund	School Activity Fund	Total Governmental Funds
REVENUES						
Revenue from the use of money and property	\$ 23,161	\$ -	\$ -	\$ -	\$ -	\$ 23,161
Charges for services	273,773	229,124	-	-	-	502,897
Miscellaneous	209,217	-	-	-	1,257,293	1,466,510
Intergovernmental:						
Local government	27,167,184	-	-	-	-	27,167,184
Commonwealth	33,489,380	-	-	-	-	33,489,380
Federal	10,134,969	-	-	-	-	10,134,969
Total revenues	<u>\$ 71,297,684</u>	<u>\$ 229,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257,293</u>	<u>\$ 72,784,101</u>
EXPENDITURES						
Current:						
Education	\$ 65,861,514	\$ 3,622,058	\$ -	\$ -	\$ 1,125,557	\$ 70,609,129
Capital projects	590,940	-	77,281	-	-	668,221
Debt service:						
Principal retirement	305,000	-	-	-	-	305,000
Interest and other fiscal charges	332,514	-	-	-	-	332,514
Total expenditures	<u>\$ 67,089,968</u>	<u>\$ 3,622,058</u>	<u>\$ 77,281</u>	<u>\$ -</u>	<u>\$ 1,125,557</u>	<u>\$ 71,914,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 4,207,716</u>	<u>\$ (3,392,934)</u>	<u>\$ (77,281)</u>	<u>\$ -</u>	<u>\$ 131,736</u>	<u>\$ 869,237</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ 4,207,716	\$ -	\$ -	\$ -	\$ 4,207,716
Transfers out	(4,207,716)	-	-	-	-	(4,207,716)
Total other financing sources (uses)	<u>\$ (4,207,716)</u>	<u>\$ 4,207,716</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ 814,782	\$ (77,281)	\$ -	\$ 131,736	\$ 869,237
Fund balances - beginning	-	2,139,924	105,043	116,169	576,661	2,937,797
Fund balances - ending	<u>\$ -</u>	<u>\$ 2,954,706</u>	<u>\$ 27,762</u>	<u>\$ 116,169</u>	<u>\$ 708,397</u>	<u>\$ 3,807,034</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 \$ 869,237

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. The following are adjustments related to capital assets reported in the current period.

Capital asset additions	\$ 849,801	
Depreciation expense	<u>(980,991)</u>	(131,190)

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 OPEB related items	\$ 355,434	
Change in pension related items	5,281,269	
Repayment of lease liabilities	117,537	
(Increase) decrease in compensated absences	<u>(207,241)</u>	5,546,999

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

	271,822	
Change in net position of governmental activities	<u>\$ 6,556,868</u>	

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 21,915	\$ 21,915	\$ 23,161	\$ 1,246
Charges for services	259,050	259,050	273,773	14,723
Miscellaneous	1,163,511	1,163,511	209,217	(954,294)
Intergovernmental:				
Local government	22,425,741	28,140,282	27,167,184	(973,098)
Commonwealth	31,685,245	31,685,245	33,489,380	1,804,135
Federal	8,389,367	8,389,367	10,134,969	1,745,602
Total revenues	<u>\$ 63,944,829</u>	<u>\$ 69,659,370</u>	<u>\$ 71,297,684</u>	<u>\$ 1,638,314</u>
EXPENDITURES				
Current:				
Education	\$ 62,272,224	\$ 67,979,212	\$ 65,861,514	\$ 2,117,698
Capital projects	1,042,644	1,042,644	590,940	451,704
Debt service:				
Principal retirement	273,000	273,000	305,000	(32,000)
Interest and other fiscal charges	356,961	364,514	332,514	32,000
Total expenditures	<u>\$ 63,944,829</u>	<u>\$ 69,659,370</u>	<u>\$ 67,089,968</u>	<u>\$ 2,569,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,207,716</u>	<u>\$ 4,207,716</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(4,207,716)	(4,207,716)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,207,716)</u>	<u>\$ (4,207,716)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

School Cafeteria Fund				Capital Improvements Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85,960	85,960	229,124	143,164	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	343,600	-	(343,600)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 85,960	\$ 85,960	\$ 229,124	\$ 143,164	\$ -	\$ 343,600	\$ -	\$ (343,600)
\$ 2,896,000	\$ 2,896,000	\$ 3,622,058	\$ (726,058)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	343,600	77,281	266,319
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 2,896,000	\$ 2,896,000	\$ 3,622,058	\$ (726,058)	\$ -	\$ 343,600	\$ 77,281	\$ 266,319
\$ (2,810,040)	\$ (2,810,040)	\$ (3,392,934)	\$ (582,894)	\$ -	\$ -	\$ (77,281)	\$ (77,281)
\$ 2,810,040	\$ 2,810,040	\$ 4,207,716	\$ 1,397,676	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ 2,810,040	\$ 2,810,040	\$ 4,207,716	\$ 1,397,676	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 814,782	\$ 814,782	\$ -	\$ -	\$ (77,281)	\$ (77,281)
-	-	2,139,924	2,139,924	-	-	105,043	105,043
\$ -	\$ -	\$ 2,954,706	\$ 2,954,706	\$ -	\$ -	\$ 27,762	\$ 27,762

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board

	Vocational Building Fund				School Activity Fund			
	Budgeted		Actual	Variance with Final Budget Positive (Negative)	Budgeted		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,257,293	1,257,293
Intergovernmental:								
Local government	-	-	-	-	-	-	-	-
Commonwealth	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,257,293	\$ 1,257,293
EXPENDITURES								
Current:								
Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,125,557	\$ (1,125,557)
Capital projects	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125,557	\$ (1,125,557)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	\$ 131,736	\$ 131,736
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,736	\$ 131,736
Fund balances - beginning	-	-	116,169	116,169	-	-	576,661	576,661
Fund balances - ending	\$ -	\$ -	\$ 116,169	\$ 116,169	\$ -	\$ -	\$ 708,397	\$ 708,397

Statement of Net Position
Internal Service Fund - Discretely Presented Component Unit - School Board
June 30, 2022

	Health Insurance Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 955,175
Total assets	<u>\$ 955,175</u>
NET POSITION	
Unrestricted	\$ 955,175
Total net position	<u><u>\$ 955,175</u></u>

Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	<u>Health Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 6,316,834
Total operating revenues	<u>\$ 6,316,834</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ 6,044,791
Total operating expenses	<u>\$ 6,044,791</u>
Operating income (loss)	<u>\$ 272,043</u>
NONOPERATING REVENUES (EXPENSES)	
Interest expense	<u>\$ (221)</u>
Change in net position	\$ 271,822
Total net position - beginning	683,353
Total net position - ending	<u><u>\$ 955,175</u></u>

Statement of Cash Flows
Internal Service Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	Health Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 6,316,834
Payments for claims	(6,044,791)
Net cash provided by (used for) operating activities	<u>\$ 272,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Other	\$ (221)
Net cash provided by (used for) investing activities	<u>\$ (221)</u>
Net increase (decrease) in cash and cash equivalents	\$ 271,822
Cash and cash equivalents - beginning	683,353
Cash and cash equivalents - ending	<u><u>\$ 955,175</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ 272,043
Net cash provided by (used for) operating activities	<u><u>\$ 272,043</u></u>

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Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 31,163,001	\$ 31,163,001	\$ 31,391,272	\$ 228,271
Real and personal public service corporation taxes	6,600,000	6,600,000	5,567,362	(1,032,638)
Personal property taxes	13,885,780	13,885,780	16,824,694	2,938,914
Mobile home taxes	8,000	8,000	12,187	4,187
Machinery and tools taxes	1,809,000	1,809,000	1,760,657	(48,343)
Rollback taxes	20,000	20,000	40,503	20,503
Mineral rights	3,000	3,000	3,464	464
Penalties	600,000	600,000	626,049	26,049
Interest	400,000	400,000	453,767	53,767
Total general property taxes	<u>\$ 54,488,781</u>	<u>\$ 54,488,781</u>	<u>\$ 56,679,955</u>	<u>\$ 2,191,174</u>
Other local taxes:				
Local sales and use taxes	\$ 5,100,000	\$ 5,100,000	\$ 5,805,476	\$ 705,476
Consumers' utility taxes	760,000	760,000	758,522	(1,478)
Cigarette taxes	100,000	100,000	-	(100,000)
Business license taxes	1,000,000	1,000,000	1,287,435	287,435
Motor vehicle licenses	950,000	950,000	842,841	(107,159)
Taxes on recordation and wills	800,000	800,000	1,244,164	444,164
Hotel and motel room taxes	250,000	250,000	374,207	124,207
Meal taxes	1,000,000	1,000,000	1,252,151	252,151
Total other local taxes	<u>\$ 9,960,000</u>	<u>\$ 9,960,000</u>	<u>\$ 11,564,796</u>	<u>\$ 1,604,796</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 45,000	\$ 45,000	\$ 35,671	\$ (9,329)
Building and related permits	400,000	458,521	458,521	-
Zoning, subdivision fees and rezoning permits	40,000	63,941	62,160	(1,781)
Land use application fees	-	-	310	310
Transfer fees	2,000	2,000	2,028	28
Weapon permits	40,000	40,000	24,672	(15,328)
Bank franchise fees	40,000	40,000	22,438	(17,562)
Septage fees	95,000	178,710	152,600	(26,110)
Other fees	12,000	12,000	2,953	(9,047)
Total permits, privilege fees, and regulatory licenses	<u>\$ 674,000</u>	<u>\$ 840,172</u>	<u>\$ 761,353</u>	<u>\$ (78,819)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 90,000	\$ 90,000	\$ 116,882	\$ 26,882
Other fines	-	-	3,726	3,726
Total fines and forfeitures	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 120,608</u>	<u>\$ 30,608</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 250,000	\$ 250,000	\$ (478,418)	\$ (728,418)
Revenue from use of property	492,000	492,000	166,892	(325,108)
Total revenue from use of money and property	<u>\$ 742,000</u>	<u>\$ 742,000</u>	<u>\$ (311,526)</u>	<u>\$ (1,053,526)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Courthouse security fees	70,000	82,828	82,844	16
Administrative fee	250,000	250,000	193,760	(56,240)
Charges for Commonwealth's Attorney	4,000	4,000	3,845	(155)
Airport hangar rental fees and fuel sales	220,000	220,000	187,987	(32,013)
Charges for sanitation and waste removal	1,300,000	1,300,000	1,249,800	(50,200)
Other charges for services	28,500	28,500	214,262	185,762
Parks and rec user fees	200,000	205,838	198,770	(7,068)
Courthouse maintenance fees	43,000	43,000	29,483	(13,517)
Cost recovery	900,000	900,000	1,194,170	294,170
Charges for law library	10,000	10,000	7,650	(2,350)
Total charges for services	\$ 3,027,500	\$ 3,046,166	\$ 3,362,571	\$ 316,405
Miscellaneous:				
Miscellaneous	\$ 2,557,400	\$ 2,611,983	\$ 951,185	\$ (1,660,798)
Sale of recyclable materials	90,000	147,248	147,248	-
Total miscellaneous	\$ 2,647,400	\$ 2,759,231	\$ 1,098,433	\$ (1,660,798)
Recovered costs:				
Other recovered costs	\$ 1,190,000	\$ 1,210,593	\$ 215,659	\$ (994,934)
Expenditure refunds	18,000	18,000	65,329	47,329
Total recovered costs	\$ 1,208,000	\$ 1,228,593	\$ 280,988	\$ (947,605)
Total revenue from local sources	\$ 72,837,681	\$ 73,154,943	\$ 73,557,178	\$ 402,235
Intergovernmental:				
Revenue from Local Government				
Town of Front Royal - elections	\$ -	\$ 14,458	\$ 14,458	\$ -
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 60,000	\$ 60,000	\$ 63,156	\$ 3,156
Mobile home titling tax	1,000	1,000	14,748	13,748
State recordation tax	150,000	150,000	-	(150,000)
Personal property tax relief funds	4,514,220	4,514,220	4,541,220	27,000
Communication taxes	780,000	780,000	636,456	(143,544)
Other noncategorical aid	-	-	883	883
Total noncategorical aid	\$ 5,505,220	\$ 5,505,220	\$ 5,256,463	\$ (248,757)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 517,756	\$ 517,756	\$ 516,075	\$ (1,681)
Sheriff	1,838,572	1,948,375	1,792,643	(155,732)
Commissioner of revenue	195,008	195,008	194,603	(405)

Schedule of Revenues - Budget and Actual

Governmental Funds

For the Year Ended June 30, 2022

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Shared expenses: (Continued)				
Treasurer	\$ 128,601	\$ 128,601	\$ 128,007	\$ (594)
Registrar/electoral board	40,000	40,000	77,648	37,648
Clerk of the Circuit Court	354,750	354,750	373,504	18,754
Total shared expenses	<u>\$ 3,074,687</u>	<u>\$ 3,184,490</u>	<u>\$ 3,082,480</u>	<u>\$ (102,010)</u>
Other categorical aid:				
Welfare administration and public assistance	\$ 1,432,657	\$ 1,432,657	\$ 1,202,035	\$ (230,622)
Children services act	1,050,004	1,310,004	1,218,898	(91,106)
Emergency medical services	45,000	45,000	44,581	(419)
Litter control grant	-	17,764	17,764	-
Technology trust funds	-	24,384	24,534	150
Abandoned vehicle program	9,500	9,500	-	(9,500)
VA domestic violence victims grant	45,000	45,000	47,114	2,114
Victim-witness grant	34,000	34,000	19,396	(14,604)
Fire programs funds	80,000	80,000	93,639	13,639
Juvenile crime control	35,000	35,000	8,645	(26,355)
Airport grants	-	108,756	109,494	738
Other categorical aid	49,500	495,098	498,958	3,860
Total other categorical aid	<u>\$ 4,055,361</u>	<u>\$ 4,911,863</u>	<u>\$ 3,285,058</u>	<u>\$ (1,626,805)</u>
Total categorical aid	<u>\$ 7,130,048</u>	<u>\$ 8,096,353</u>	<u>\$ 6,367,538</u>	<u>\$ (1,728,815)</u>
Total revenue from the Commonwealth	<u>\$ 12,635,268</u>	<u>\$ 13,601,573</u>	<u>\$ 11,624,001</u>	<u>\$ (1,977,572)</u>
Revenue from the Federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 54,000	\$ 54,000	\$ 59,519	\$ 5,519
Total noncategorical aid	<u>\$ 54,000</u>	<u>\$ 54,000</u>	<u>\$ 59,519</u>	<u>\$ 5,519</u>
Categorical aid:				
Welfare administration and public assistance	\$ 2,049,051	\$ 2,049,051	\$ 2,152,805	\$ 103,754
Juvenile Accountability Block Grant	-	-	2,318	2,318
Emergency management performance grant	-	3,126	18,704	15,578
Bulletproof vest program	400,000	400,000	-	(400,000)
Crime victims assistance	34,000	34,000	23,641	(10,359)
Ed Byrne justice assistance grant	-	1,371	-	(1,371)
Coronavirus State and Local Fiscal Recovery Funds	-	133,376	337,316	203,940
Airport improvement program	-	116,125	81,079	(35,046)
Other federal categorical aid	-	-	421,555	421,555
Total categorical aid	<u>\$ 2,483,051</u>	<u>\$ 2,737,049</u>	<u>\$ 3,037,418</u>	<u>\$ 300,369</u>
Total revenue from the federal government	<u>\$ 2,537,051</u>	<u>\$ 2,791,049</u>	<u>\$ 3,096,937</u>	<u>\$ 305,888</u>
Total General Fund	<u>\$ 88,010,000</u>	<u>\$ 89,562,023</u>	<u>\$ 88,292,574</u>	<u>\$ (1,269,449)</u>

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Drug Forfeiture Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Drug forfeiture funds	\$ -	\$ -	\$ 7,013	\$ 7,013
Total categorical aid	\$ -	\$ -	\$ 7,013	\$ 7,013
Total revenue from the Commonwealth	\$ -	\$ -	\$ 7,013	\$ 7,013
Total Drug Forfeiture Fund	\$ -	\$ -	\$ 7,013	\$ 7,013
Proffers Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 24,000	\$ 24,000
Total miscellaneous	\$ -	\$ -	\$ 24,000	\$ 24,000
Total revenue from local sources	\$ -	\$ -	\$ 24,000	\$ 24,000
Total Proffers Fund	\$ -	\$ -	\$ 24,000	\$ 24,000
Sanitary District Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 2,101,343	\$ 2,188,160	\$ 2,306,007	\$ 117,847
Total general property taxes	\$ 2,101,343	\$ 2,188,160	\$ 2,306,007	\$ 117,847
Miscellaneous:				
New construction fee	\$ -	\$ -	\$ 122,745	\$ 122,745
Total miscellaneous	\$ -	\$ -	\$ 122,745	\$ 122,745
Total revenue from local sources	\$ 2,101,343	\$ 2,188,160	\$ 2,428,752	\$ 240,592
Total Sanitary District Fund	\$ 2,101,343	\$ 2,188,160	\$ 2,436,616	\$ 248,456
Total Primary Government	\$ 90,111,343	\$ 91,750,183	\$ 90,760,203	\$ (989,980)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 21,915	\$ 21,915	\$ 23,161	\$ 1,246
Total revenue from use of money and property	\$ 21,915	\$ 21,915	\$ 23,161	\$ 1,246
Charges for services:				
Other charges for services	\$ 259,050	\$ 259,050	\$ 273,773	\$ 14,723
Total charges for services	\$ 259,050	\$ 259,050	\$ 273,773	\$ 14,723
Miscellaneous:				
Other miscellaneous	\$ 1,163,511	\$ 1,163,511	\$ 209,217	\$ (954,294)
Total miscellaneous	\$ 1,163,511	\$ 1,163,511	\$ 209,217	\$ (954,294)
Total revenue from local sources	\$ 1,444,476	\$ 1,444,476	\$ 506,151	\$ (938,325)
Intergovernmental:				
Revenues from local governments:				
Contribution from Warren, Virginia	\$ 22,425,741	\$ 28,140,282	\$ 27,167,184	\$ (973,098)
Total revenues from local governments	\$ 22,425,741	\$ 28,140,282	\$ 27,167,184	\$ (973,098)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 8,607,262	\$ 8,607,262	\$ 9,096,463	\$ 489,201
Basic school aid	12,162,197	12,162,197	12,853,446	691,249
Remedial summer education	72,071	72,071	76,167	4,096
Gifted and talented	141,079	141,079	149,097	8,018
Remedial education	475,488	475,488	502,513	27,025
Homebound education	1,222	1,222	1,291	69
Textbook payment	280,773	280,773	296,731	15,958
Vocational SOQ payments	448,325	448,325	473,806	25,481
Social security fringe benefits	815,123	815,123	861,451	46,328
Retirement fringe benefits	1,896,727	1,896,727	2,004,529	107,802
Group life insurance benefits	57,477	57,477	60,743	3,266
State lottery payments	1,157,084	1,157,084	1,222,848	65,764
Early reading intervention	240,116	240,116	253,763	13,647
Jail education	129,297	129,297	136,646	7,349
GED program	15,580	15,580	16,465	885
School food	49,280	49,280	55,361	6,081
Special education - foster children	10,532	10,532	11,131	599
At risk payments	777,542	777,542	821,734	44,192
Standards of Learning algebra readiness	58,225	58,225	61,534	3,309
English as a second language	1,018,250	1,018,250	1,076,123	57,873
K-3 initiative	574,196	574,196	606,831	32,635
Special education	1,573,717	1,573,717	1,663,160	89,443
Other state funds	1,123,682	1,123,682	1,187,547	63,865
Total categorical aid	\$ 31,685,245	\$ 31,685,245	\$ 33,489,380	\$ 1,804,135
Total revenue from the Commonwealth	\$ 31,685,245	\$ 31,685,245	\$ 33,489,380	\$ 1,804,135

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Interest rate subsidy - Qualified Energy Conservation Bonds	\$ 500,274	\$ 500,274	\$ 528,708	\$ 28,434
Total noncategorical aid	\$ 500,274	\$ 500,274	\$ 528,708	\$ 28,434
Categorical aid:				
Federal land use	\$ 1,031	\$ 1,031	\$ 1,090	\$ 59
Title I; Grants to local educational agencies	809,223	809,223	855,216	45,993
Title VI-B; Special education grants to states	1,154,304	1,154,304	1,219,910	65,606
Title VI-B; Special education preschool grants	30,972	30,972	32,732	1,760
Vocational education	101,232	101,232	106,986	5,754
English language acquisition grant	12,745	12,745	13,469	724
School improvement grants	45,018	45,018	47,577	2,559
Title II Part A; Improving teacher quality state grants	158,061	158,061	167,044	8,983
Student support and academic enrichment	68,890	68,890	72,805	3,915
National school lunch and breakfast program	2,760,760	2,760,760	4,186,455	1,425,695
Education stabilization fund	2,746,857	2,746,857	2,902,977	156,120
Total categorical aid	\$ 7,889,093	\$ 7,889,093	\$ 9,606,261	\$ 1,717,168
Total revenue from the federal government	\$ 8,389,367	\$ 8,389,367	\$ 10,134,969	\$ 1,745,602
Total School Operating Fund	\$ 63,944,829	\$ 69,659,370	\$ 71,297,684	\$ 1,638,314
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 85,960	\$ 85,960	\$ 229,124	\$ 143,164
Total charges for services	\$ 85,960	\$ 85,960	\$ 229,124	\$ 143,164
Total revenue from local sources	\$ 85,960	\$ 85,960	\$ 229,124	\$ 143,164
Total School Cafeteria Fund	\$ 85,960	\$ 85,960	\$ 229,124	\$ 143,164
School Activity Fund:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 1,257,293	\$ 1,257,293
Total miscellaneous revenue	\$ -	\$ -	\$ 1,257,293	\$ 1,257,293
Total revenue from local sources	\$ -	\$ -	\$ 1,257,293	\$ 1,257,293
Total School Activity Fund	\$ -	\$ -	\$ 1,257,293	\$ 1,257,293
Total Component Unit - School Board	\$ 64,030,789	\$ 70,088,930	\$ 72,784,101	\$ 2,695,171

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 179,000	\$ 181,500	\$ 167,487	\$ 14,013
General and financial administration:				
County administrator	\$ 502,000	\$ 502,000	\$ 664,261	\$ (162,261)
County attorney	344,000	344,000	374,051	(30,051)
Personnel	167,900	167,900	182,646	(14,746)
Commissioner of revenue	777,000	777,000	734,828	42,172
Reassessment	50,000	422,400	251,208	171,192
Treasurer	566,000	572,000	575,969	(3,969)
Finance and purchasing	448,000	499,500	483,409	16,091
Information technology	70,000	144,336	516,322	(371,986)
Total general and financial administration	\$ 2,924,900	\$ 3,429,136	\$ 3,782,694	\$ (353,558)
Board of elections:				
Electoral board and officials	\$ 391,000	\$ 455,458	\$ 363,321	\$ 92,137
Total board of elections	\$ 391,000	\$ 455,458	\$ 363,321	\$ 92,137
Total general government administration	\$ 3,494,900	\$ 4,066,094	\$ 4,313,502	\$ (247,408)
Judicial administration:				
Courts:				
Circuit court	\$ 70,800	\$ 66,272	\$ 95,726	\$ (29,454)
General district court	24,300	24,300	19,503	4,797
Special magistrates	5,800	5,800	5,374	426
Clerk of the circuit court	635,600	621,599	656,588	(34,989)
Juvenile and domestic relations court	16,600	18,128	16,709	1,419
Sheriff - court security	998,300	1,025,300	863,931	161,369
Law library	54,300	54,300	50,482	3,818
Total courts	\$ 1,805,700	\$ 1,815,699	\$ 1,708,313	\$ 107,386
Commonwealth's attorney:				
Commonwealth's attorney	\$ 1,105,200	\$ 1,103,400	\$ 1,137,546	\$ (34,146)
Total commonwealth's attorney	\$ 1,105,200	\$ 1,103,400	\$ 1,137,546	\$ (34,146)
Total judicial administration	\$ 2,910,900	\$ 2,919,099	\$ 2,845,859	\$ 73,240
Public safety:				
Law enforcement and emergency services:				
Sheriff - law enforcement	\$ 5,013,480	\$ 5,139,768	\$ 5,579,813	\$ (440,045)
School resource officers	706,320	733,206	493,090	240,116
E - 911 system	753,000	959,250	1,012,801	(53,551)
Total law enforcement and emergency services	\$ 6,472,800	\$ 6,832,224	\$ 7,085,704	\$ (253,480)
Fire and rescue services:				
Other fire and rescue costs	\$ 475,000	\$ 535,711	\$ 470,264	\$ 65,447
Cost recovery fees	45,000	45,000	47,629	(2,629)
Cost recovery reimbursement to fire companies	380,000	380,000	62,805	317,195
Contributions to fire and rescue squads	940,000	1,237,750	1,284,844	(47,094)
Emergency services	4,376,000	5,540,204	4,695,407	844,797
Total fire and rescue services	\$ 6,216,000	\$ 7,738,665	\$ 6,560,949	\$ 1,177,716

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Correction and detention:				
Regional jail	\$ 3,464,967	\$ 3,464,967	\$ 2,649,427	\$ 815,540
Probation office	41,000	41,000	5,182	35,818
Juvenile detention center	344,769	344,769	234,322	110,447
Total correction and detention	<u>\$ 3,850,736</u>	<u>\$ 3,850,736</u>	<u>\$ 2,888,931</u>	<u>\$ 961,805</u>
Inspections:				
Building	\$ 618,000	\$ 700,462	\$ 712,336	\$ (11,874)
Total inspections	<u>\$ 618,000</u>	<u>\$ 700,462</u>	<u>\$ 712,336</u>	<u>\$ (11,874)</u>
Other protection:				
Animal control	\$ 705,800	\$ 717,380	\$ 602,918	\$ 114,462
Medical examiner	1,000	1,000	700	300
Total other protection	<u>\$ 706,800</u>	<u>\$ 718,380</u>	<u>\$ 603,618</u>	<u>\$ 114,762</u>
Total public safety	<u>\$ 17,864,336</u>	<u>\$ 19,840,467</u>	<u>\$ 17,851,538</u>	<u>\$ 1,988,929</u>
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Management of sanitary districts	\$ 428,200	\$ 402,148	\$ 401,353	\$ 795
Streets and highways	20,000	20,000	11,534	8,466
Total maintenance of highways, streets, bridges and sidewalks	<u>\$ 448,200</u>	<u>\$ 422,148</u>	<u>\$ 412,887</u>	<u>\$ 9,261</u>
Sanitation and waste removal:				
Refuse collection	\$ 1,012,000	\$ 1,171,748	\$ 1,261,125	\$ (89,377)
Refuse disposal	2,880,000	3,272,234	3,057,928	214,306
Total sanitation and waste removal	<u>\$ 3,892,000</u>	<u>\$ 4,443,982</u>	<u>\$ 4,319,053</u>	<u>\$ 124,929</u>
Maintenance of general buildings and grounds:				
General properties	\$ 1,396,000	\$ 1,789,743	\$ 1,826,510	\$ (36,767)
Total maintenance of general buildings and grounds	<u>\$ 1,396,000</u>	<u>\$ 1,789,743</u>	<u>\$ 1,826,510</u>	<u>\$ (36,767)</u>
Total public works	<u>\$ 5,736,200</u>	<u>\$ 6,655,873</u>	<u>\$ 6,558,450</u>	<u>\$ 97,423</u>
Health and welfare:				
Health:				
Local health department	\$ 382,412	\$ 382,412	\$ 382,412	\$ -
Total health	<u>\$ 382,412</u>	<u>\$ 382,412</u>	<u>\$ 382,412</u>	<u>\$ -</u>
Mental health and mental retardation:				
Northwestern community services	\$ 372,746	\$ 372,746	\$ 372,746	\$ -
Warren association for retarded citizens	2,500	2,500	-	2,500
Total mental health and mental retardation	<u>\$ 375,246</u>	<u>\$ 375,246</u>	<u>\$ 372,746</u>	<u>\$ 2,500</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 10,091,558	\$ 10,091,558	\$ 4,622,757	\$ 5,468,801
Shenandoah area agency on aging	54,000	54,000	54,765	(765)
Warren county council on domestic violence	9,511	9,511	9,511	-
Other social services	46,489	46,489	56,474	(9,985)
Rental of property - Health and Human Services Complex	161,700	161,700	-	161,700
Property tax relief for the elderly and handicapped	-	-	476,154	(476,154)
Children's Services Act	1,785,000	2,185,000	2,204,457	(19,457)
Total welfare	\$ 12,148,258	\$ 12,548,258	\$ 7,424,118	\$ 5,124,140
Total health and welfare	\$ 12,905,916	\$ 13,305,916	\$ 8,179,276	\$ 5,126,640
Education:				
Contribution to local school board	\$ 27,720,000	\$ 28,063,600	\$ 27,167,184	\$ 896,416
Contributions to community college	41,368	41,368	41,368	-
Total education	\$ 27,761,368	\$ 28,104,968	\$ 27,208,552	\$ 896,416
Parks, recreation, and cultural:				
Parks and recreation:				
Programs and operations	\$ 2,486,100	\$ 2,475,993	\$ 2,301,490	\$ 174,503
Total parks and recreation	\$ 2,486,100	\$ 2,475,993	\$ 2,301,490	\$ 174,503
Cultural enrichment:				
Browntown community center	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Blue ridge arts council	9,500	9,500	9,500	-
4-H center	3,000	3,000	3,000	-
Total cultural enrichment	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
Library:				
Contribution to Samuels Public Library	\$ 1,003,100	\$ 1,003,100	\$ 1,003,100	\$ -
Total library	\$ 1,003,100	\$ 1,003,100	\$ 1,003,100	\$ -
Total parks, recreation, and cultural	\$ 3,504,200	\$ 3,494,093	\$ 3,319,590	\$ 174,503
Community development:				
Planning and community development:				
Planning and zoning administration	\$ 473,000	\$ 473,000	\$ 439,992	\$ 33,008
Enterprise zone grant - IDA	40,000	440,000	148,302	291,698
Industrial development authority	220,500	458,850	787,850	(329,000)
Route 340/522 trolley	25,000	25,000	59,904	(34,904)
Other contributions	200,000	284,900	99,020	185,880
Other community development	2,737,000	2,098,650	2,011,599	87,051
Total planning and community development	\$ 3,695,500	\$ 3,780,400	\$ 3,546,667	\$ 233,733
Environmental management:				
Contribution to soil and water conservation district	\$ 5,000	\$ 5,000	\$ 12,500	\$ (7,500)
Other environmental management	13,500	13,500	7,510	5,990
Total environmental management	\$ 18,500	\$ 18,500	\$ 20,010	\$ (1,510)
Airport:				
Airport Commission operations	\$ 219,800	\$ 423,751	\$ 415,644	\$ 8,107
Total airport	\$ 219,800	\$ 423,751	\$ 415,644	\$ 8,107

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
VPI extension service	\$ 121,000	\$ 121,000	\$ 124,487	\$ (3,487)
Total cooperative extension program	<u>\$ 121,000</u>	<u>\$ 121,000</u>	<u>\$ 124,487</u>	<u>\$ (3,487)</u>
Total community development	<u>\$ 4,054,800</u>	<u>\$ 4,343,651</u>	<u>\$ 4,106,808</u>	<u>\$ 236,843</u>
Nondepartmental:				
Retiree medical insurance and unemployment insurance	\$ 156,300	\$ 156,300	\$ 163,631	\$ (7,331)
Route 340/522 Revenue Sharing Agreement Payment	260,000	260,000	267,349	(7,349)
Central equipment and maintenance	181,000	161,956	112,607	49,349
Other nondepartmental	800,000	300,000	331,959	(31,959)
Total nondepartmental	<u>\$ 1,397,300</u>	<u>\$ 878,256</u>	<u>\$ 875,546</u>	<u>\$ 2,710</u>
Capital projects:				
Fishnet property	\$ -	\$ -	\$ 356	\$ (356)
Airport capital projects	200	21,130	21,130	-
Building improvement fund	-	-	74,507	(74,507)
Purchase of second street property	-	-	25,581	(25,581)
Simpsons Landing	-	-	69,202	(69,202)
Health and Human Services building	-	250,375	43,185	207,190
Voter registration facility renovation	-	-	4,324	(4,324)
Other capital projects	3,029,408	3,705,579	1,171,979	2,533,600
Total capital projects	<u>\$ 3,029,608</u>	<u>\$ 3,977,084</u>	<u>\$ 1,410,264</u>	<u>\$ 2,566,820</u>
Debt service:				
Principal retirement	\$ 8,469,853	\$ 8,469,853	\$ 8,469,853	\$ -
Interest	3,426,398	3,426,398	2,720,757	705,641
Total debt service	<u>\$ 11,896,251</u>	<u>\$ 11,896,251</u>	<u>\$ 11,190,610</u>	<u>\$ 705,641</u>
Total General Fund	<u>\$ 94,555,779</u>	<u>\$ 99,481,752</u>	<u>\$ 87,859,995</u>	<u>\$ 11,621,757</u>
Drug Forfeiture Fund:				
Public safety:				
Other protection				
Drug forfeiture	\$ -	\$ -	\$ 9,682	\$ (9,682)
Total other protection	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,682</u>	<u>\$ (9,682)</u>
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,682</u>	<u>\$ (9,682)</u>
Total Drug Forfeiture Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,682</u>	<u>\$ (9,682)</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund: (Continued)				
Sanitary Districts Fund:				
Public works				
Maintenance of highways, streets, bridges and sidewalks:				
Highways, streets, bridges and sidewalks	\$ 2,012,944	\$ 2,277,212	\$ 2,067,688	\$ 209,524
Total maintenance of highways, streets, bridges and sidewalks	\$ 2,012,944	\$ 2,277,212	\$ 2,067,688	\$ 209,524
Total public works	\$ 2,012,944	\$ 2,277,212	\$ 2,067,688	\$ 209,524
Debt service:				
Principal retirement	\$ 30,000	\$ -	\$ 30,333	\$ (30,333)
Interest	6,500	2,446	2,446	-
Total debt service	\$ 36,500	\$ 2,446	\$ 32,779	\$ (30,333)
Total Sanitary District Fund	\$ 2,049,444	\$ 2,279,658	\$ 2,100,467	\$ 179,191
Total Primary Government	\$ 96,605,223	\$ 101,761,410	\$ 89,970,144	\$ 11,791,266
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 47,634,186	\$ 52,931,174	\$ 50,321,543	\$ 2,609,631
Administration, attendance and health	2,734,923	3,059,923	3,021,612	38,311
Pupil transportation	2,928,625	2,928,625	2,839,196	89,429
Operation and maintenance	6,648,664	6,723,664	7,274,677	(551,013)
Technology	2,325,826	2,335,826	2,404,486	(68,660)
Total education	\$ 62,272,224	\$ 67,979,212	\$ 65,861,514	\$ 2,117,698

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Capital projects:				
School capital projects	\$ 1,042,644	\$ 1,042,644	\$ 590,940	\$ 451,704
Total capital projects	<u>\$ 1,042,644</u>	<u>\$ 1,042,644</u>	<u>\$ 590,940</u>	<u>\$ 451,704</u>
Debt service:				
Principal retirement	\$ 273,000	\$ 273,000	\$ 305,000	\$ (32,000)
Interest and other fiscal charges	356,961	364,514	332,514	32,000
Total debt service	<u>\$ 629,961</u>	<u>\$ 637,514</u>	<u>\$ 637,514</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 63,944,829</u>	<u>\$ 69,659,370</u>	<u>\$ 67,089,968</u>	<u>\$ 2,569,402</u>
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 2,896,000	\$ 2,896,000	\$ 3,622,058	\$ (726,058)
Total school food services	<u>\$ 2,896,000</u>	<u>\$ 2,896,000</u>	<u>\$ 3,622,058</u>	<u>\$ (726,058)</u>
Total education	<u>\$ 2,896,000</u>	<u>\$ 2,896,000</u>	<u>\$ 3,622,058</u>	<u>\$ (726,058)</u>
Total School Cafeteria Fund	<u>\$ 2,896,000</u>	<u>\$ 2,896,000</u>	<u>\$ 3,622,058</u>	<u>\$ (726,058)</u>
School Activity Fund:				
Education:				
School activities	\$ -	\$ -	\$ 1,125,557	\$ (1,125,557)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,557</u>	<u>\$ (1,125,557)</u>
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,557</u>	<u>\$ (1,125,557)</u>
Capital Improvements Fund:				
Capital projects expenditures:				
School capital projects	\$ -	\$ 343,600	\$ 77,281	\$ 266,319
Total Capital Improvements Fund	<u>\$ -</u>	<u>\$ 343,600</u>	<u>\$ 77,281</u>	<u>\$ 266,319</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 66,840,829</u>	<u>\$ 72,898,970</u>	<u>\$ 71,914,864</u>	<u>\$ 984,106</u>

Other Statistical Information

Contents

Tables

Financial Trends

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

1 - 6

Revenue Capacity

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

7 - 11

Debt Capacity

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

12 - 13

Demographic and Economic Information

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

14 - 18

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

COUNTY OF WARREN, VIRGINIA

Table 1

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 41,283,508	\$ 44,643,308	\$ 50,608,195	\$ 50,390,918	\$ 47,493,851	\$ 46,396,078	\$ 53,144,977	\$ 56,236,417	\$ 61,784,432	\$ 65,430,009
Restricted	462,122	501,786	392,770	609,053	1,102,483	1,368,387	1,291,771	572,153	1,371,537	2,307,289
Unrestricted	39,289,581	39,844,691	31,397,108	23,597,887	29,397,300	25,619,321	27,770,044	26,581,523	29,843,839	33,584,693
Total governmental activities net position	\$ 81,035,211	\$ 84,989,785	\$ 82,398,073	\$ 74,597,858	\$ 77,993,634	\$ 73,383,786	\$ 82,206,792	\$ 83,390,093	\$ 92,999,808	\$ 101,321,991
Primary government										
Net investment in capital assets	\$ 41,283,508	\$ 44,643,308	\$ 50,608,195	\$ 50,390,918	\$ 47,493,851	\$ 46,396,078	\$ 53,144,977	\$ 56,236,417	\$ 61,784,432	\$ 65,430,009
Restricted	462,122	501,786	392,770	609,053	1,102,483	1,368,387	1,291,771	572,153	1,371,537	2,307,289
Unrestricted	39,289,581	39,844,691	31,397,108	23,597,887	29,397,300	25,619,321	27,770,044	26,581,523	29,843,839	33,584,693
Total primary government net position	\$ 81,035,211	\$ 84,989,785	\$ 82,398,073	\$ 74,597,858	\$ 77,993,634	\$ 73,383,786	\$ 82,206,792	\$ 83,390,093	\$ 92,999,808	\$ 101,321,991

COUNTY OF WARREN, VIRGINIA

Table 2
Page 1 of 2

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

Expenses	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General government administration	\$ 3,325,816	\$ 3,851,326	\$ 3,955,083	\$ 3,833,474	\$ 3,871,325	\$ 3,897,066	\$ 4,857,017	\$ 5,705,438	\$ 3,960,439	\$ 5,598,524
Judicial administration	1,337,703	1,410,337	1,378,138	2,311,765	2,392,659	2,495,716	2,499,541	2,774,389	2,955,192	2,866,748
Public safety	12,715,103	14,381,005	13,964,875	15,056,861	14,860,539	15,249,315	14,131,400	16,156,532	23,026,059	18,177,668
Public works	5,184,861	6,365,453	6,462,172	8,652,338	10,922,208	8,335,668	6,964,539	8,730,730	7,983,645	8,639,729
Health and welfare	6,372,322	6,329,760	6,270,332	6,465,553	6,947,264	6,944,616	7,111,589	7,255,801	7,869,894	8,332,578
Education	20,616,162	21,089,704	22,694,712	33,441,555	22,500,264	25,533,790	28,389,802	29,429,249	26,247,774	29,744,193
Parks, recreation and cultural	3,321,806	3,488,039	3,802,849	3,565,915	3,713,029	3,946,163	3,826,634	3,955,750	3,482,591	3,659,136
Community development	1,215,861	1,020,028	1,444,078	1,287,614	1,348,846	1,473,827	1,539,067	1,661,861	5,157,656	4,466,411
Interest on long-term debt	4,687,949	4,349,138	5,281,135	5,436,533	5,538,416	5,675,570	6,446,381	4,897,997	6,122,748	2,631,517
Total governmental activities expenses	\$ 58,777,583	\$ 62,284,790	\$ 65,253,374	\$ 80,051,608	\$ 72,094,550	\$ 73,551,731	\$ 75,765,970	\$ 80,567,747	\$ 86,805,998	\$ 84,116,504
Total primary government expenses	\$ 58,777,583	\$ 62,284,790	\$ 65,253,374	\$ 80,051,608	\$ 72,094,550	\$ 73,551,731	\$ 75,765,970	\$ 80,567,747	\$ 86,805,998	\$ 84,116,504
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 173,887	\$ 258,425	\$ 264,237	\$ 267,603	\$ 236,808	\$ 180,987	\$ 311,603	\$ 239,658	\$ 212,663	\$ 425,217
Judicial administration	248,492	243,901	225,746	216,225	185,489	226,015	262,090	142,809	245,043	290,556
Public safety	1,266,792	1,341,592	937,881	1,053,953	1,211,691	1,104,443	1,321,886	1,430,286	1,405,422	1,672,460
Public works	855,074	965,738	982,071	1,045,223	1,096,644	1,148,332	1,151,032	1,337,461	1,165,181	1,405,045
Health and welfare	-	-	-	-	-	-	-	-	-	-
Parks, recreation and cultural	429,712	423,860	439,677	476,834	439,608	411,263	361,368	289,824	109,694	198,770
Community development	218,494	214,921	206,823	210,051	221,604	214,604	229,846	220,688	234,520	252,484
Operating grants and contributions	7,533,944	8,402,853	6,693,201	7,541,835	7,422,626	7,279,271	7,277,890	7,230,236	15,327,732	9,101,220
Capital grants and contributions	261,197	473,284	387,573	795,626	1,096,324	1,437,532	1,090,036	1,042,054	10,060	333,071
Total governmental activities program revenues	\$ 10,987,592	\$ 12,324,574	\$ 10,137,209	\$ 11,607,350	\$ 11,910,794	\$ 12,002,447	\$ 12,005,751	\$ 11,933,016	\$ 18,710,315	\$ 13,678,823
Total primary government program revenues	\$ 10,987,592	\$ 12,324,574	\$ 10,137,209	\$ 11,607,350	\$ 11,910,794	\$ 12,002,447	\$ 12,005,751	\$ 11,933,016	\$ 18,710,315	\$ 13,678,823
Net (expense) / revenue										
Governmental activities	\$ (47,789,991)	\$ (49,960,216)	\$ (55,116,165)	\$ (68,444,258)	\$ (60,183,756)	\$ (61,549,284)	\$ (63,760,219)	\$ (68,634,731)	\$ (68,095,683)	\$ (70,437,681)
Total primary government net expense	\$ (47,789,991)	\$ (49,960,216)	\$ (55,116,165)	\$ (68,444,258)	\$ (60,183,756)	\$ (61,549,284)	\$ (63,760,219)	\$ (68,634,731)	\$ (68,095,683)	\$ (70,437,681)

COUNTY OF WARREN, VIRGINIA

Table 2
Page 2 of 2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 35,453,198	\$ 40,170,018	\$ 43,218,932	\$ 46,462,723	\$ 48,028,934	\$ 49,130,661	\$ 54,934,806	\$ 53,463,608	\$ 57,742,174	\$ 60,062,924
Local sales and use taxes	6,351,573	3,765,595	3,459,402	3,339,288	3,707,397	3,785,913	3,925,330	4,575,698	5,248,373	5,805,476
Taxes on recordation and wills	579,111	460,515	371,886	451,634	470,302	611,171	595,099	761,318	966,170	1,001,862
Consumer utility taxes	692,508	708,592	696,551	649,156	764,170	728,834	735,999	741,898	750,564	758,522
Business licenses taxes	928,778	858,661	773,355	765,773	837,612	811,476	831,320	977,437	1,151,487	1,285,288
Meals tax	757,306	824,351	874,721	917,662	940,928	947,737	1,015,726	898,042	1,088,125	1,252,151
Other local taxes	788,039	913,505	1,099,486	1,132,119	1,120,689	1,109,861	1,089,681	1,183,785	1,606,557	1,461,497
Unrestricted grants and contributions (1)	5,818,324	5,789,093	5,672,161	5,672,279	5,781,070	5,628,301	5,562,228	5,528,557	6,360,509	5,315,982
Unrestricted revenues from use of money and property	373,583	374,038	323,996	519,420	741,230	489,390	985,531	898,593	439,925	(311,526)
Miscellaneous	372,120	470,422	359,978	503,214	1,187,200	1,229,050	2,837,153	629,895	2,351,514	2,110,761
Gain on disposal of assets	-	-	-	230,775	-	-	70,352	-	-	-
Transfers	35,740	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 52,150,280	\$ 54,334,790	\$ 56,850,468	\$ 60,644,043	\$ 63,579,532	\$ 64,472,394	\$ 72,583,225	\$ 69,658,831	\$ 77,705,398	\$ 78,742,937
Total primary government	\$ 52,150,280	\$ 54,334,790	\$ 56,850,468	\$ 60,644,043	\$ 63,579,532	\$ 64,472,394	\$ 72,583,225	\$ 69,658,831	\$ 77,705,398	\$ 78,742,937
Change in Net Position										
Governmental activities	\$ 4,360,289	\$ 4,374,574	\$ 1,734,303	\$ (7,800,215)	\$ 3,395,776	\$ 2,923,110	\$ 8,823,006	\$ 1,024,100	\$ 9,609,715	\$ 8,305,256
Total primary government	\$ 4,360,289	\$ 4,374,574	\$ 1,734,303	\$ (7,800,215)	\$ 3,395,776	\$ 2,923,110	\$ 8,823,006	\$ 1,024,100	\$ 9,609,715	\$ 8,305,256

(1) The County implemented GASB Statement 63 and 65, effective July 1, 2012 - the implementation required the reclassification of certain expense items

(2) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 3

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 31,374	\$ 30,312	\$ 29,550	\$ 219,913	\$ 164,386	\$ 272,657	\$ 1,315,616
Restricted	-	-	-	-	-	-	6,698,497	3,031,433	1,293,405	1,344,091
Unassigned	17,132,916	16,693,295	15,505,815	15,710,784	15,736,735	13,528,579	11,989,240	12,712,426	16,928,533	21,361,572
Total general fund	\$ 17,132,916	\$ 16,693,295	\$ 15,505,815	\$ 15,742,158	\$ 15,767,047	\$ 13,558,129	\$ 18,907,650	\$ 15,908,245	\$ 18,494,595	\$ 24,021,279
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,979	\$ 1,182	\$ -	\$ -
Restricted	462,122	1,274,248	50,257,532	41,433,694	12,500,725	4,073,726	3,734,506	915,709	709,246	730,577
Committed	22,852,130	24,285,633	21,044,453	16,328,334	19,035,093	20,108,849	19,415,149	20,403,587	20,839,443	16,501,446
Assigned	153,514	153,514	153,514	-	-	-	-	-	-	-
Unassigned	(183,904)	(183,904)	-	-	-	-	-	-	-	-
Total all other governmental funds	23,283,862	25,529,491	71,455,499	57,762,028	31,535,818	24,182,575	23,151,634	21,320,478	21,548,689	17,232,023
Total fund balance, governmental funds	\$ 40,416,778	\$ 42,222,786	\$ 86,961,314	\$ 73,504,186	\$ 47,302,865	\$ 37,740,704	\$ 42,059,284	\$ 37,228,723	\$ 40,043,284	\$ 41,253,302

COUNTY OF WARREN, VIRGINIA

Table 4

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
General property taxes	\$ 36,109,920	\$ 39,547,607	\$ 43,189,446	\$ 45,985,664	\$ 48,137,667	\$ 49,007,643	\$ 51,898,098	\$ 55,513,734	\$ 57,387,476	\$ 58,985,962
Other local taxes (1)	10,097,315	7,531,219	7,275,401	7,255,632	7,841,098	7,994,992	8,193,155	9,138,178	10,810,488	11,564,796
Permits, privilege fees and regulatory licenses	665,598	679,907	685,234	818,327	525,014	497,776	565,796	634,291	670,204	761,353
Fines and forfeitures	80,083	97,416	100,564	103,259	103,806	85,029	94,467	61,725	114,556	120,608
Revenue from use of money and property	373,913	374,038	324,091	519,420	741,230	489,390	985,532	898,593	439,925	(311,526)
Charges for services	2,446,770	2,671,114	2,270,637	2,348,303	2,763,023	2,702,838	2,977,561	2,964,710	2,588,549	3,362,571
Miscellaneous	372,110	470,423	359,882	1,025,720	1,357,198	1,229,049	824,957	629,895	2,351,514	1,245,178
Recovered costs	83,270	72,885	139,172	65,608	93,762	193,809	911,569	253,972	217,100	280,988
Intergovernmental:										
Local government	-	-	-	501,468	375,200	149,175	157,705	147,504	871,801	14,458
Commonwealth	11,745,823	12,385,077	10,565,562	10,834,673	11,132,178	11,927,767	11,444,285	11,495,421	10,656,805	11,638,878
Federal	1,867,311	2,280,153	2,187,373	2,151,099	2,792,642	2,268,163	2,328,164	2,157,922	10,169,695	3,096,937
Total revenues	\$ 63,842,113	\$ 66,109,839	\$ 67,097,362	\$ 71,609,173	\$ 75,862,818	\$ 76,545,631	\$ 80,381,289	\$ 83,895,945	\$ 96,278,113	\$ 90,760,203
Expenditures										
General government administration	\$ 2,680,167	\$ 2,905,847	\$ 3,123,371	\$ 3,211,580	\$ 2,902,896	\$ 3,239,276	\$ 3,812,613	\$ 4,943,095	\$ 4,905,335	\$ 4,313,502
Judicial administration	1,534,198	1,578,791	1,611,596	2,242,720	2,285,963	2,418,499	2,465,679	2,621,744	2,802,965	2,845,859
Public safety	11,689,025	13,538,746	13,807,508	14,728,230	14,471,085	15,031,937	14,751,413	15,163,779	21,646,975	17,861,220
Public works	4,720,519	4,906,211	5,427,334	5,209,182	5,191,279	6,387,113	6,530,130	7,118,464	7,663,171	8,626,138
Health and welfare	6,245,724	6,213,147	6,313,085	6,444,670	6,628,743	6,730,444	6,835,174	6,821,862	7,396,595	8,179,276
Education	19,150,024	20,039,108	21,498,329	20,728,369	20,228,390	23,037,768	24,855,431	26,542,526	25,348,866	27,342,226
Parks, recreation and cultural	3,036,924	3,451,896	3,410,727	3,299,722	3,437,329	3,549,814	3,699,590	3,689,672	3,134,523	3,319,590
Community development	792,613	977,696	1,055,488	1,046,953	1,093,351	953,282	798,721	862,707	4,085,250	4,106,808
Non-departmental	235,430	250,523	269,080	276,784	515,049	511,636	913,208	681,512	1,394,320	741,872
Capital projects	3,507,383	5,000,468	7,531,305	24,512,900	33,472,111	14,724,613	5,247,282	8,771,404	5,068,101	1,410,264
Debt service										
Principal	3,499,383	11,010,125	5,470,583	6,607,594	5,649,214	5,861,999	13,931,283	6,665,897	7,478,722	8,500,186
Interest	4,478,371	4,591,060	5,429,201	6,554,940	6,018,728	5,882,155	5,677,957	5,099,251	3,193,245	2,723,203
Total expenditures	\$ 61,569,761	\$ 74,463,618	\$ 74,947,607	\$ 94,863,644	\$ 101,894,138	\$ 88,328,536	\$ 89,518,481	\$ 88,981,913	\$ 94,118,068	\$ 89,970,144
Excess of revenues over (under) expenditures	\$ 2,272,352	\$ (8,353,779)	\$ (7,850,245)	\$ (23,254,471)	\$ (26,031,320)	\$ (11,782,905)	\$ (9,137,192)	\$ (5,085,968)	\$ 2,160,045	\$ 790,059
Other financing sources (uses)										
Transfers in	\$ 5,321,020	\$ 7,009,008	\$ 8,363,969	\$ 13,313,568	\$ 8,684,074	\$ 4,112,437	\$ 7,204,194	\$ 2,538,197	\$ 234,693	\$ 4,894,543
Transfers out	(5,061,907)	(6,849,221)	(8,139,798)	(13,260,255)	(8,854,074)	(4,110,393)	(7,204,194)	(2,538,197)	(234,693)	(4,894,543)
Insurance proceeds	-	-	-	-	-	-	-	250,000	115,607	419,959
Issuance of bonds	-	10,000,000	48,325,000	8,691,000	-	-	11,248,000	57,270,000	26,170,000	-
Issuance of line of credit	-	-	-	-	-	-	1,954,931	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	3,298,094	-	-	2,218,700	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	736,733	-
Bond issuance costs	-	-	-	-	-	-	-	-	(172,303)	-
Issuance capital leases	-	-	-	-	-	-	-	(56,766,810)	(26,724,739)	-
Sale of capital assets	-	-	-	-	-	-	-	(503,190)	(464,479)	-
Total other financing sources (uses)	\$ 259,113	\$ 10,159,787	\$ 52,588,773	\$ 9,797,343	\$ (170,000)	\$ 2,220,744	\$ 13,455,772	\$ 250,000	\$ 654,516	\$ 419,959
Net change in fund balances	\$ 2,531,465	\$ 1,806,008	\$ 44,738,528	\$ (13,457,128)	\$ (26,201,320)	\$ (9,562,161)	\$ 4,318,580	\$ (4,835,968)	\$ 2,814,561	\$ 1,210,018
Debt service as a percentage of noncapital expenditures	13.43%	22.07%	15.97%	17.88%	15.68%	15.40%	23.23%	14.25%	12.17%	12.53%

(1) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 5

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year		General Government Administration		Judicial Administration		Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural			Community Development		Non-departmental		Debt Service		Total	
2013	\$	2,680,167	\$	1,534,198	\$	11,689,025	\$	4,720,519	\$	6,245,724	\$	49,243,217	\$	3,036,924	\$	1,060,749	\$	235,430	\$	9,512,920	\$	89,958,873
2014		2,905,847		1,578,791		13,538,746		4,906,211		6,213,147		50,871,698		3,451,896		977,696		250,523		17,070,079		101,764,634
2015		3,123,371		1,611,596		13,807,508		5,427,334		6,313,085		53,445,414		3,410,727		1,055,488		269,080		11,346,629		99,810,232
2016		3,211,580		2,242,720		14,728,230		5,209,182		6,444,670		54,041,635		3,299,722		1,046,953		276,784		12,819,206		103,320,682
2017		2,902,896		2,285,963		14,471,085		5,191,279		6,628,743		54,469,709		3,437,329		1,093,351		515,049		11,667,942		102,663,346
2018		3,239,276		2,418,499		15,031,937		6,387,113		6,730,444		57,521,859		3,549,814		953,282		511,636		12,349,213		108,693,073
2019		3,812,613		2,465,679		14,751,413		6,530,130		6,835,174		60,694,527		3,699,590		798,721		913,208		19,609,240		120,110,295
2020		4,943,095		2,621,744		15,163,779		7,118,464		6,821,862		62,486,923		3,689,672		862,707		681,512		11,765,148		116,154,906
2021		4,905,335		2,802,965		21,646,975		7,663,171		7,396,595		67,026,972		3,134,523		4,085,250		1,394,320		10,671,967		130,728,073
2022		4,313,502		2,845,859		17,861,220		8,626,138		8,179,276		65,902,882		3,319,590		4,106,808		741,872		11,223,389		127,120,536

(1) Includes General and Special Revenue funds of the Primary Government and the Discretely Presented Component Unit - School Board.

(Does not include activity of the Discretely Presented Component Unit - Industrial Development Authority)

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Activity of the school self-insurance fund is not reported in the above table.

(3) Commencing in fiscal year 2016, expenses related to court security is reported under judicial administration. Previously the costs were reported under public safety.

COUNTY OF WARREN, VIRGINIA

Table 6

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (4)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2013	\$ 36,109,920	\$ 10,097,315	\$ 665,598	\$ 80,083	\$ 373,913	\$ 3,762,802	\$ 791,223	\$ 45,031	\$ 43,652,258	\$ 95,578,143
2014	39,547,607	7,531,219	679,907	97,416	372,850	3,975,882	931,270	72,885	44,860,064	98,069,100
2015	43,189,446	7,275,401	685,234	100,564	319,441	3,797,728	691,423	139,172	43,946,990	100,145,399
2016	45,985,664	7,255,632	818,327	103,259	379,854	4,058,886	1,419,020	65,608	45,071,412	105,157,662
2017	48,137,667	7,841,098	822,761	103,806	608,402	4,058,999	1,674,542	93,762	46,901,146	110,242,183
2018	49,007,643	7,994,992	497,776	85,029	438,756	4,255,101	1,477,412	193,809	47,666,392	111,616,910
2019	51,898,098	8,193,155	565,796	94,467	1,019,398	4,529,824	1,073,320	911,569	47,251,441	115,537,068
2020	55,513,734	9,138,178	634,291	61,725	926,759	4,383,808	740,429	253,972	49,150,993	120,803,889
2021	57,387,476	10,810,488	670,204	114,556	439,925	2,588,549	2,351,514	217,100	62,698,919	137,278,731
2022	58,985,962	11,564,796	761,353	120,608	(288,365)	3,865,468	2,711,688	280,988	58,374,622	136,377,120

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.
(Does not include activity of the Discretely Presented Component Unit - Industrial Development Authority)

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 7

COUNTY OF WARREN, VIRGINIA

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Recordation and Wills Tax	Business License Tax	Meals Tax (1)	Other Local Taxes (2)	Total
2013 \$	36,109,920	\$ 6,351,573	\$ 692,508	\$ 579,111	\$ 928,778	\$ 757,306	\$ 788,039	\$ 46,207,235
2014	39,547,607	3,765,595	708,592	460,515	858,661	824,351	913,505	47,078,826
2015	43,189,446	3,459,402	696,551	482,158	773,357	871,933	992,000	50,464,847
2016	45,985,664	3,339,288	649,156	571,197	765,773	917,662	1,012,556	53,241,296
2017	48,137,667	3,707,397	764,170	599,921	837,612	940,928	991,070	55,978,765
2018	49,007,643	3,785,913	728,834	611,171	811,476	947,737	1,109,861	57,002,635
2019	51,898,098	3,925,330	735,999	595,099	831,320	1,015,726	1,089,681	60,091,253
2020	55,513,734	4,575,698	741,898	761,318	977,580	898,042	1,183,642	64,651,912
2021	57,387,476	5,248,373	750,564	1,181,514	1,156,411	1,088,125	1,385,501	68,197,964
2022	58,985,962	5,805,476	758,522	1,244,164	1,287,435	1,252,151	1,217,048	70,550,758

COUNTY OF WARREN, VIRGINIA

Table 8

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

Fiscal Year	Personal Property			Machinery and Tools	Public Service		Total Taxable Assessed Value	Overlapping Tax Rate			Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Homes				Town of Front Royal						
						Pers. Prop.		Mach. - Tools	Real Estate			
2013	\$ 3,795,435,900	\$ 345,186,421	\$ 52,915,970	\$ 93,483,110	\$ 4,287,021,401	\$ 0.64	\$ 0.64	\$ 0.11	\$ 4,287,021,401	100.00%		
2014	3,813,780,900	361,209,652	53,266,515	384,518,870	4,612,775,937	0.64	0.64	0.13	4,612,775,937	100.00%		
2015	3,924,829,100	367,502,458	53,266,515	693,556,225	5,039,154,298	0.64	0.64	0.13	5,039,154,298	100.00%		
2016	4,039,047,050	379,410,581	60,371,995	960,963,480	5,439,793,106	0.64	0.64	0.13	5,439,793,106	100.00%		
2017	4,068,221,600	392,547,103	63,065,930	1,072,950,545	5,596,785,178	0.64	0.64	0.135	5,596,785,178	100.00%		
2018	4,117,282,950	402,113,393	68,125,550	1,017,740,775	5,605,262,668	0.64	0.64	0.135	5,605,262,668	100.00%		
2019	4,394,054,150	423,738,556	84,411,975	953,592,583	5,855,797,264	0.64	0.64	0.131	5,855,797,264	100.00%		
2020	4,660,813,450	443,939,299	94,697,880	991,420,935	6,190,871,564	0.64	0.64	0.131	6,190,871,564	100.00%		
2021	4,712,439,650	478,235,917	89,218,545	1,025,269,113	6,305,163,225	0.64	0.64	0.131	6,305,163,225	100.00%		
2022	4,817,269,500	568,132,202	85,200,830	941,476,231	6,412,078,763	0.64	0.64	0.131	6,412,078,763	100.00%		

Source: Commissioner of Revenue

Notes: The County implemented semi-annual tax billings in fiscal year 2010.

Fiscal Year 2013 is comprised of the 2012 calendar year assessment.

Fiscal Year 2014 is comprised of the second half of calendar year 2013 and first half of calendar year 2014

Fiscal Year 2015 is comprised of the second half of calendar year 2014 and first half of calendar year 2015

Fiscal Year 2016 is comprised of the second half of calendar year 2015 and first half of calendar year 2016

Fiscal Year 2017 is comprised of the second half of calendar year 2016 and first half of calendar year 2017

Fiscal Year 2018 is comprised of the second half of calendar year 2017 and first half of calendar year 2018

Fiscal Year 2019 is comprised of the second half of calendar year 2018 and first half of calendar year 2019

Fiscal Year 2020 is comprised of the second half of calendar year 2019 and first half of calendar year 2020

Fiscal Year 2021 is comprised of the second half of calendar year 2020 and first half of calendar year 2021

Fiscal Year 2022 is comprised of the second half of calendar year 2021 and first half of calendar year 2022

COUNTY OF WARREN, VIRGINIA

Table 9

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Direct Rates				
	Real Estate (3)	Personal Property (2)(3)	Mobile Homes (3)	Machinery and Tools (2)(3)	
2013	\$ 0.59/0.59	\$ 4.00/4.00	\$ 0.59/0.59	\$	1.30/1.30
2014	0.59/0.61	4.00/4.00	0.59/0.61		1.30/1.95
2015	0.61/0.595	4.00/4.00	0.61/0.595		1.95/1.95
2016	0.595/0.62	4.00/4.00	0.595/0.62		1.95/1.95
2017	0.62/0.65	4.00/4.00	0.62/0.65		1.95/1.95
2018	0.65/0.66	4.00/4.00	0.65/0.66		1.95/2.05
2019	0.66/0.655	4.00/4.00	0.66/0.655		2.05/2.05
2020	0.655/0.655	4.00/4.00	0.655/0.655		2.05/2.05
2021	0.655/0.655	4.00/4.00	0.655/0.655		2.05/2.05
2022	0.655/0.655	4.00/4.00	0.655/0.655		2.05/2.05

(1) Per \$100 of assessed value

(2) In fiscal year 1996, assessments for personal property changed from

40% to 100% of value base. Additionally, value base changed from retail to loan NADA value.

(3) The County collects taxes semi-annually commencing fiscal year 2010.

COUNTY OF WARREN, VIRGINIA

Table 10

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Original Tax Levy (1,2,4,5)	Collected within the Fiscal				Collections in Subsequent Years (1)	Total Collections to Date	
		Year of the Levy		Percentage of Levy	Amount (1) (2)		Percentage of Levy (5)	
		Collections (1,3,4)						
2013	\$ 38,819,912	\$	36,920,536	95.11%	\$ 1,077,964	\$ 37,998,500	97.88%	
2014	41,713,051		41,073,133	98.47%	639,918	41,713,051	100.00%	
2015	44,253,098		43,363,126	97.99%	889,969	44,253,095	100.00%	
2016	47,761,913		46,775,488	97.93%	986,425	47,761,913	100.00%	
2017	51,446,487		49,128,746	95.49%	2,103,352	51,232,098	99.58%	
2018	52,980,354		50,483,164	95.29%	1,982,860	52,466,024	99.03%	
2019	55,668,393		52,528,130	94.36%	1,655,999	54,184,129	97.33%	
2020	58,793,454		56,562,316	96.21%	2,231,138	58,793,454	100.00%	
2021	60,769,083		57,422,056	94.49%	1,477,586	58,899,642	96.92%	
2022	64,144,799		60,037,110	93.60%	-	60,037,110	93.60%	

(1) Exclusive of penalties and interest.

(2) Includes personal property tax relief from the Commonwealth of Virginia.

(3) Original assessments, does not include supplemental or abatement assessments

COUNTY OF WARREN, VIRGINIA

Principal Property Taxpayers - Real Estate
Last Ten Fiscal YearsTable 11
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Taxpayer	Fiscal Year 2021				Fiscal Year 2020				Fiscal Year 2019			
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer
Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 61,339,300	1	1.29%	Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 61,328,500	1	1.32%	Sysco Mdse & Supply Chain Svcs (Bi: \$	\$ 61,328,500	1	1.40%	
Family Dollar Services Inc	44,743,600	2	0.94%	Family Dollar Services Inc	44,743,600	2	0.96%	Family Dollar Services Inc	44,320,600	2	1.01%	
Cole FG Front Royal VA LLC	30,583,800	3	0.64%	Cole FG Front Royal VA LLC	30,583,800	3	0.66%	Cole FG Front Royal VA LLC	30,583,500	3	0.70%	
Interbake Foods LLC	24,084,200	4	0.51%	Interbake Foods LLC	24,076,200	4	0.52%	Interbake Foods LLC	23,410,800	4	0.53%	
Toray Plastics (America) The	21,064,000	5	0.44%	Axalta (DuPont Performance Coatings)	19,313,900	5	0.41%	Toray Plastics (America) The	20,924,500	5	0.48%	
Axalta (DuPont Performance Coatings)	19,313,900	6	0.41%	Toray Plastics (America) The	20,924,500	6	0.35%	Axalta (DuPont Performance Coating	19,313,900	6	0.44%	
Boisseau Family LC (The) et al	16,492,000	7	0.35%	Boisseau Family LC (The) et al	16,492,000	7	0.35%	Boisseau Family LC (The) et al	16,492,000	7	0.38%	
Walmart	16,208,300	8	0.34%	Walmart	16,208,300	8	0.31%	Walmart	16,208,300	8	0.37%	
Crooked Run LLC	16,164,900	9	0.34%	Crooked Run LLC	14,575,400	9	0.45%	Crooked Run LLC	16,164,900	9	0.37%	
JCR Riverton Investors	13,057,900	10	0.28%	JCR Riverton Investors	12,977,900	10	0.28%	Green Mountain Hospitality	13,046,600	10	0.30%	
	<u>\$ 263,051,900</u>		<u>5.54%</u>		<u>\$ 261,224,100</u>		<u>5.60%</u>		<u>\$ 261,793,600</u>		<u>5.96%</u>	
Taxpayer	Fiscal Year 2018				Fiscal Year 2017				Fiscal Year 2016			
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer
Sysco Mdse & Supply Chain Svcs (Baugh Northeast)	\$ 64,942,100	1	1.58%	Sysco Mdse & Supply Chain Svcs	\$ 64,942,100	1	1.60%	Sysco Mdse & Supply Chain Svcs	\$ 64,942,100	1	1.61%	
Family Dollar Services Inc	57,633,600	2	1.40%	Family Dollar Services Inc	57,633,600	2	1.42%	Family Dollar Services Inc	57,633,600	2	1.43%	
Cole FG Front Royal VA LLC	37,869,800	3	0.92%	Cole FG Front Royal VA LLC	37,719,800	3	0.93%	Cole FG Front Royal VA LLC	37,719,800	3	0.93%	
Interbake Foods LLC	21,678,700	4	0.53%	Interbake Foods LLC	21,678,700	4	0.53%	Interbake Foods LLC	21,678,700	4	0.54%	
Axalta (DuPont Performance Coatings)	20,164,700	5	0.49%	Axalta (DuPont Perf. Coatings)	20,164,700	5	0.50%	Axalta (DuPont Perf. Coatings)	20,164,700	5	0.50%	
Walmart	18,495,800	6	0.45%	Walmart	18,430,800	6	0.45%	Boisseau Family LC (The) et al	17,464,700	6	0.43%	
Boisseau Family LC (The) et al	17,496,200	7	0.42%	Boisseau Family LC (The) et al	17,496,200	7	0.43%	Walmart	18,430,800	7	0.46%	
Toray Plastics (America) The	16,620,900	8	0.40%	Toray Plastics (America) The	16,620,900	8	0.41%	Crooked Run LLC	14,880,300	8	0.37%	
Crooked Run LLC	14,880,300	9	0.36%	Crooked Run LLC	14,880,300	9	0.37%	Toray Plastics (America) The	15,530,400	9	0.38%	
Green Mountain Hospitality	12,158,600	10	0.30%	JCR Riverton Investors	13,006,300	10	0.32%	Green Mountain Hospitality	11,768,700	10	0.29%	
	<u>\$ 281,940,700</u>		<u>6.85%</u>		<u>\$ 282,573,400</u>		<u>6.95%</u>		<u>\$ 280,213,800</u>		<u>6.94%</u>	

COUNTY OF WARREN, VIRGINIA

Principal Property Taxpayers - Real Estate
Last Ten Fiscal Years

Table 11
Page 2 of 2

Taxpayer	Fiscal Year 2015				Fiscal Year 2014				Fiscal Year 2013			
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxpayer	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	
Sysco Mdse & Supply Chain Svcs.	\$ 65,680,300	1	1.67%	Baugh Northeast Co-op Inc.	\$ 66,418,500	1	1.74%	Baugh Northeast Co-op Inc.	\$ 66,418,500	1	1.75%	
Family Dollar Services Inc	57,413,750	2	1.46%	Family Dollar Services Inc	57,173,900	2	1.50%	Family Dollar Services Inc	57,173,900	2	1.51%	
Cole FG Front Royal VA LLC	37,016,550	3	0.94%	Cole FG Front Royal VA LLC	36,313,300	3	0.95%	Cole FG Front Royal VA LLC	36,313,300	3	0.96%	
Interbake Foods LLC	21,953,150	4	0.56%	Interbake Foods LLC	22,227,600	4	0.58%	Interbake Foods LLC	22,227,600	4	0.59%	
Axallita (DuPont Perf. Coatings)	20,141,450	5	0.51%	Dupont E I De Nemours & Co.	20,118,200	5	0.53%	Dupont E I De Nemours & Co.	20,118,200	5	0.53%	
Boisseau Family LC (The) et al	18,481,000	6	0.47%	Boisseau Family LC (The) et al	19,528,800	6	0.51%	Boisseau Family LC (The) et al	19,670,400	6	0.52%	
Walmart	16,752,250	7	0.43%	Walmart	15,073,300	7	0.40%	Walmart	15,073,300	7	0.40%	
Crooked Run LLC	14,795,500	8	0.38%	Crooked Run LLC	14,710,700	8	0.39%	Crooked Run LLC	14,710,700	8	0.39%	
Toray Plastics (America) The	14,796,650	9	0.38%	Toray Plastics (America) The	14,062,900	9	0.37%	Toray Plastics (America) The	14,062,900	9	0.37%	
Winchester Road (E&A) LLC	11,073,050	10	0.28%	Winchester Road (E&A) LLC	11,722,500	10	0.31%	Winchester Road (E&A) LLC	11,722,500	10	0.31%	
	<u>\$ 278,103,650</u>		<u>7.09%</u>		<u>\$ 277,349,700</u>		<u>7.27%</u>		<u>\$ 277,491,300</u>		<u>7.31%</u>	

Source: Commissioner of Revenue

Notes: The County implemented semi-annual tax billings in fiscal year 2010.

Fiscal Year 2012 is comprised of the 2011 calendar year assessment.

Fiscal Year 2013 is comprised of the 2012 calendar year assessment.

Fiscal Year 2014 is comprised of the second half of calendar year 2013 and first half of calendar year 2014 assessment.

Fiscal Year 2015 is comprised of the second half of calendar year 2014 and first half of calendar year 2015 assessment.

Fiscal Year 2016 is comprised of the second half of calendar year 2015 and first half of calendar year 2016 assessment.

Table 12

Fiscal Years	Governmental Activities										Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)	Overlapping Debt (2)	Overlapping Percent
	General Obligation Bonds	Lease Revenue and Revenue Bonds	Line of Credit	Premium on Bonds	Other		Financed Purchases								
					Notes/Bonds										
2013	\$ 14,079,600	\$ 89,443,928	\$ -	\$ 13,934,950	\$ 424,503	\$ 307,945	\$ 118,190,926	7.72%	\$ 3,113	n/a	n/a	n/a			
2014	14,432,500	87,410,000	-	13,326,444	393,681	244,670	115,807,295	7.50%	3,000	n/a	n/a	n/a			
2015	54,817,386	89,230,000	-	12,679,166	-	844,392	157,570,944	10.20%	4,042	n/a	n/a	n/a			
2016	51,938,076	93,126,000	-	11,818,496	-	1,135,758	158,018,330	9.67%	4,043	15,274,979	37%	37%			
2017	50,029,634	89,566,000	-	10,983,988	-	954,986	151,534,608	9.13%	3,868	16,894,846	37%	37%			
2018	48,052,204	85,639,000	6,501,558	10,159,588	-	770,417	151,122,767	8.44%	3,820	17,240,561	37%	37%			
2019	46,005,806	92,804,000	586,270	9,346,450	398,812	581,938	149,723,276	8.01%	3,743	16,690,666	37%	37%			
2020	43,875,632	92,942,000	541,071	9,346,450	392,017	871,118	147,968,288	7.91%	3,699	16,181,333	37%	37%			
2021	48,271,752	83,150,000	541,071	2,089,898	384,928	1,635,063	136,072,712	7.07%	3,385	17,802,622	37%	37%			
2022	45,507,004	78,017,000	541,071	1,522,552	377,531	1,437,863	127,403,021	5.73%	3,113	16,782,983	37%	37%			

COUNTY OF WARREN, VIRGINIA

Table 13

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

Fiscal Year	Gross Bonded Debt	Ratio of Net General Obligation			Net Bonded Debt (3)	Ratio of Net General Obligation Debt to Assessed Value (2)	Net Bonded Debt per Capita (1)
2013	\$ 117,458,478	\$	117,458,478		117,458,478	2.74%	3,042
2014	115,168,944		115,168,944		115,168,944	2.50%	2,954
2015	156,726,552		156,726,552		156,726,552	3.11%	4,010
2016	156,882,572		156,882,572		156,882,572	2.88%	4,004
2017	150,579,622		150,579,622		150,579,622	2.69%	3,806
2018	150,352,350		150,352,350		150,352,350	2.68%	3,759
2019	148,742,526		148,742,526		148,742,526	2.54%	3,718
2020	146,705,153		146,705,153		146,705,153	2.37%	3,667
2021	134,052,721		134,052,721		134,052,721	2.13%	3,334
2022	125,587,627		125,587,627		125,587,627	1.96%	3,069

(1) Population data can be found in the Table of Demographic and Economic Statistics - Table 14

(2) See the Table of Assessed Value and Estimated Actual Value of Taxable Property - Table 8

(3) Includes all long-term general obligation bonded debt, lease revenue bonds and line of credit. Excludes capital leases, revenue bonds, OPEB liabilities, net pension liabilities, landfill related liabilities, notes payable and compensated absences.

The County is not subject to a legal debt margin

The County has no legally pledged revenue sources for long-term debt.

COUNTY OF WARREN, VIRGINIA

Table 14

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	September 30 School K-12 Membership	Unemploy- ment Rate
2013	37,963	\$ 1,530,374	\$ 39,867	39	5,414	4.90%
2014	38,607	1,544,352	39,907	39	5,408	4.80%
2015	38,987	1,544,352	39,907	39	5,341	4.81%
2016	39,083	1,634,254	41,815	41	5,296	4.10%
2017	39,181	1,659,160	42,374	41	5,277	3.40%
2018	39,563	1,790,520	45,257	41	5,171	2.80%
2019	40,003	1,869,873	46,743	41	5,242	2.90%
2020	40,202	1,925,126	47,932	41	4,964	4.30%
2021	40,727	2,056,876	50,504	41	4,977	2.90%
2022	40,925	2,221,822	54,290	41	5,170	2.80%

Source: Weldon Cooper Center, Annual school report - prepared by the County, www.census.gov, www.bea.gov

COUNTY OF WARREN, VIRGINIA

Table 15

Principal Employers
Current Year

Employer	Industry	2022			% of Total Employment
		Employees	Rank		
Warren County School Board	Educational Services	750-1000	1		6.0% - 8.1%
Family Dollar Services	Warehousing and Storage	250-499	2		2.0% - 4.0%
Valley Health System	Hospitals	250-499	3		2.0% - 4.0%
Interbake Foods LLC	Bakers-Wholesale	250-499	4		2.0% - 4.0%
Rural King	General Merchandise Stores	250-499	5		2.0% - 4.0%
Axalta Coatings Systems Usa LLC	Chemical Manufacturing	250-499	6		2.0% - 4.0%
Wal Mart	General Merchandise Stores	250-499	7		2.0% - 4.0%
Sysco Resources Services LLC	Administrative and Support Services	250-499	8		2.0% - 4.0%
County of Warren	General Government	250-499	9		0.8% - 2.0%
Ferguson Enterprises Inc.	Administrative and Support Services	100-249	10		0.8% - 2.0%
Total Employed				11,921	

Source: Virginia Labor Market Services, Area Profile Summary, QCEW Data US Bureau of Labor Statistics

Note: Information nine years prior is unavailable. As information is available the data will be reported.

COUNTY OF WARREN, VIRGINIA

Table 16
Page 1 of 2

Full-Time County Government Employees By Function
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Government										
Department:										
General government administration	32	32	34	34	34	34	34	33	33	36
Board of Supervisors	0	0	0	0	0	0	0	0	0	0
County Administration	6	6	7	7	7	7	7	6	6	4
Human Resources	0	0	0	0	0	0	0	0	0	2
Information Technology	0	0	0	0	0	0	0	0	0	4
County Attorney's Office	3	3	3	3	3	3	3	3	3	2
Office of the Commissioner of Revenue	10	10	10	10	10	10	10	10	10	10
Reassessment	0	0	0	0	0	0	0	0	0	0
Treasurer's Office	7	7	7	7	7	7	7	7	7	7
Finance and Purchasing	4	4	5	5	5	5	5	5	5	4
Elections	2	2	2	2	2	2	2	2	2	3
Judicial administration	16	16	16	18	19	19	19	21	21	22
Circuit Court	0	0	0	0	0	0	0	0	0	0
General District Court	0	0	0	0	0	0	0	0	0	0
Magistrates	0	0	0	0	0	0	0	0	0	0
Juvenile and Domestic Court	0	0	0	0	0	0	0	0	0	0
Clerk of Circuit Court	8	8	8	9	9	9	9	9	9	9
Law Library	0	0	0	0	1	1	1	1	1	1
Commonwealth's Attorney	8	8	8	9	9	9	9	11	11	12
Public safety	128	130	109	111	112	118	122	122	121	129
Sheriff's Office	54	54	53	53	54	54	48	48	48	58
School Resource	0	0	0	0	0	0	10	10	10	5
Court Security	2	2	0	0	0	0	0	0	0	0
E-911 System	6	6	6	7	7	7	7	7	7	11
Volunteer Fire and Rescue	0	0	0	0	0	0	0	0	0	0
Corrections	31	31	10	10	10	10	10	10	10	0
Probation	1	1	1	1	1	1	1	1	0	0
Building Inspections	6	6	6	7	7	7	7	7	7	10
Animal Control	4	4	4	4	4	4	4	4	4	0
Medical Examiner	0	0	0	0	0	0	0	0	0	0
Fire and Rescue Department	24	26	29	29	29	35	35	35	35	45
Cost Recovery	0	0	0	0	0	0	0	0	0	0
Public works	7	8	10	11	12	12	13	18	19	36
Public Works/Sanitary Districts	0	0	0	0	1	1	3	4	5	4
Streets and Highways	0	0	0	0	0	0	0	0	0	6
Refuse Collection	0	0	0	0	0	0	0	0	0	0
Refuse Disposal	3	4	5	5	5	5	4	4	4	4
General Services	4	4	5	6	6	6	6	10	10	22

COUNTY OF WARREN, VIRGINIA

Table 16
Page 2 of 2

Full-Time County Government Employees By Function
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Government: (Continued)										
Department: (Continued)										
Health and welfare	39	39	42	42	42	42	42	42	42	47
Health	0	0	0	0	0	0	0	0	0	0
Mental Health and Retardation	0	0	0	0	0	0	0	0	0	0
Social Services	38	38	41	41	41	41	41	41	41	46
Other Social Services	0	0	0	0	0	0	0	0	0	0
Comprehensive Youth Service Act	1	1	1	1	1	1	1	1	1	1
Education	0	0	0	0	0	0	0	0	0	0
Community College	0	0	0	0	0	0	0	0	0	0
Parks, recreation and cultural	14	16	18	18	19	19	18	17	17	5
Parks and recreation	14	16	18	18	19	19	18	17	17	5
Library Museum Cultural Enrichment	0	0	0	0	0	0	0	0	0	0
Community development	4	4	5	5	6	6	6	6	6	8
Planning and Zoning	3	3	4	4	5	5	5	5	5	4
Economic Development	0	0	0	0	0	0	0	0	0	2
Front Royal/Warren County Airport	0	0	0	0	0	0	0	0	0	1
Environmental Management	0	0	0	0	0	0	0	0	0	0
Gypsy Moth Control	0	0	0	0	0	0	0	0	0	0
VPI Extension Service	1	1	1	1	1	1	1	1	1	1
Total	240	245	234	239	244	250	254	259	259	283
Component Unit - School Board										
Function:										
Education - full-time	748	750	720	723	742	742	755	740	740	740
Total Full-Time Employees	988	995	954	962	986	992	1009	999	999	1023

Source: Warren County Fiscal Year Budget Documents and other payroll reports

COUNTY OF WARREN, VIRGINIA

Table 17

Operating Indicators By Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Sheriffs department:										
Physical arrests	467	454	369	438	403	457	322	430	672	558
Traffic violations	1,163	1,523	1,385	1,304	1,111	1,188	874	1,645	4,762	1,626
Court security manhours worked	7,420	7,419	5,083	5,136	4,447	4,848	4,900	4,652	4,924	5,544
Prisoner transports	1,315	579	579	748	445	456	495	158	218	229
DUIs	61	64	73	84	49	49	55	129	129	100
Fire and rescue:										
Number of calls answered****	5,666	8,137	5,526	5,867	5,962	6,300	6,133	6,322	7,614	7,358
Building Inspections:										
Permits issued	2,106	2,097	2,178	2,634	2,567	2,274	2,121	2,453	2,606	2,391
Public works										
General maintenance:										
Trucks/vehicles	3	3	3	3	5	3	3	3	4	1
Landfill:										
Refuse collected (tons/day)	78.51	89.96	94.11	99.45	103.64	105.13	108.57	119.61	119.50	119.53
Parks, recreation and cultural										
Parks and recreation attendees/participants:										
Youth sports participants	2,663	2,254	3,453	4,292	3,007	2,500	1,902	1,321	340	1,132
Adult sports participants (individuals)	241	360	443	644	790	1,055	856	453	112	357
Adult sports participants (teams)	20	22	18	9	4	-	-	-	-	-
Dance and crafts - youth and adult	50	50	160	233	236	837	890	197	156	481
Trips	108	431	178	550	609	404	192	199	-	37
CPR, Lifeguard, Dog Obedience classes	26	101	30	21	35	9	51	26	-	-
Open special events	1,942	2,351	1,793	1,729	1,988	2,069	2,073	1,244	18	582
Component Unit - School Board										
Education:										
School age population***	7,706	7,675	7,567	7,500	7,466	7,385	7,422	7,419	4,964	4,964
Sept. 30 K-12 school membership	5,414	5,408	5,398	5,309	5,313	5,186	5,242	5,244	4,977	5,170

Source: Recreation & Parks, Fire and Rescue, Sheriff's Department annual report, Solid Waste receiving facilities' record, and Warren County Budget Book.

*** Source from Virginia Department of Education and the Weldon Cooper Center, 2008, and 2010-2015 numbers available.

**** 2013 does not include all CAD sheets from dispatch

COUNTY OF WARREN, VIRGINIA

Table 18

Capital Asset Statistics By Function
Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Vehicles	6	6	6	4	6	5	4	4	4	3
Public safety - insured vehicles										
Law enforcement										
Vehicles	57	65	67	68	74	69	80	80	71	68
Other public safety										
Vehicles	3	3	3	2	0	0	0	0	0	1
Building inspections										
Vehicles	5	5	6	6	6	6	5	5	6	5
Animal control										
Vehicles	4	4	5	4	4	5	4	4	3	1
Emergency services										
Vehicles	13	14	15	20	17	21	20	21	23	23
Public works										
Refuse										
Vehicles	1	1	2	2	5	4	4	6	10	40
Buildings and Grounds										
Vehicles	2	2	2	2	2	2	2	3	4	1
Health and welfare										
Department of Social Services										
Vehicles	8	8	8	8	8	8	8	8	9	7
Parks, recreation and cultural										
Parks and recreation										
Vehicles	13	14	17	22	23	21	23	26	28	2
Community development										
Planning and Zoning										
Vehicles	1	1	1	1	1	1	1	1	1	2
Other										
Vehicles	1	1	1	2	4	6	6	6	4	1

Source: Finance Department motor vehicle insurance reports

COMPLIANCE



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

**To the Honorable Members of
the Board of Supervisors
County of Warren, 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 discretely presented component unit-school board, each major fund, and the aggregate remaining fund information of the County of Warren, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Warren, Virginia's basic financial statements, and have issued our report thereon dated March 15, 2023.

We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit EDA of the Town of Front Royal and the County of Warren, Virginia. Accordingly, we do not express an opinion on these financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Warren, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Warren, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Warren, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Warren, 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*.

County of Warren, Virginia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on County of Warren, Virginia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. County of Warren, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no such opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farnum, Cox Associates

Charlottesville, Virginia
March 15, 2023

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

To the Honorable Members of
the Board of Supervisors
County of Warren, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Warren, Virginia's compliance with the types of compliance requirements, identified as subject to audit described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Warren, Virginia's major federal programs for the year ended June 30, 2022. County of Warren, 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, the County of Warren, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Warren, 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 Warren, 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 Warren, 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 Warren, 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 Warren, 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 Warren, 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 Warren, 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 Warren, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance: (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

March 15, 2023

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COUNTY OF WARREN, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Pass-Through Payments:			
Department of Social Services:			
Guardianship Assistance	93.090	1110122	\$ 355
Title IV-E Prevention Program	93.472	1140122	4,548
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122	11,582
Temporary Assistance for Needy Families	93.558	0400121/0400122	244,891
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121/0500122	1,249
Low-Income Home Energy Assistance	93.568	0600421/0600422	41,422
Community-Based Child Abuse Prevention Grants	93.590	9560121	813
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	55,129
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	549
Foster Care - Title IV-E	93.658	1100121/1100122	222,518
Adoption Assistance	93.659	1120121/1120122	340,451
Social Services Block Grant	93.667	1000121/1000122	265,153
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122	\$ 2,323
COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9152121	1,305
Subtotal CFDA 93.674			\$ 3,628
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221	1,347
Children's Health Insurance Program	93.767	0540121/0540122	3,389
Medicaid Cluster:			
Medical Assistance Program	93.778	1200121/1200122	329,106
Total Department Health and Human Services			\$ 1,526,130
Department of Agriculture:			
Child Nutrition Cluster:			
Pass-Through Payments:			
Department of Education:			
School Breakfast Program	10.553	202121N11994/202222N11994	\$ 1,082,463
National School Lunch Program	10.555	202121N11994/202222N11994	\$ 2,666,203
Department of Agriculture:			
Food distribution - National School Lunch Program	10.555	Unavailable	241,271
Subtotal CFDA 10.555			\$ 2,907,474
Food distribution - Summer Food Service Program for Children	10.559	Unavailable	\$ 10,368
Department of Education:			
Summer Food Service Program for Children	10.559	202222N11941	179,152
Subtotal CFDA 10.559			\$ 189,520
Subtotal Child Nutrition Cluster			\$ 4,179,457
Forest Services Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	APE43841	\$ 1,090
Child and Adult Care Food Program	10.558	202222N119941	3,935
COVID-19 - Pandemic EBT Administrative Costs	10.649	202121S900941	3,063
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Unavailable	628,835
Total Department of Agriculture			\$ 4,816,380
Department of Justice:			
Pass-Through Payments:			
Department of Criminal Justice Service:			
Crime Victim Assistance	16.575	20VAGX0011	\$ 43,186
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJS5101701	2,318
Total Department of Justice - pass-through payments			\$ 45,504
Total Department of Justice			\$ 45,504
Department of Transportation:			
Direct Payments:			
Airport Improvement Program	20.106	Not applicable	\$ 81,079
Total Department of Transportation - direct payments			\$ 81,079

COUNTY OF WARREN, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Pass Through Payments:			
Department of Motor Vehicles:			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	FSC-2022-51402-21402	\$ 13,802
National Priority Safety Programs	20.616	FM6OT-2022-51157-21157	9,839
Subtotal Highway Safety Cluster			\$ 23,641
Total Department of Transportation - pass-through payments			\$ 23,641
Total Department of Transportation			\$ 104,720
Department of Homeland Security:			
Direct Payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Not applicable	\$ 387,952
Total Department of Homeland Security - direct payments			\$ 387,952
Pass-Through Payments:			
Department of Emergency Management:			
Homeland Security Grant Program	97.067	EMP-2020-SS-0093/EMW-2021-SS-00096	\$ 6,961
Total Department of Homeland Security - pass-through payments			\$ 6,961
Total Department of Homeland Security			\$ 394,913
Department of the Treasury			
Pass-Through Payments:			
Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unavailable	\$ 337,316
Total Department of the Treasury			\$ 337,316
Department of Education:			
Pass-Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	S010A200046/S010A210046	\$ 855,216
Special Education Cluster:			
Special Education Grants to States	84.027	H027A200107/H027A210107	1,219,910
Special Education Preschool Grants	84.173	H11/3A200112/H11/3A210112	32,732
Subtotal Special Education Cluster			\$ 1,252,642
Career and Technical Education: Basic Grants to States	84.048	V048A200046/V048A210046	\$ 106,986
English Language Acquisition State Grants	84.365	S365A200046/S365A210046	13,469
Supporting Effective Instruction State Grants (formerly Improvement Teacher Quality State Grants)	84.367	S367A200044/S367A210044	167,044
School Improvement Grants	84.377	S377A200047/S377A210047	47,577
Student Support and Academic Enrichment Program	84.424	S424A200048/S424A210048	72,805
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200042	\$ 134,808
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	2,768,169
Subtotal Education Stabilization Fund (84.425)			\$ 2,902,977
Total Department of Education			\$ 5,418,716
Total Expenditures of Federal Awards			\$ 12,643,679

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF WARREN, VIRGINIA

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

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the County of Warren, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Warren, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Warren, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Indirect Cost Rate

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

Note 5 - Loan Balances

The County has no loans or loan guarantees which are subject to reporting requirements for the current year.

Note 6 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General fund	\$ 3,096,937
Less: Department of the Interior - Payments in lieu of taxes	(59,519)
Total Primary Government	<u>\$ 3,037,418</u>

Component Unit - Warren County School Board:

School operating fund	\$ 10,134,969
Less: Federal Interest Rate Subsidy - Qualified Energy Conservation Bonds	(528,708)
Total Component Unit - Warren County School Board	<u>\$ 9,606,261</u>

Total expenditures of federal awards per basic financial statements	<u>\$ 12,643,679</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	<u>\$ 12,643,679</u>
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Note 7 - Subrecipients

No awards were passed through to subrecipients.

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

Section I - Summary of Auditors' Results**Financial Statements**

Type of auditors' report issued:

Unmodified: governmental activities; discretely presented component unit - School Board;
each major fund; and aggregate remaining fund information

Disclaimer: discretely presented component unit - EDA

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
10.561	State Administrative Matching Grants for the Supplemental Nutritional Assistance Program
10.553 / 10.555 / 10.559	Child Nutrition Cluster
84.425C / 84.425D	Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

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

Section II - Financial Statement Findings

2022-001 - Material Audit Adjustments Proposed by External Auditor

Criteria: County management is responsible for developing and maintaining an effective system of internal controls over financial closing and reporting that provides reasonable assurance for the reliability of the reported financial information. Identification of material adjustments to the financial statements that were not detected by the County's internal controls indicates that a material weakness may exist.

Condition: The financial statements did not include necessary adjustments to ensure such statements were in accordance with Generally Accepted Account Principles (GAAP).

Cause: The County did not have proper controls in place to detect and correct errors in the financial reporting process.

Effect: There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the County's internal controls over financial reporting.

Recommendation: We recommend the County should review the auditors' proposed audit adjustments for 2022 and develop a plan to ensure the financial statements are materially correct in accordance with Generally Accepted Accounting Principles.

Management's Response:

Management recognizes that some adjustments were not made in a timely manner, which is attributed to the lack of staffing in the finance office. Management agrees that internal procedures and timely adjustments need to be made, and will develop the necessary internal steps to ensure the financial statements are completed in a timely manner. Given Finance is now adequately staffed, timely entries and segregation of duties will resolve this finding.

Section III - Federal Award Findings and Questioned Costs

None

COUNTY OF WARREN, VIRGINIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

2021-001 - Material Audit Adjustments Proposed by External Auditor

Condition:	The financial statements required material adjustments proposed by the auditor to ensure such statements were materially correct in accordance with Generally Accepted Account Principles (GAAP).
Recommendation:	We recommend the County implement procedures to ensure the financial statements are materially correct in accordance with Generally Accepted Accounting Principles.
Current Status:	Repeat finding in 2022. See finding 2022-001.