County of Wise, Virginia

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

COUNTY OF WISE, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

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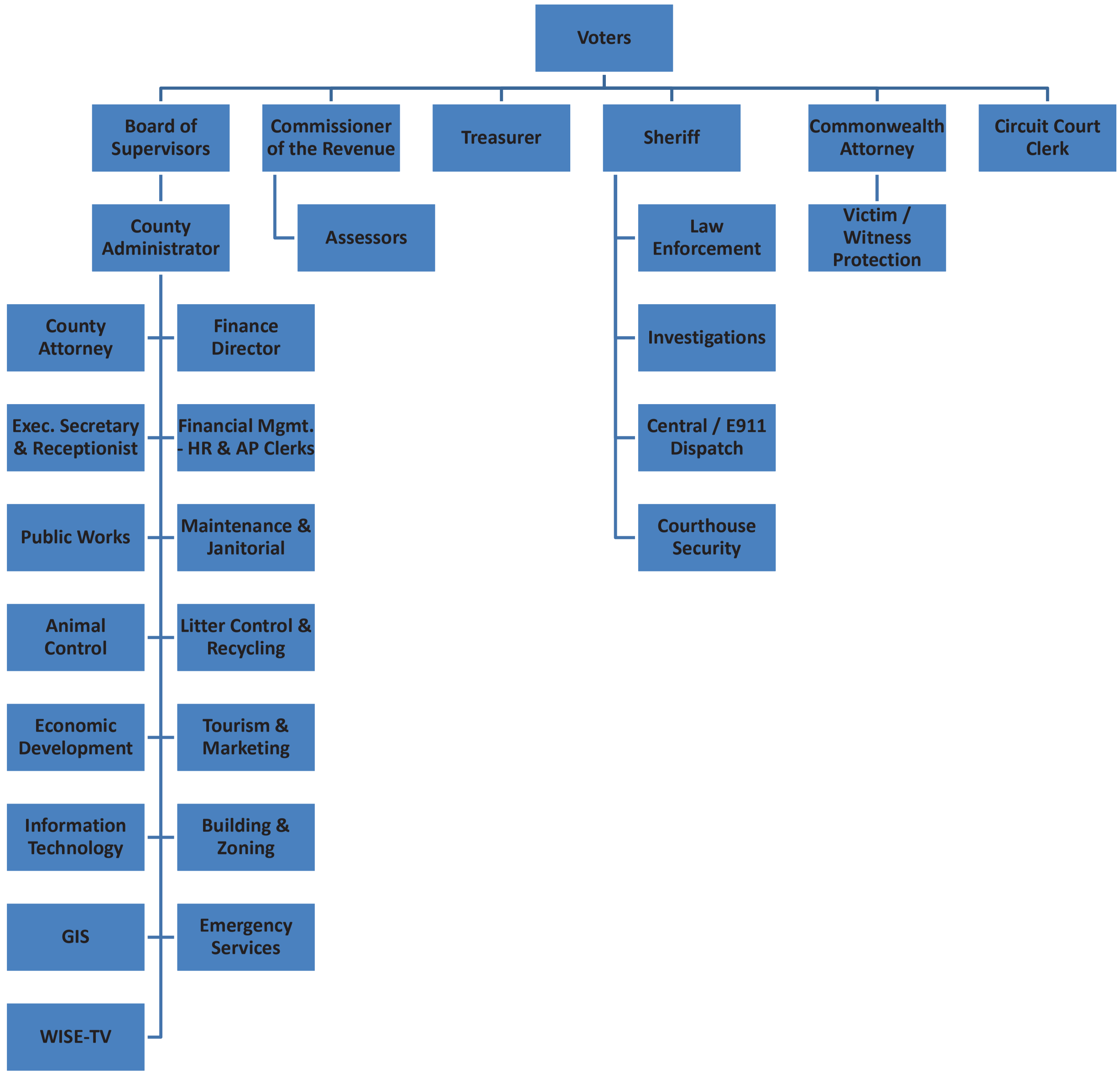

BOARD OF SUPERVISORS

J.H. Rivers, Chairperson
Steve Bates, Vice Chairperson

Robert R. Adkins	John Schoolcraft
James Lawson	Fred Luntsford
Tim Boardwine	Randy Carter

COUNTY SCHOOL BOARD

Larry Greear, Chairperson
Herbert Shortt, Vice Chairperson

Martha Jett	Dr. Mark Raymond
Stephanie Kern	John Graham
Rosiland McAmis	Vicki Williams

Heather Fultz, Clerk of the School Board

PUBLIC SERVICE AUTHORITY

Ralph Gilley, Chairperson
Fred Luntsford, Vice Chairperson

J.H. Rivers, Treasurer	Hibert Tackett Jr.
Worley Smith	Robby Robbins
Bob Adkins	Ruthie Rainey

SOCIAL SERVICES BOARD

Steve Bates, Chairperson
Dianne Abbott, Vice Chairperson

Bobby Cassell	Gilmer W. Blackburn
Duane Miller	Wayne Wheatley
Charles Miller	James Boardwine
Sandra Adkins	

OTHER OFFICIALS

COUNTY ADMINISTRATION

County Administrator .... Michael W. Hatfield
County Attorney .... Karen T. Mullins

CONSTITUTIONAL OFFICERS

Clerk of the Circuit Court .... Jack Kennedy
Commonwealth's Attorney .... Steven Davis
Commissioner of the Revenue .... Douglas Mullins Jr.
Treasurer .... Delores W. Smith
Sheriff .... Grant Kilgore

COURTS

Chief Judge of the Circuit Court .... John C. Kilgore
Judge of the Circuit Court .... Ronald Kelley Elkins
Judge of the Circuit Court .... Jeffrey Hamilton
Judge of the Circuit Court .... Tammy McElvea
Chief Judge of the District Court .... Shawn L. Hines
Judge of the District Court .... Andrew L. Johnson
Chief Judge of Juvenile & Domestic Relations Court .... Elizabeth Wills
Judge of Juvenile & Domestic Relations Court .... Marcus McClung
Judge of Juvenile & Domestic Relations Court .... Michelle Jenkins

COMPONENT UNITS

Superintendent of Schools .... Greg Mullins
Director of Public Service Authority .... Cody McElroy

OTHER

Director of Social Services .... Susan Mullins

FINANCIAL SECTION

ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

CPAs | CONSULTANTS

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Wise, 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 Wise, Virginia's basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the PSA and IDA which represent 43.32% and 27.91% respectively, of the assets of the discretely presented component units as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the PSA and IDA, are based solely on the report of the other auditors.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 25 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. [Modify accordingly based on client and period.

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 Wise, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2023, on our consideration of County of Wise, 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 Wise, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Wise, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates

Blacksburg, Virginia
February 2, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Wise County
County of Wise, Virginia 24293

As management of the County of Wise, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022.

Financial Highlights

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $24,562,762 (net position). Of this amount, $7,360,239 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the County's funds reported combined ending fund balances of $27,753,017 a decrease of $546,317 in comparison with the prior year. Approximately 47% of this total amount, $13,093,900 is available for spending at the County's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the general fund was $13,093,900, or 24% of total general fund expenditures.

The County of Wise, Virginia's total primary government long-term obligations decreased by $9,807,277. Bonds were reduced by $2,391,474, loans payable were reduced by $956,566, there was a $7,955,732 decrease in payroll related liabilities.

Overview of the Financial Statements

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

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

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

Government-wide financial statements – The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net position presents information showing the County's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Overview of the Financial Statements (Continued)

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Wise, Virginia itself (known as the primary government), but also a legally separate school district, Public Service Authority, and an Industrial Development Authority for which the County of Wise, Virginia is financially accountable. Financial information for these component units is reported separately from financial information presented for the primary government itself.

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as Governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains an individual general fund and many special revenue funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Special Revenue funds.

The County adopts an annual appropriated budget for its General Fund, Emergency Numbers, Coal Road Improvement, School Board and Law Library Funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with its budget.

Overview of the Financial Statements (Continued)

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules, schedules related to pension and OPEB funding, and presentation of combining financial statements for the discretely presented component unit School Board. The School Board does not issue separate financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of the County exceeded its liabilities and deferred inflows by $24,562,762 at the close of the most recent fiscal year.

A portion of the County's net position (46%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The county uses these capital assets to provide service to citizens: consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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Government-wide Financial Analysis (Continued)

County of Wise, Virginia's Net Position

	Primary Governmental Activities and Business-Type Activities	
	2021	**2022**
Current and other assets	$ 62,885,869	$ 66,938,646
Capital assets	76,094,921	74,634,110
Total assets	$ 138,980,790	$ 141,572,756
Deferred outflows of resources	$ 6,054,935	$ 5,582,445
Long-term liabilities	$ 91,686,089	$ 80,868,753
Current liabilities	10,827,120	13,490,244
Total liabilities	$ 102,513,209	$ 94,358,997
Deferred inflows of resources	$ 18,929,613	$ 28,233,442
Net investment in capital assets	$ 10,582,489	$ 11,387,050
Restricted - capital projects	158,061	83,419
Restricted - other purposes	3,333,440	5,732,054
Unrestricted	9,518,913	7,360,239
Total net position	$ 23,592,903	$ 24,562,762

At the end of the current fiscal year, the County is able to report positive net position, both for the County as a whole and as well as for its separate governmental and business-type activities.

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Government-wide Financial Analysis (Continued)

Governmental Activities – Governmental and business-type activities increased the County's net position by $969,859.

Key elements of this increase are as follows:

County of Wise, Virginia's Change in Net Position

	Primary Governmental Activities and Business-Type Activities	
	2021	**2022**
Revenues:		
Program revenues:		
Charges for services	$ 568,772	$ 677,885
Operating grants and contributions	23,886,130	20,452,583
General revenues:		
Property taxes	28,569,290	27,849,284
Other local taxes	4,952,761	6,047,630
Grants and contributions	2,439,649	2,395,641
Other	625,298	2,386,646
Total revenues	$ 61,041,900	$ 59,809,669
Expenses:		
General government	$ 4,235,889	$ 3,934,296
Judicial administration	3,785,132	3,892,163
Public safety	15,870,766	12,048,472
Public works	1,263,577	1,447,512
Health and welfare	12,859,194	13,419,424
Education	11,374,656	12,919,901
Parks, recreation, and cultural	978,329	1,012,090
Community development	4,418,959	3,184,655
Interest	2,327,066	2,385,818
Business-type activities	4,090,482	4,595,479
Total expenses	$ 61,204,050	$ 58,839,810
Increase (decrease) in net position	$ (162,150)	$ 969,859
Net position - beginning	23,755,053	23,592,903
Net position - ending	$ 23,592,903	$ 24,562,762

Financial Analysis of the County's Funds

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

Governmental Funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $27,753,017 a decrease of $546,317. Approximately 47% of this total amount, $13,093,900 constitutes unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted, committed, and non-spendable to indicate that is not available for new spending because it has already been committed for:

- Future special revenue expenditures
- Future debt service
- Future EMS-Fire expenditures
- Future blighted properties expenditures
- Future employee benefits

The General Fund is the operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $13,093,900, while the total fund balance was $24,005,990. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Major and Non-Major special revenue and capital project funds have a total fund balance of $3,747,027, all of which is restricted or committed for future projects. The fund balance increased $265,906 during the current year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were $3,328,356 (increase in appropriations) and can be briefly summarized as follows:

- $31,004 increase in general government administration
- $190,018 increase in judicial administration
- $895,824 increase in public safety expenditures
- $54,600 increase in public works expenditures
- $236,124 increase in health and welfare
- $0 increase in education
- $24,750 increase in parks, recreation, and cultural
- $1,896,036 increase in community development
- $0 increase in non-departmental

Capital Asset and Debt Administration

Capital assets – The County's investment in capital assets for its governmental activities as of June 30, 2022 amounts to $65,307,619 (net of accumulated depreciation). The County's investment in capital assets for its business-type activities as of June 30, 2022 amounts to $7,828,496 (net of accumulated depreciation). This investment in capital assets includes land, buildings and equipment.

Change in Capital Assets

	Governmental Activites		Business-type Activities	
	2021	2022	2021	2022
Land	$ 2,195,643	$ 2,195,643	$ 314,816	$ 314,816
Buildings and infrastructure	91,990,819	92,004,030	15,749,016	15,749,016
Equipment	10,595,782	10,830,547	5,690,968	5,690,968
Right-to-use lease assets	-	1,669,074	-	-
Total Capital Assets	$ 104,782,244	$ 106,699,294	$ 21,754,800	$ 21,754,800
Less: Accum Depr and Amort	$ (37,005,395)	$ (39,893,680)	$ (13,436,728)	$ (13,926,304)
Net Capital Assets	$ 67,776,849	$ 66,805,614	$ 8,318,072	$ 7,828,496

Additional information on the County's capital assets can be found in Note 10.

Long-term obligations - At the end of the current fiscal year, the County had total governmental activity obligations of $72,255,975, including claims, judgments, pension liabilities, OPEB liabilities, and compensated absences of $11,361,963. The County had total business-type activity obligations outstanding of $13,933,964 including claims, judgments, landfill closure and post closure liabilities, pension liabilities, OPEB liabilities, and compensated absences of $11,769,800.

	Governmental Activites		Business-type Activities	
	2021	2022	2021	2022
Bonds	$ 60,248,694	$ 57,857,220	$ 2,753,814	$ 2,164,164
Lease Liabilities	-	1,505,495	-	-
Loan Payable	2,496,863	1,531,297	-	-
Net Pension Liability	13,852,305	6,160,511	845,776	379,657
Net OPEB Liabilities	4,736,324	4,397,292	159,717	116,799
Landfill Closure/Post Closure Liability	-	-	10,326,640	11,150,107
Compensated Absences	729,066	804,160	121,527	123,237
Total Long-term Obligations	$ 82,063,252	$ 72,255,975	$ 14,207,474	$ 13,933,964

Of the total governmental and business-type obligations, $60,021,384 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County of Wise, Virginia's total primary government long-term obligations decreased by $9,807,277. Bonds were reduced by $2,391,474, loans payable were reduced by $965,566, there was a $7,955,732 decrease in payroll related liabilities.

Additional information on the County of Wise, Virginia's long-term obligations can be found in Note 6 of this report.

Economic Factors

The unemployment rate is one of the factors considered in preparing the County's budget for the 2023 fiscal year. The October 2022 unemployment rate for the County is 3.10 percent, which is a decrease from the rate of 4 percent in 2021. This is higher than the state's unemployment rate of 2.7 percent and is below the national average rate of 3.7 percent as of October 2022.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

Budget and Rates

The approved budget is $61,456,688 for fiscal year 2022-2023. The tax rates for the 2022-2023 year are as follows: .69 per $100 value for real estate, mobile home taxes, and public utilities real estate, 1.65 per $100 of assessed value for personal property and public service personal property, 2.85 per $100 of assessed value for merchants capital, and 1.41 per $100 of assessed value for machinery and tools.

Acknowledgements

This financial report is designed to provide a general overview of the County of Wise, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. Michael W. Hatfield, County Administrator, P.O. Box 570, Wise, Virginia 24293.

Basic Financial Statements

Exhibit 1

County of Wise, Virginia
Statement of Net Position
June 30, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	School Board	Public Service Authority	Industrial Development Authority
ASSETS						
Cash and cash equivalents	$ 13,310,220	$ 5,642	$ 13,315,862	$ 7,559,890	$ 904,127	$ 708,846
Investments	17,354,606	8,404,463	25,759,069	1,467,338	-	-
Receivables (net of allowance for uncollectibles):						
Taxes receivable	19,682,991	-	19,682,991	-	-	-
Other local taxes receivable	182,216	-	182,216	-	-	-
Accounts receivable	120,455	47,408	167,863	235,400	750,196	30,048
Notes receivable	-	-	-	-	-	2,619,401
Interest receivable	-	-	-	-	-	18,951
Other receivables	2,055,690	-	2,055,690	-	-	-
Lease receivable	136,380	-	136,380	-	-	3,957,790
Due from component unit	1,503,935	-	1,503,935	-	-	-
Due from other governmental units	3,670,511	-	3,670,511	4,907,381	136,724	-
Internal balances	212,898	(212,898)	-	-	-	-
Prepaid items	54,378	-	54,378	757,733	-	25,762
Restricted assets:						
Cash and cash equivalents	-	-	-	-	2,310,002	233,348
Investments	11,001	-	11,001	-	-	-
Property	-	-	-	-	-	240,970
Net pension asset	-	-	-	-	672,859	-
Other assets (net of amortization)	-	398,750	398,750	-	-	-
Capital assets (net of accumulated depreciation):						
Land	2,195,643	314,816	2,510,459	2,003,463	246,719	4,363,204
Buildings and improvements	59,612,423	-	59,612,423	23,049,041	721,931	33,921,646
Machinery and equipment	3,499,553	193,908	3,693,461	5,028,938	1,209,222	425,854
Infrastructure	-	7,319,772	7,319,772	-	64,080,491	-
Construction in progress	-	-	-	2,890,445	1,200,753	-
Intangible right-to-use lease assets (net of accumulated amortization):						
Buildings and improvements	1,497,995	-	1,497,995	-	-	-
Machinery and equipment	-	-	-	65,715	-	-
Total assets	$ 125,100,895	$ 16,471,861	$ 141,572,756	$ 47,965,344	$ 72,233,024	$ 46,545,820
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	$ 3,765,017	$ 239,319	$ 4,004,336	$ 13,358,239	$ 142,288	$ -
OPEB related items	1,554,278	23,831	1,578,109	3,562,172	18,484	-
Total deferred outflows of resources	$ 5,319,295	$ 263,150	$ 5,582,445	$ 16,920,411	$ 160,772	$ -
LIABILITIES						
Accounts payable	$ 1,098,615	$ 239,146	$ 1,337,761	$ 2,819,176	$ 755,898	$ 28,256
Salaries payable	443,519	1,631	445,150	904,937	69,391	-
Grants payable	-	-	-	-	-	250,000
Customer deposits	-	-	-	-	502,105	
Accrued interest payable	789,803	23,127	812,930	-	11,009	12,600
Due to primary government	-	-	-	1,503,935	-	-
Unearned revenue	5,573,217	-	5,573,217	-	-	-
Deposits on sale of property	-	-	-	-	-	1,000
Long-term liabilities:						
Due within one year	4,626,763	694,423	5,321,186	287,015	503,301	1,011,076
Due in more than one year	67,629,212	13,239,541	80,868,753	46,061,905	8,750,196	13,829,398
Total liabilities	$ 80,161,129	$ 14,197,868	$ 94,358,997	$ 51,576,968	$ 10,591,900	$ 15,132,330
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	$ 19,145,314	$ -	$ 19,145,314	$ -	$ -	$ -
Rent related	-	-	-	-	-	15,000
Lease related	137,360	-	137,360	-	-	3,914,038
Deferred charge on refunding	199,885	-	199,885	-	-	-
Unearned revenue	-	-	-	-	4,371	-
Pension related items	6,736,162	415,772	7,151,934	22,197,852	445,830	-
OPEB related items	1,538,761	60,188	1,598,949	4,332,583	25,940	-
Total deferred inflows of resources	$ 27,757,482	$ 475,960	$ 28,233,442	$ 26,530,435	$ 476,141	$ 3,929,038
NET POSITION						
Net investment in capital assets	$ 5,722,718	$ 5,664,332	$ 11,387,050	$ 32,970,547	$ 58,380,616	$ 26,489,631
Restricted:						
Construction	83,419	-	83,419	-	-	-
Asset forfeiture funds	176,079	-	176,079	-	-	-
Law library funds	12,756	-	12,756	-	-	-
Coal road funds	3,487,529	-	3,487,529	-	540,394	-
Debt services reserves	-	-	-	-	1,003,912	-
Dominion replacement funds	-	-	-	-	259,867	-
Community development	-	-	-	-		474,318
Textbooks	-	-	-	2,089,060	-	
School Cafeteria	-	-	-	4,668,135	-	-
Opioid settlement	2,055,690	-	2,055,690	-	-	-
Unrestricted	10,963,388	(3,603,149)	7,360,239	(52,949,390)	1,140,966	520,503
Total net position	$ 22,501,579	$ 2,061,183	$ 24,562,762	$ (13,221,648)	$ 61,325,755	$ 27,484,452

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

County of Wise, Virginia
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position					
					Primary Government			Component Units		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board	Public Service Authority	Industrial Development Authority
PRIMARY GOVERNMENT:										
Governmental activities:										
General government administration	$ 3,934,296	$ 71,750	$ 892,099	$ -	$ (2,970,447)	$ -	$ (2,970,447)	$ -	$ -	$ -
Judicial administration	3,892,163	10,036	1,576,273	-	(2,305,854)	-	(2,305,854)	-	-	-
Public safety	12,048,472	129,596	5,514,575	-	(6,404,301)	-	(6,404,301)	-	-	-
Public works	1,447,512	14,237	651,011	-	(782,264)	-	(782,264)	-	-	-
Health and welfare	13,419,424	-	11,024,389	-	(2,395,035)	-	(2,395,035)	-	-	-
Education	12,919,901	-	-	-	(12,919,901)	-	(12,919,901)	-	-	-
Parks, recreation, and cultural	1,012,090	-	205,932	-	(806,158)	-	(806,158)	-	-	-
Community development	3,184,655	-	566,663	-	(2,617,992)	-	(2,617,992)	-	-	-
Interest on long-term debt	2,385,818	-	-	-	(2,385,818)	-	(2,385,818)	-	-	-
Total governmental activities	$ 54,244,331	$ 225,619	$ 20,430,942	$ -	$ (33,587,770)	$ -	$ (33,587,770)	$ -	$ -	$ -
Business-type activities:										
Landfill	$ 3,986,876	$ 452,266	$ 21,641	$ -	$ -	$ (3,512,969)	$ (3,512,969)	$ -	$ -	$ -
Sewer	608,603	-	-	-	-	(608,603)	(608,603)	-	-	-
Total business-type activities	$ 4,595,479	$ 452,266	$ 21,641	$ -	$ -	$ (4,121,572)	$ (4,121,572)	$ -	$ -	$ -
Total primary government	$ 58,839,810	$ 677,885	$ 20,452,583	$ -	$ (33,587,770)	$ (4,121,572)	$ (37,709,342)	$ -	$ -	$ -
COMPONENT UNITS:										
School Board	$ 70,620,179	$ 2,632,655	$ 65,518,459	$ -	$ -	$ -	$ -	$ (2,469,065)	$ -	$ -
Public Service Authority	6,756,305	5,474,809	-	773,054	-	-	-	-	(508,442)	-
Industrial Development Authority	2,595,687	-	1,464,553	-	-	-	-	-	-	(1,131,134)
Total component units	$ 79,972,171	$ 8,107,464	$ 66,983,012	$ 773,054	$ -	$ -	$ -	$ (2,469,065)	$ (508,442)	$ (1,131,134)
General revenues and transfers:										
General property taxes					$ 27,849,284	$ -	$ 27,849,284	$ -	$ -	$ -
Other local taxes:										
Local sales and use taxes					3,367,625	-	3,367,625	-	-	-
Coal severance taxes					1,779,168	-	1,779,168	-	-	-
Consumers' utility taxes					468,249	-	468,249	-	-	-
Other local taxes					432,588	-	432,588	-	-	-
Unrestricted revenues from use of money and property					(14,067)	36,273	22,206	19,264	7,461	1,489,948
Miscellaneous					2,301,798	62,642	2,364,440	333,924	-	-
Payments from the County of Wise					-	-	-	12,871,344	111,141	-
Grants and contributions not restricted to specific programs					2,395,641	-	2,395,641	-	-	-
Transfers					(3,618,115)	3,618,115	-	-	-	-
Total general revenues and transfers					$ 34,962,171	$ 3,717,030	$ 38,679,201	$ 13,224,532	$ 118,602	$ 1,489,948
Change in net position					$ 1,374,401	$ (404,542)	$ 969,859	$ 10,755,467	$ (389,840)	$ 358,814
Net position - beginning					21,127,178	2,465,725	23,592,903	(23,977,115)	61,715,595	27,125,638
Net position - ending					$ 22,501,579	$ 2,061,183	$ 24,562,762	$ (13,221,648)	$ 61,325,755	$ 27,484,452

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

County of Wise, Virginia
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Coal Road Improvement Fund	Nonmajor Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 10,936,863	$ 2,112,025	$ 261,332	$ 13,310,220
Investments	15,804,093	1,322,624	227,889	17,354,606
Receivables (net of allowance for uncollectibles):				
Taxes receivable	19,682,991	-	-	19,682,991
Other local taxes receivable	182,216	-	-	182,216
Accounts receivable	25,544	94,911	-	120,455
Other receivables	2,055,690	-	-	2,055,690
Lease receivable	136,380	-	-	136,380
Due from other funds	322,030	78,060	-	400,090
Due from component unit	1,503,935	-	-	1,503,935
Due from other governmental units	3,667,666	-	2,845	3,670,511
Prepaid items	54,378	-	-	54,378
Restricted assets:				
Investments	11,001	-	-	11,001
Total assets	$ 54,382,787	$ 3,607,620	$ 492,066	$ 58,482,473
LIABILITIES				
Accounts payable	$ 933,148	$ 120,091	$ 45,376	$ 1,098,615
Salaries payable	443,519	-	-	443,519
Due to other funds	-	-	187,192	187,192
Unearned revenue	5,573,217	-	-	5,573,217
Total liabilities	$ 6,949,884	$ 120,091	$ 232,568	$ 7,302,543
DEFERRED INFLOWS OF RESOURCES				
Lease related	$ 137,360	$ -	$ -	$ 137,360
Unavailable revenue - property taxes	21,305,268	-	-	21,305,268
Unavailable revenue - opioid settlement	1,984,285	-	-	1,984,285
Total deferred inflows of resources	$ 23,426,913	$ -	$ -	$ 23,426,913
FUND BALANCES				
Nonspendable:				
Prepaid items	$ 54,378	$ -	$ -	$ 54,378
Restricted:				
Capital Projects Fund	-	-	83,419	83,419
Coal Road Improvement Fund	-	3,487,529	-	3,487,529
Forfeitured Assets Fund	-	-	176,079	176,079
Law Library Fund	12,756	-	-	12,756
Unspent capital lease proceeds	11,001	-	-	11,001
Opioid settlement	71,405	-	-	71,405
Committed:				
Debt Service	10,233,729	-	-	10,233,729
Blighted Properties	106,263	-	-	106,263
EMS-Fire	186,188	-	-	186,188
Assigned:				
Drug Court Fund	30,988	-	-	30,988
IT Fund	16,512	-	-	16,512
Software Engineering Fund	43,393	-	-	43,393
Dog and Cat Sterilization Fund	20,078	-	-	20,078
Transient Occupancy Fund	41,425	-	-	41,425
Supervisor Fees - SWVCC Fund	77,063	-	-	77,063
E-Summons Fund	6,911	-	-	6,911
Unassigned	13,093,900	-	-	13,093,900
Total fund balances	$ 24,005,990	$ 3,487,529	$ 259,498	$ 27,753,017
Total liabilities, deferred inflows of resources, and fund balances	$ 54,382,787	$ 3,607,620	$ 492,066	$ 58,482,473

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

Exhibit 4

County of Wise, Virginia
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		$ 27,753,017
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Jointly owned assets are included in the total capital assets.		
Land	$ 2,195,643	
Buildings and improvements	59,612,423	
Machinery and equipment	3,499,553	
Intangible right-to-use lease assets:		
Buildings and improvements	1,497,995	66,805,614
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - property taxes	$ 2,159,954	
Unavailable revenue - opioid settlement	1,984,285	4,144,239
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 3,765,017	
OPEB related items	1,554,278	5,319,295
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds	$ (42,863,003)	
Lease revenue notes	(13,455,000)	
Loans payable	(1,531,297)	
Unamortized premiums	(1,539,217)	
Deferred charges on refundings	(199,885)	
Accrued interest payable	(789,803)	
Lease liabilities	(1,505,495)	
Net OPEB liabilities	(4,397,292)	
Net pension liability	(6,160,511)	
Compensated absences	(804,160)	(73,245,663)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (6,736,162)	
OPEB related items	(1,538,761)	(8,274,923)
Net position of governmental activities		$ 22,501,579

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

Exhibit 5

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

	General Fund	Coal Road Improvement Fund	Nonmajor Governmental Funds	Total
REVENUES				
General property taxes	$ 29,097,418	$ -	$ -	$ 29,097,418
Other local taxes	5,221,331	826,299	-	6,047,630
Permits, privilege fees, and regulatory licenses	33,660	-	-	33,660
Fines and forfeitures	75,218	-	-	75,218
Revenue from the use of money and property	40,319	9,801	16	50,136
Charges for services	38,301	-	14,237	52,538
Miscellaneous	229,126	-	88,387	317,513
Recovered costs	1,193,163	-	-	1,193,163
Intergovernmental	22,367,799	-	458,784	22,826,583
Total revenues	$ 58,296,335	$ 836,100	$ 561,424	$ 59,693,859
EXPENDITURES				
Current:				
General government administration	$ 3,952,634	$ -	$ -	$ 3,952,634
Judicial administration	4,215,062	-	-	4,215,062
Public safety	11,715,279	-	66,252	11,781,531
Public works	1,108,595	33,297	-	1,141,892
Health and welfare	13,720,918	-	-	13,720,918
Education	16,322,566	-	-	16,322,566
Parks, recreation, and cultural	968,288	-	-	968,288
Community development	1,991,314	491,807	-	2,483,121
Nondepartmental	168,656	-	-	168,656
Capital projects	161,272	-	540,262	701,534
Debt service:				
Principal retirement	1,129,145	-	-	1,129,145
Interest and other fiscal charges	36,714	-	-	36,714
Total expenditures	$ 55,490,443	$ 525,104	$ 606,514	$ 56,622,061
Excess (deficiency) of revenues over (under) expenditures	$ 2,805,892	$ 310,996	$ (45,090)	$ 3,071,798
OTHER FINANCING SOURCES (USES)				
Transfers out	$ (3,618,115)	$ -	$ -	$ (3,618,115)
Net change in fund balances	$ (812,223)	$ 310,996	$ (45,090)	$ (546,317)
Fund balances - beginning	24,818,213	3,176,533	304,588	28,299,334
Fund balances - ending	$ 24,005,990	$ 3,487,529	$ 259,498	$ 27,753,017

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

Exhibit 6

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

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ (546,317)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded capital outlays in the current period.			
Capital outlays	$ 481,021		
Depreciation and amortization expenses	(3,121,330)		(2,640,309)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes	$ (1,248,134)		
Opioid settlement	1,984,285	$	736,151
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal Payments:			
General obligation bonds	$ 2,065,000		
Lease revenue bonds	100,000		
Lease liabilities	163,579		
Loans payable	965,566		3,294,145
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.			
Change in compensated absences	$ (75,094)		
Change in accrued interest payable	(60,944)		
Changes to OPEB related items	(64,144)		
Changes to pension related items	475,883		
Amortization of bond premium	226,474		
Amortization of charges on refunding	28,556		530,731
Change in net position of governmental activities		$	1,374,401

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

Exhibit 7

County of Wise, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2022

	Enterprise Funds		
	Landfill Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,642	$ -	$ 5,642
Investments	8,404,463	-	8,404,463
Accounts receivables, net of allowances for uncollectibles	47,408	-	47,408
Total current assets	$ 8,457,513	$ -	$ 8,457,513
Noncurrent assets:			
Other assets (net of amortization)	$ -	$ 398,750	$ 398,750
Capital assets: (net of related depreciation)			
Land	314,816	-	314,816
Machinery and equipment	193,908	-	193,908
Infrastructure	7,186,403	133,369	7,319,772
Total capital assets	$ 7,695,127	$ 133,369	$ 7,828,496
Total noncurrent assets	$ 7,695,127	$ 532,119	$ 8,227,246
Total assets	$ 16,152,640	$ 532,119	$ 16,684,759
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	$ 239,319	$ -	$ 239,319
OPEB related items	23,831	-	23,831
Total deferred outflows of resources	$ 263,150	$ -	$ 263,150
LIABILITIES			
Current liabilities:			
Accounts payable	$ 137,434	$ 101,712	$ 239,146
Accrued salaries	1,631	-	1,631
Due to other funds	-	212,898	212,898
Interest payable	23,127	-	23,127
Compensated absences - current portion	92,428	-	92,428
Bonds payable - current portion	601,995	-	601,995
Total current liabilities	$ 856,615	$ 314,610	$ 1,171,225
Noncurrent liabilities:			
Landfill closure/postclosure liability	$ 11,150,107	$ -	$ 11,150,107
Bonds payable - net of current portion	1,562,169	-	1,562,169
Compensated absences - net of current portion	30,809	-	30,809
Net OPEB liabilities	116,799	-	116,799
Net pension liability	379,657	-	379,657
Total noncurrent liabilities	$ 13,239,541	$ -	$ 13,239,541
Total liabilities	$ 14,096,156	$ 314,610	$ 14,410,766
DEFERRED INFLOWS OF RESOURCES			
Pension related items	$ 415,772	$ -	$ 415,772
OPEB related items	60,188	-	60,188
Total deferred inflows of resources	$ 475,960	$ -	$ 475,960
NET POSITION			
Net investment in capital assets	$ 5,530,963	$ 133,369	$ 5,664,332
Unrestricted	(3,687,289)	84,140	(3,603,149)
Total net position	$ 1,843,674	$ 217,509	$ 2,061,183

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

Exhibit 8

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

	Enterprise Funds		
	Landfill Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Solid waste collections	$ 452,266	$ -	$ 452,266
Miscellaneous	35,393	27,249	62,642
Total operating revenues	$ 487,659	$ 27,249	$ 514,908
OPERATING EXPENSES			
Salaries and fringes	$ 1,519,729	$ -	$ 1,519,729
Professional services	108,534	-	108,534
Repairs and maintenance	97,126	-	97,126
Operating materials and supplies	31,720	-	31,720
Vehicle supplies and fuel	493,044	-	493,044
Utilities	90,280	-	90,280
Office and insurance expenses	21,923	-	21,923
Improvements and closure costs	823,467	-	823,467
Miscellaneous	273,740	-	273,740
Sewer operation costs	-	580,007	580,007
Depreciation and amortization	474,730	28,596	503,326
Total operating expenses	$ 3,934,293	$ 608,603	$ 4,542,896
Operating income (loss)	$ (3,446,634)	$ (581,354)	$ (4,027,988)
NONOPERATING REVENUES (EXPENSES)			
Investment income	$ 36,273	$ -	$ 36,273
Grants	21,641	-	21,641
Interest expense	(52,583)	-	(52,583)
Total nonoperating revenues (expenses)	$ 5,331	$ -	$ 5,331
Income (loss) before transfers	$ (3,441,303)	$ (581,354)	$ (4,022,657)
Transfers in	3,118,288	499,827	3,618,115
Change in net position	$ (323,015)	$ (81,527)	$ (404,542)
Net position - beginning	$ 2,166,689	$ 299,036	$ 2,465,725
Net position - ending	$ 1,843,674	$ 217,509	$ 2,061,183

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

Exhibit 9

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

	Enterprise Funds		
	Landfill Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 505,461	$ 45,749	$ 551,210
Payments to suppliers	(1,079,750)	(545,576)	(1,625,326)
Payments to employees	(1,541,850)	-	(1,541,850)
Net cash provided by (used for) operating activities	$ (2,116,139)	$ (499,827)	$ (2,615,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	$ 3,181,503	$ 499,827	$ 3,681,330
Grants	21,641	-	21,641
Net cash provided by (used for) noncapital financing activities	$ 3,203,144	$ 499,827	$ 3,702,971
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on bonds and capital leases	$ (545,000)	$ -	$ (545,000)
Interest expense	(101,954)	-	(101,954)
Net cash provided by (used for) capital and related financing activities	$ (646,954)	$ -	$ (646,954)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	$ 36,273	$ -	$ 36,273
Net increase (decrease) in cash and cash equivalents	$ 476,324	$ -	$ 476,324
Cash and cash equivalents - beginning (including investments of $7,495,107)	7,933,781	-	7,933,781
Cash and cash equivalents - ending (including investments of $8,404,463)	$ 8,410,105	$ -	$ 8,410,105
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (3,446,634)	$ (581,354)	$ (4,027,988)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	$ 474,730	$ 28,596	$ 503,326
(Increase) decrease in accounts receivable	17,802	18,500	36,302
(Increase) decrease in deferred outflows related to net pension liability	42,248	-	42,248
(Increase) decrease in deferred outflows related to net OPEB liabilities	4,962	-	4,962
Increase (decrease) in accrued salaries	1,147	-	1,147
Increase (decrease) in landfill closure/postclosure liability	823,467	-	823,467
Increase (decrease) in accounts payable	36,617	34,431	71,048
Increase (decrease) in compensated absences	1,710	-	1,710
Increase (decrease) in net OPEB liabilites	(42,918)	-	(42,918)
Increase (decrease) in net pension liability	(466,119)	-	(466,119)
Increase (decrease) in deferred inflows related to net pension liability	414,897	-	414,897
Increase (decrease) in deferred inflows related to net OPEB liabilities	21,952	-	21,952
Total adjustments	$ 1,330,495	$ 81,527	$ 1,412,022
Net cash provided by (used for) operating activities	$ (2,116,139)	$ (499,827)	$ (2,615,966)

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

Exhibit 10

County of Wise, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

		Custodial Funds
ASSETS		
Cash and cash equivalents	$	166,856
Accounts receivable		161,398
Total assets	$	328,254
LIABILITIES		
Accounts payable	$	55,897
Due to other local governments		305,869
Due to DSS clients		14,824
Total liabilities	$	376,590
NET POSITION		
Restricted:		
Special Welfare	$	13,688
Lonesome Pine Youth Services		(62,024)
Total net position	$	(48,336)

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

Exhibit 11

County of Wise, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

		Custodial Funds
Additions		
Contributions:		
Expenditure reimbursement	$	81,777
Sales tax collection for other governments		668,615
Grants		96,750
Total contributions	$	847,142
Deductions		
Special welfare payments	$	83,196
Payments of sales tax to other governments		668,615
Salaries and fringes		144,565
Total deductions	$	896,376
Net increase (decrease) in fiduciary net position	$	(49,234)
Net position, beginning		898
Net position, ending	$	(48,336)

Note 1-Summary of Significant Accounting Policies:

The financial statements of the County of Wise, Virginia conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

The County of Wise, Virginia was established by an act of the Virginia General Assembly in 1856. It is a political subdivision of the Commonwealth of Virginia operating under the board-administrator form of government. The Board of Supervisors consists of a chairman and seven other board members elected from four magisterial districts. The Board is responsible for appointing the County Administrator, County Attorney and County Finance Director. The County has taxing powers subject to statewide restrictions and tax limits.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is both legally and substantively separate from the government.

Blended component units - None

Discretely Presented Component Units - The component unit columns in the financial statements include the financial data of the County's discretely presented component units.

The County provides education through its own school system administered by the Wise County School Board (the School Board). The School Board has been classified as a discretely presented component unit in the financial reporting entity because it is legally separate, but financially dependent. The Board of Supervisors administers the School Board's appropriation of funds at the category level, approves transfers between categories and authorizes school debt issuances. The eight member school board is elected by Wise County voters with two members being elected per magisterial district. Financial statements of the School Board are included in a discretely presented component unit column and/or row of the government-wide financial statements, as well as in the supplementary information section. The School Board does not issue separate financial statements.

The County is financially accountable for the Wise County Industrial Development Authority (the IDA), including the appointment of the IDA's governing body, and the issuance of debt in conjunction with the IDA. Separate financial statements may be obtained from the Wise County Industrial Development Authority.

The County is financially accountable for the Wise County Public Service Authority (the Authority), including the appointment of the Authority's governing body, the contribution of a material amount of funds to the Authority, providing support agreements for the Authority's debt, and serving as the agent for grant receipts for the Authority's capital projects. Separate financial statements may be obtained from the Wise County Public Service Authority.

Related Organizations - The Wise County Redevelopment and Housing Authority is a related organization because the County's officials are responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment.

Note 1-Summary of Significant Accounting Policies: (continued)

A. Financial Reporting Entity (continued)

Jointly Governed Organizations:

1. The County, along with the Counties of Buchanan, Dickenson, Lee, Russell, Scott, Smyth, Tazewell, Washington, and the City of Norton, participates in supporting the Southwest Virginia Regional Jail Authority. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022, the County paid $1,967,068 for services provided by the Authority.

2. The County, along with the Counties of Dickenson, Buchanan, Tazewell, Smyth, Washington, Russell, Scott, Lee, and the Cities of Bristol, and Norton, participates in supporting the Appalachian Juvenile Detention Commission. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022, the County paid $598,694 for services provided by the Commission.

3. The County, along with the Counties of Lee, Scott, and the City of Norton, participates in supporting the Planning District One Behavioral Health Services Board. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022, the County provided an appropriation to the Board of $286,902.

4. The County, along with the Counties of Dickenson, Lee, Scott, and the City of Norton, participates in supporting the Lonesome Pine Regional Library. The governing body of this organization is appointed by the respective governing bodies of the jurisdictions. For the fiscal year ended June 30, 2022, the County provided an appropriation to the Library of $805,727.

5. The County, along with the Counties of Lee, Scott, and the City of Norton, participates in supporting the Lonesome Pine Office on Youth. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022, the County provided an appropriation to the Office of $23,014. In addition, the County provides payroll services for the Office at no charge.

6. The County, along with the Counties of Dickenson, Lee, Scott, and the City of Norton, participates in supporting the Lonesome Pine Airport (Cumberland Airport Commission). The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022 the County provided an appropriation to the Airport of $144,481.

7. The County, along with the Counties of Lee, Scott, and the City of Norton, participates in supporting LENOWISCO, a regional planning district. The governing body of this organization is appointed by the respective governing bodies of the participating jurisdictions. For the fiscal year ended June 30, 2022, the County provided an appropriation to LENOWISCO of $66,684.

Note 1-Summary of Significant Accounting Policies: (continued)

B. Government-wide and Fund Financial Statements

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

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

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental and business-type activities) and it's 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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

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

Note 1-Summary of Significant Accounting Policies: (continued)

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

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 the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for un-collectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues.

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the County, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the County.

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

Note 1-Summary of Significant Accounting Policies: (continued)

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

The County reports the following major governmental funds:

The G*eneral Fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds. The *General Fund* as reported in the County financial statements includes the following merged County funds: Law Library Fund, Emergency Numbers Fund, Dog and Cat Sterilization Fund, Community Corrections Fund, Information Technology Fund, Software Engineering Intiative Fund, Transient Occupancy Tax Fund, and the Drug Court Fund.

The *Coal Road Improvement Fund* is the government's only major special revenue fund. Revenues in this fund are derived from coal road severance taxes and dedicated to road improvement projects.

The nonmajor governmental funds of the County are:

The *Forfeited Assets Fund* is a nonmajor special revenue fund of the County. Revenues in this fund are derived from federal, state, and local asset forfeitures and related grants and dedicated to law enforcement services. The *Forfeited Assets Fund* as reported includes the merged Drug Seizure and Forfeiture Fund and the Special Fund of the Commonwealth Attorney.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities. The *Capital Projects Fund* is reported as a nonmajor capital project fund.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the County is that the cost of providing services to the general public be financed or recovered through user charges. The County reports the following enterprise funds:

The *Sewer Fund* accounts for the operations of the Riverview Sewer Project.

The *Landfill Fund* accounts for the activities of the landfill, including charges for services, expenses, assets, and related debts.

Additionally, the County reports the following fund types:

Fiduciary funds (Custodial funds) account for assets held by the government in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds include the Special Welfare Fund, Local Sales Tax Fund, and Lonesome Pine Youth Services Fund.

The School Board reports the following major governmental funds:

The *School Operating Fund* is the primary operating fund of the School Board and accounts for and reports all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from appropriations from the County of Wise, Virginia and state and federal grants. The *School Operating Fund* also includes the merged School Textbook Fund.

The *School Cafeteria Fund* is a Special Revenue Fund. It accounts for and reports the proceeds from charges for services and state and federal grants and reports the expenditures of those funds on school nutrition services.

The *School Capital Projects Fund* accounts for all financial resources used for the acquisition or construction of major capital needs.

Note 1-Summary of Significant Accounting Policies: (continued)

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

The *School Activity Fund* is a Special Revenue Fund. It accounts for and reports all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the individual schools.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary Funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance:

1. 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.

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.

Restricted amounts for the Primary Government represent unspent debt proceeds.

2. Inventory

Inventories of material and supplies are recorded at cost, using the first-in, first-out method of valuation.

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

4. Property Taxes

   Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on May 31st and October 31st. The County bills and collects its own property taxes.

5. Coal Severance Taxes

   Coal severance tax is assessed monthly based on the gross receipts of the mining operation for the preceding month. Coal severance taxes attach as an enforceable lien on the mining operation in the month of assessment. Taxes are payable in the month of assessment. The County bills and collects its own coal severance taxes.

6. Allowance for Uncollectible Accounts

   The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $670,895 and $79,487 for property taxes and landfill receivables, respectively, at June 30, 2022.

7. Use of Estimates

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

8. Prepaid Items

   Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

9. Capital Assets

   Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

9. Capital Assets (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings and improvements	35-50
Infrastructure	35-50
Machinery and equipment	2-15
Lease buildings and improvements	10
Lease machinery and equipment	3-5

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources, 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 only has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

11. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. 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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

12. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The County accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

13. Pensions

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

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

14. Fund Balance

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers;
- Committed fund balance – amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance – amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

The Board of Supervisors is the County's highest level of decision-making authority. This governing body has the authority to designate or rescind committed or assigned fund balance by a majority vote.

The County's Board of Supervisors has authorized the County Finance Director and County Treasurer to assign fund balance in accordance with the County's fund balance policy.

The County will maintain an unassigned fund balance in the general fund equal to 10% of expenditures/revenues. The County considers a balance of less than 10% to be cause for concern, barring unusual, or deliberate circumstances.

The County considers restricted fund balance to be spent when an expenditure is incurred for purposes for which restricted and unassigned, assigned, or committed fund balances are available, unless prohibited by legal documents or contracts. When an expenditure is incurred for purposes for which committed, assigned or unassigned amounts are available, the County considers committed fund balance to be spent first, then assigned fund balance, and lastly unassigned fund balance.

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

15. Net Position

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

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

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

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

E. Leases

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

Note 1-Summary of Significant Accounting Policies: (continued)

D. Assets, deferred outflows/inflows of resources, liabilities, and net position/fund balance: (continued)

E. Leases (continued)

Lessee
The County and School Board recognize lease liabilities and intangible right-to-use lease assets (lease assets) 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 and School Board 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 and School Board monitor changes in circumstances that would require a remeasurement or modification of its leases. The County and School Board will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary Information

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 Finance Director 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. All Funds of the County have legally adopted budgets with the exception of Agency Funds.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the department level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds (except the School Fund) and the General Capital Projects Funds. The School Operating Fund and School Capital Projects Fund are integrated only at the level of legal adoption.

6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

7. Appropriations lapse on June 30, for all County units.

8. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is not part of the County's accounting system.

A. Excess of expenditures over appropriations

At June 30, 2022, expenditures exceeded appropriations for several departments within the General, Coal Road, and Asset Forfeiture Funds.

B. Deficit fund balance

At June 30, 2022, no funds had deficit fund balance.

Note 3-Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporations (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.

Note 3-Deposits and Investments: (Continued)

Deposits (continued)

Statutes authorize the County 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).

Credit Risk of Debt Securities

At year end, the County was not exposed to any custodial credit risk for deposits or investments. The County limits deposits to those banks fully collateralized under the Commonwealth's Security for Public Deposits Act. The County policy in regard to investments requires that all investments be held in the County's name.

At June 30, 2022, the County did not have any investments requiring concentration of credit risk disclosures that exceeded 5% of total investments.

At year-end, the Primary Government's and the Component Unit – School Board's deposit and investment balances were as follows:

County's Rated Debt Investments' Values

		Fair Quality Rating	
Rated Debt Investments	Unrated	Aa+f	AAAm
Primary Government:			
Demand and time deposits	$ 8,415,464	$ -	$ -
VML/VACO - Liquidity Pool	-	-	14,688,405
VML/VACO - 1-3 Year High Quality Bond Fund	-	2,655,131	-
Virginia LGIP	-	-	11,070
Total Primary Government	$ 8,415,464	$ 2,655,131	$ 14,699,475
Component Unit - School Board:			
VML/VACO Liquidity Pool	$ -	$ -	$ 1,467,338

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above VML/VACO Pool investments at the net asset value (NAV).

External Investment Pools

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

Note 3-Deposits and Investments: (continued)

Redemption Restrictions

VML/VACO Virginia Investment Pool allows the County to have the option to have access to withdraw funds twice a month, with a five-day period notice. Additionally, funds are available to meet unexpected needs such as fluctuations in revenue sources, one-time outlays (disasters, immediate capital needs, state budget cuts, etc.).

Interest Rate Risk

The County has not adopted an investment policy for interest rate risk and had no investments subject to interest rate risk at June 30, 2022.

Investment Maturities (in years)

Investment Type	Fair Value	Less than 1 Year	1 - 5 Years
Primary Government:			
Demand and time deposits	$ 8,415,464	$ 8,415,464	$ -
VML/VACO - Liquidity Pool	14,688,405	14,688,405	-
VML/VACO - 1-3 Year High Quality Bond Fund	2,655,131	-	2,655,131
Virginia LGIP	11,070	11,070	-
Total Primary Government	$ 25,770,070	$ 23,114,939	$ 2,655,131
Component Unit - School Board:			
VML/VACO - Liquidity Pool	$ 1,467,338	$ 1,467,338	$ -

Note 4-Due from Other Governmental Units:

The following amounts represent receivables from other governments at year-end:

	Primary Government	Component Unit School Board
Local Governments:		
City of Norton - shared expenses reimbursement	$ 332,343	$ -
SWVA Regional Jail - shared expenses reimbursement	680,147	-
Other local governments	69,970	-
Commonwealth of Virginia:		
Communications tax	114,775	-
State sales tax	-	626,067
Local sales tax	694,042	-
Non-categorical aid	134,199	-
Categorical aid - shared expenses	349,442	-
Categorical aid - Virginia Public Assistance funds	278,935	-
Categorical aid - Comprehensive Services Act funds	414,175	-
Categorical aid - other	107,578	-
Federal Government:		
Categorical aid - Virginia Public Assistance funds	422,238	-
Categorical aid - other	72,667	4,281,314
Total Amount due from Other Governmental Units	$ 3,670,511	$ 4,907,381

Note 5-Interfund/Component-Unit Obligations:

Fund	Due to Primary Government/ Component Unit	Due from Primary Government/ Component Unit
Primary Government:		
General Fund	$ -	$ 1,503,935
Component Unit - School Board		
School Operating Fund	$ 1,503,935	$ -

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

Fund	Due To	Due From
Primary Government:		
Major Governmental Funds:		
General Fund	$ -	$ 322,030
Coal Road Fund	-	78,060
Nonmajor Governmental Funds:		
Capital Projects Fund	187,192	-
Enterprise Funds:		
Sewer Fund	212,898	-
Total Primary Government	$ 400,090	$ 400,090

All balances are the results of time lag between dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The County expects all balances to be repaid within one year.

Note 5-Interfund/Component-Unit Obligations: (continued)

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

Fund	Transfers In	Transfers Out
Primary Government:		
Major Governmental Funds:		
General Fund	$ -	$ 3,618,115
Enterprise Funds:		
Sewer Fund	499,827	-
Landfill Fund	3,118,288	-
Total Primary Government	$ 3,618,115	$ 3,618,115
Component Unit - School Board:		
Major Governmental Funds:		
School Operating Fund	$ 781,144	$ 362,000
School Activity Fund	-	781,144
School Capital Projects Fund	362,000	-
Total Component Unit - School Board	$ 1,143,144	$ 1,143,144

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

Note 6-Long-Term Obligations:

Primary Government - Governmental Activities Indebtedness

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

	Beginning Balance	GASB 87 Adjustment	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:					
General Obligation Bonds	$ 44,928,003	$ -	$ -	$ (2,065,000)	$ 42,863,003
Bond Premium	1,765,691	-	-	(226,474)	1,539,217
Lease Revenue Bonds	13,555,000	-	-	(100,000)	13,455,000
Loan payable	2,496,863	-	-	(965,566)	1,531,297
Lease liabilities	-	1,669,074	-	(163,579)	1,505,495
Net Pension Liability	13,852,305	-	7,539,855	(15,231,649)	6,160,511
Net OPEB Liabilities	4,736,324	-	2,102,278	(2,441,310)	4,397,292
Compensated Absences	729,066	-	621,894	(546,800)	804,160
Total	$ 82,063,252	$ 1,669,074	$ 10,264,027	$ (21,740,378)	$ 72,255,975

Note 6-Long-Term Obligations: (continued)

Primary Government - Governmental Activities Indebtedness (continued)

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

Year Ending	Direct Borrowings and Placements		Lease Liabilities	
June 30,	Principal	Interest	Principal	Interest
2023	$ 3,858,371	$ 2,527,910	$ 165,272	$ 14,728
2024	3,556,247	2,417,144	166,982	13,018
2025	3,643,215	2,297,042	168,711	11,289
2026	3,443,941	2,192,509	170,456	9,544
2027	3,545,402	2,101,051	172,221	7,779
2028-2032	16,791,100	9,074,327	661,853	13,147
2033-2037	18,494,223	2,769,567	-	-
2038-2042	6,056,018	262,650	-	-
Totals	$ 59,388,517	$ 23,642,200	$ 1,505,495	$ 69,505

Note 6-Long-Term Obligations: (continued)

Primary Government - Governmental Activities Indebtedness (continued)

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity Date	Installment Amounts	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:							
General Obligation Bonds:							
VPSA General obligation bond	3.67%	11/9/2011	7/15/2036	$1,045,000 - $1,870,000 a+	$ 29,265,000	$ 21,445,000	$ 1,045,000
VPSA General obligation bond	5.10%	5/15/2008	7/15/2028	$310,947 - $368,877 a+	5,834,463	2,373,003	310,947
Refunding bond	2.39-3.54%	5/15/2014	7/15/2036	$680,000 - $855,000 a+	13,910,000	11,545,000	380,000
VPSA QSCB bond	0.00%	12/15/2011	12/1/2030	$300,000 - $1,200,000 a+	15,000,000	7,500,000	835,000
Total GO Bonds						$ 42,863,003	$ 2,570,947
Lease Revenue Bonds:							
Refunding Bond - Series 2019	1.5-5%	10/30/2019	11/1/2039	$100,000 - $2,080,000 a+	$ 13,655,000	$ 13,455,000	$ 100,000
Premiums							
$29,265,000 VPSA GO bond						$ 69,019	$ 52,474
$13,910,000 refunding bond						169,299	32,245
$13,655,000 refunding bond						1,300,899	127,619
Total Premiums						$ 1,539,217	$ 212,338
Loans payable:							
Banc Corp - equipment schedule 1	0.8608%	4/13/2020	4/15/2023	$352,229 sa	$ 2,082,757	$ 700,893	$ 700,893
Banc Corp - equipment schedule 2	0.9460%	4/13/2020	4/15/2025	$140,701 sa	1,371,016	830,404	274,193
Total Loans Payable						$ 1,531,297	$ 975,086
Total Direct Borrowings and Placements						$ 59,388,517	$ 3,858,371
Lease liabilities:							
DSS lease - IDA building*	1.03%	4/1/2021	3/1/2031	$15,000 m	$ 1,709,706	$ 1,505,495	$ 165,272
Other Obligations:							
Net pension liability						$ 6,160,511	$ -
Net OPEB liabilities						4,397,292	-
Compensated absences						804,160	603,120
Total Other Obligations						$ 11,361,963	$ 603,120
Total Long-Term Obligations						$ 72,255,975	$ 4,626,763

(a+) - annual principal installments shown does not include semi-annual interest installments
(sa) - semi-ammual principal and interest installments
(m) - monthly installments
* The lease issue dates are from the onset of the lease agreements. The amounts included in the GASB 87 implementation are as of July 1, 2021, the date of implementation. Original information is included for informational purposes only.

In the event of default on the lease revenue note, the lender may declare the entire unpaid principal and interest on the issuance as due and payable.

Note 6-Long-Term Obligations: (continued)

Primary Government – Business-type Activities Indebtedness

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

	Beginning Balance	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Direct Borrowings and Placements:				
General Obligation Bonds	$ 2,590,000	$ -	$ (545,000)	$ 2,045,000
Bond Premium	163,814	-	(44,650)	119,164
Landfill Closure/ Postclosure Liability	10,326,640	823,467	-	11,150,107
Net Pension Liability	845,776	472,566	(938,685)	379,657
Net OPEB Liabilities	159,717	21,613	(64,531)	116,799
Compensated Absences	121,527	92,855	(91,145)	123,237
Total	$ 14,207,474	$ 1,410,501	$ (1,684,011)	$ 13,933,964

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

Year Ending	Direct Borrowings and Placements	
June 30,	Principal	Interest
2023	$ 601,995	$ 79,185
2024	298,362	59,337
2025	307,402	46,737
2026	311,788	34,335
2027	320,647	18,256
2028	323,970	7,250
Totals	$ 2,164,164	$ 245,100

Note 6-Long-Term Obligations: (continued)

Primary Government – Business-type Activities Indebtedness (continued)

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity Date	Installment Amounts	Amount of Original Issue	Balance Business-Type Activities	Amount Due Within One Year
Direct Borrowings and Placements:							
General Obligation Bonds:							
VRA General obligation bond	2.48%	6/5/2013	4/1/2028	$190,000 - $320,000 a+	$ 3,450,000	$ 1,735,000	$ 255,000
VRA General obligation bond	3.28%	5/25/2010	10/1/2022	$230,000 - $310,000 a+	2,985,000	310,000	310,000
Total GO Bonds						$ 2,045,000	$ 565,000
Premiums:							
$3,450,000 VRA GO bond						$ 116,758	$ 34,589
$2,985,000 VRA GO bond						2,406	2,406
Total Premiums						$ 119,164	$ 36,995
Total Direct Borrowings and Placements						$ 2,164,164	$ 601,995
Other Obligations:							
Landfill closure/postclosure liability						$ 11,150,107	$ -
Net pension liability						379,657	-
Net OPEB liabilities						116,799	-
Compensated absences						123,237	92,428
Total Other Obligations						$ 11,769,800	$ 92,428
Total Long-Term Obligations						$ 13,933,964	$ 694,423

In the event of default on the general obligation bonds, the lender may declare the entire unpaid principal and interest on the issuance as due and payable.

Note 7-Long-Term Obligations-Component Unit School Board:

Discretely Presented Component Unit-School Board-Indebtedness

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

	Beginning Balance	GASB 87 Adjustment	Increases	Decreases	Ending Balance
Lease liabilities	$ -	$ 114,640	$ -	$ (47,585)	$ 67,055
Net pension liability	52,911,129	-	14,576,852	(36,882,298)	30,605,683
Net OPEB liabilities	15,468,278	-	4,242,540	(4,368,658)	15,342,160
Compensated absences	339,115	-	249,243	(254,336)	334,022
Total	$ 68,718,522	$ 114,640	$ 19,068,635	$ (41,552,877)	$ 46,348,920

Note 7-Long-Term Obligations-Component Unit School Board: (continued)

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

Year Ending June 30,	Lease Liabilities Principal	Lease Liabilities Interest
2023	$ 36,498	$ 3,891
2024	17,007	1,956
2025	10,701	882
2026	2,849	48
Totals	$ 67,055	$ 6,777

Details of long-term indebtedness:

	Interest Rates	Date Issued	Final Maturity Date	Installment Amounts	Amount of Original Issue	Total Amount	Amount Due Within One Year
Lease liabilities:							
Hungate -SBO (b13)	1.66%	6/30/2021	3/31/2031	$820 m	$ 47,182	$ 16,961	$ 9,632
Hungate -SBO (b14)	1.66%	6/30/2021	4/14/2024	$207 m	11,931	827	827
Enterprise - VIN 5517	11.47%	6/30/2021	11/14/2022	$391 m	17,770	3,353	3,352
Enterprise - VIN 2031	10.45%	6/30/2021	4/10/2023	$491 m	22,863	4,231	4,231
Enterprise - VIN 9426	10.44%	6/30/2021	4/10/2023	$513 m	23,887	5,819	5,819
Enterprise - VIN 8880	25.56%	6/30/2021	7/10/2023	$450 m	8,386	1,294	1,294
Enterprise - VIN 8881	25.56%	6/30/2021	10/27/2022	$450 m	8,392	1,296	1,295
Enterprise - VIN 8882	25.56%	6/30/2021	10/27/2022	$450 m	8,394	1,296	1,295
Enterprise - VIN 7384	9.32%	6/30/2021	10/27/2022	$547 m	26,146	18,337	5,065
Enterprise - VIN 7384	11.13%	6/30/2021	10/27/2025	$418 m	19,189	13,641	3,688
Total Leases liabilities						$ 67,055	$ 36,498
Net pension liability						$ 30,605,683	$ -
Net OPEB liabilities						15,342,160	-
Compensated absences						334,022	250,517
Total Other Obligations						$ 46,281,865	$ 250,517
Total Long-Term Obligations						$ 46,348,920	$ 287,015

(m) - monthly installments

Note 8-Lease Receivable:

The following is a summary of leases receivable transactions of the County for the year ended June 30, 2022:

	Beginning Balance	GASB 87 Adjustment	Increases/ Issuances	Decreases/ Retirements	Ending Balance
Lease receivable	$ -	$ 200,583	$ -	$ (64,203)	$ 136,380

Note 8-Lease Receivable: (continued)

Details of leases receivable:

Lease Description	Original Issuance Date	End Date	Payment Frequency	Discount Rate	Ending Balnce	Amount Due Within One Year
Health Department Lease*	9/1/2019	2025	Monthly	1.26%	$ 136,380	$ 65,016

* The lease issue dates are from the onset of the lease agreements. The amounts included in the GASB 87 implementation are as of July 1, 2021, the date of implementation. Original information is included for informational purposes only.

Lease revenue total $64,203 during fiscal year 2022 and lease related interest totaled $2,157. There are no variable payments for leases receivable.

Note 9-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. However, several entities whose financial information is not included in the primary government report participate in the VRS plan through Wise County and the participating entities report their proportionate information on the basis of a cost-sharing plan. 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.

Note 9-Pension Plan: (continued)

Benefit Structures (continued)

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

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.

Note 9-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 13.12% 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 $1,649,405 and $1,470,649 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

At June 30, 2022, the County reported a liability of $6,540,168 for its proportionate share of the net pension liability. The County's net pension liability was measured as of June 30, 2021. 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. In order to allocate the net pension liability to all employers included in the plan, the County is required to determine its proportionate share of the net pension liability. Contributions to the plan as of June 30, 2021 and 2020 was used as a basis for allocation to determine the County's proportionate share of the net pension liability. At June 30, 2021 and 2020, the County's proportion was 99.4300% and 98.8143%, respectively.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the Wise County's Retirement Plan and the 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% – 4.75%
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

Note 9-Pension Plan: (continued)

Actuarial Assumptions – General Employees (continued)

Mortality rates: (continued)

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

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

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

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

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

Note 9-Pension Plan: (continued)

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

Mortality rates:

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

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

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

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

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	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 Rates	No change

Note 9-Pension Plan: (continued)

Long-Term Expected Rate of Return

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

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

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

*On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which 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 9-Pension Plan: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 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.

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

The following presents the County's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the County'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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the County Retirement Plan Net Pension Liability (Asset)	$ 15,323,069	$ 6,540,168	$ (695,214)

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

For the year ended June 30, 2022, the County recognized pension expense of $1,164,549. 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.

Note 9-Pension Plan: (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 453,912	$ 530,102
Change in assumptions	1,827,093	
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,926	
Net difference between projected and actual earnings on pension plan investments	-	6,621,832
Employer contributions subsequent to the measurement date	1,649,405	-
Total	$ 4,004,336	$ 7,151,934

$1,649,405 reported as deferred outflows of resources related to pensions resulting from the County'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:

Year ended June 30	Primary Government
2023	$ (439,132)
2024	(863,166)
2025	(1,478,089)
2026	(2,016,616)

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.

Note 9-Pension Plan: (continued)

Component Unit School Board (Nonprofessional)

Additional information related to the plan description, plan contribution requirements, actuarial assumptions, long-term expected rate of return, and discount rate is included in the first section of this note.

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:

	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	185
Inactive members:	
Vested inactive members	9
Non-vested inactive members	19
Inactive members active elsewhere in VRS	14
Total inactive members	42
Active members	59
Total covered employees	286

Contributions

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 20.05% 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 $343,327 and $314,988 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

The net pension liability (NPL) 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 Component Unit School Board's (nonprofessional) net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

Note 9-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

Changes in Net Pension Liability

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	$ 13,166,892	$ 8,694,179	$ 4,472,713
Changes for the year:			
Service cost	$ 130,620	$ -	$ 130,620
Interest	858,313	-	858,313
Change in assumptions	412,819	-	412,819
Differences between expected and actual experience	81,380	-	81,380
Contributions - employer	-	314,844	(314,844)
Contributions - employee	-	78,080	(78,080)
Net investment income	-	2,313,277	(2,313,277)
Benefit payments, including refunds of employee contributions	(902,281)	(902,281)	-
Administrative expenses	-	(6,085)	6,085
Other changes	-	215	(215)
Net changes	$ 580,851	$ 1,798,050	$ (1,217,199)
Balances at June 30, 2021	$ 13,747,743	$ 10,492,229	$ 3,255,514

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	$ 4,731,742	$ 3,255,514	$ 2,009,721

Note 9-Pension Plan: (continued)

Component Unit School Board (Nonprofessional) (continued)

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

For the year ended June 30, 2022, the Component Unit School Board (nonprofessional) recognized pension expense of $360,392. At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,833	$ -
Change in assumptions	115,827	-
Net difference between projected and actual earnings on pension plan investments	-	1,133,162
Employer contributions subsequent to the measurement date	343,327	-
Total	$ 481,987	$ 1,133,162

$343,327 reported as deferred outflows of resources related to pensions resulting from the Component Unit School Board's (nonprofessional) 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:

Year ended June 30	Component Unit School Board (Nonprofessional)
2023	$ (125,869)
2024	(256,702)
2025	(263,170)
2026	(348,761)

Note 9-Pension Plan: (continued)

Component Unit School Board (Professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information regarding the plan description 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, 2021 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 Board were $5,363,095 and $4,984,281 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 $27,350,169 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 0.3523% as compared to 0.3328% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of $(81,096). 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.

Note 9-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

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

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

	Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,329,522
Change in assumptions	4,791,678	-
Net difference between projected and actual earnings on pension plan investments	-	17,235,344
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,721,479	1,499,824
Employer contributions subsequent to the measurement date	5,363,095	-
Total	$ 12,876,252	$ 21,064,690

$5,363,095 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:

Year ended June 30	Component Unit School Board (Professional)
2023	$ (3,618,954)
2024	(2,696,759)
2025	(2,902,363)
2026	(4,343,312)
2027	9,855

Note 9-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions

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

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

Mortality rates:

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

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

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

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

Note 9-Pension Plan: (continued)

Component Unit School Board (Professional) (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 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.

Note 9-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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	$ 52,784,344	$ 27,350,169	$ 6,427,162

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	$ 4,004,336	$ 7,151,934	$ 6,540,168	$ 1,164,549	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	481,987	1,133,162	3,255,514	360,392
School Board Professional	-	-	-	-	12,876,252	21,064,690	27,350,169	(81,096)
Totals	$ 4,004,336	$ 7,151,934	$ 6,540,168	$ 1,164,549	$ 13,358,239	$ 22,197,852	$ 30,605,683	$ 279,296

Note 10-Capital Assets:

Capital asset activity for the year ended June 30, 2022 was as follows:

Primary Government:

	Beginning Balance	GASB 87 Adjustment	Increases	Decreases	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 2,195,643	$ -	$ -	$ -	$ 2,195,643
Capital assets, being depreciated:					
Buildings and improvements	$ 91,990,819	$ -	$ 13,211	$ -	$ 92,004,030
Machinery and equipment	10,595,782	-	467,810	(233,045)	10,830,547
Total capital assets being depreciated	$ 102,586,601	$ -	$ 481,021	$ (233,045)	$ 102,834,577
Accumulated depreciation:					
Buildings and improvements	$ (30,582,789)	$ -	$ (1,808,818)	$ -	$ (32,391,607)
Machinery and equipment	(6,422,606)	-	(1,141,433)	233,045	(7,330,994)
Total accumulated depreciation	$ (37,005,395)	$ -	$ (2,950,251)	$ 233,045	$ (39,722,601)
Total capital assets being depreciated, net	$ 65,581,206	$ -	$ (2,469,230)	$ -	$ 63,111,976
Intangible right-to-use lease assets:					
Lease buildings and improvements	$ -	$ 1,669,074	$ -	$ -	$ 1,669,074
Less accumulated amortization	-	-	(171,079)	-	(171,079)
Net intangible right-to-use-assets	$ -	$ 1,669,074	$ (171,079)	$ -	$ 1,497,995
Governmental activities capital assets, net	$ 67,776,849	$ 1,669,074	$ (2,640,309)	$ -	$ 66,805,614

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 314,816	$ -	$ -	$ 314,816
Total capital assets not being depreciated	$ 314,816	$ -	$ -	$ 314,816
Capital assets, being depreciated:				
Infrastructure	$ 15,749,016	$ -	$ -	$ 15,749,016
Machinery and equipment	5,690,968	-	-	5,690,968
Total capital assets being depreciated	$ 21,439,984	$ -	$ -	$ 21,439,984
Accumulated depreciation:				
Infrastructure	$ (8,062,455)	$ (366,789)	$ -	$ (8,429,244)
Machinery and equipment	(5,374,273)	(122,787)	-	(5,497,060)
Total accumulated depreciation	$ (13,436,728)	$ (489,576)	$ -	$ (13,926,304)
Total capital assets being depreciated, net	$ 8,003,256	$ (489,576)	$ -	$ 7,513,680
Business-type Activities capital assets, net	$ 8,318,072	$ (489,576)	$ -	$ 7,828,496

Note 10-Capital Assets: (continued)

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

Governmental activities:	
General governmental administration	$ 135,966
Judicial administration	41,340
Public safety	1,024,900
Public works	327,088
Health and welfare	242,709
Education	1,305,525
Parks, recreation, and cultural	43,802
Total depreciation expense - governmental activities	$ 3,121,330
Business-type activities:	
Public works	$ 489,576

Business-type Other Assets:

The Sewer Enterprise Fund contains a balance of $398,750 in Other Assets. This amount is for a connectivity fee with the City of Norton for the flow of wastewater. This agreement states that a fee of $550,000 is for a forty year period and will be amortized over that period. Amortization in fiscal year 2022 was $13,750 and accumulated amortization as of June 30, 2022 amounted to $151,250.

Note 10-Capital Assets: (continued)

Capital asset activity for the School Board for the year ended June 30, 2022 was as follows:

Discretely Presented Component Unit:

	Beginning Balance	GASB 87 Adjustment	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	$ 2,003,463	$ -	$ -	$ -	$ 2,003,463
Construction in progress	110,151	-	3,436,349	(656,055)	2,890,445
Total capital assets not being depreciated	$ 2,113,614	$ -	$ 3,436,349	$ (656,055)	$ 4,893,908
Capital assets, being depreciated:					
Buildings and improvements	$ 64,533,613	$ -	$ 770,693	$ -	$ 65,304,306
Machinery and equipment	13,909,068	-	2,394,115	-	16,303,183
Total capital assets being depreciated	$ 78,442,681	$ -	$ 3,164,808	$ -	$ 81,607,489
Accumulated depreciation:					
Buildings and improvements	$ (40,606,348)	$ -	$ (1,648,917)	$ -	$ (42,255,265)
Machinery and equipment	(10,627,282)	-	(646,963)	-	(11,274,245)
Total accumulated depreciation	$ (51,233,630)	$ -	$ (2,295,880)	$ -	$ (53,529,510)
Total capital assets being depreciated, net	$ 27,209,051	$ -	$ 868,928	$ -	$ 28,077,979
Intangible right-to-use lease assets:					
Lease machinery and equipment	$ -	$ 114,640	$ -	$ -	$ 114,640
Less accumulated amortization	-	-	(48,925)	-	(48,925)
Net intangible right-to-use-assets	$ -	$ 114,640	$ (48,925)	$ -	$ 65,715
School board capital assets, net	$ 29,322,665	$ 114,640	$ 4,256,352	$ (656,055)	$ 33,037,602

Note 11-Risk Management:

The County and its Component Unit – School Board are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County participates with other localities in a public entity risk pool for their coverage of general liability, property, crime and auto insurance with the Virginia Association of Counties Risk Pool. Each member of each of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The County pays the Risk Pool contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available excess insurance, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. The County and its Component Unit – School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12-Surety Bonds:

Primary Government:

Constitutional Officer Risk Management Plan - Surety:		
Jack Kennedy, Clerk of the Circuit Court	$	500,000
Delores W. Smith, Treasurer		500,000
Douglas Mullins, Jr., Commissioner of the Revenue		3,000
Grant Kilgore, Sheriff		30,000
Travelers Casualty & Surety Co:		
Public Officials Bond - Board of Supervisors	$	3,000
United States Fidelity and Guaranty Company Surety:		
Greg Mullins, Superintendent of Schools	$	10,000
Fidelity & Deposit Company of Maryland-Surety:		
Judy Durham, Clerk of the School Board	$	10,000
Elizabeth Shupe, Deputy Clerk of the School Board		10,000
All School Board Employees: Blanket Bond		5,000
All Social Services Employees: Blanket Bond		100,000

Note 13-Landfill Closure and Post-closure Care Cost:

According to laws and regulations the County must perform closure and post-closure care to the Landfill as specified in Part V, Section 5.1.E of the Virginia Solid Waste Management Regulations (VR 672-20-10). The regulations require the County to close its facility in a manner that minimizes the need for further maintenance and controls, minimizes or eliminates the post-closure escape of uncontrolled leachate, surface runoff, decomposition gas, migration or waste decomposition products to the groundwater, surface water or to the atmosphere. The regulations also require that the County conduct post-closure care for ten years after the date of completing closure or for as long as leachate is generated, whichever is later.

The total estimated closure and post-closure care costs for the County's landfill operation is $19,164,246. The accrued liability for these costs reported as of June 30, 2022 is based on the capacity of the landfill used to date. The landfill capacity used at year end is approximately 58.18% and the remaining life of the landfill is approximately 24 years. The remaining cost to be accrued in the future is as follows:

Total Estimated Liability	$	19,164,246
Accrued Liability of June 30, 2022		11,150,107
Total Closure and Postclosure Care Costs Remaining to be Recognized	$	8,014,139

It should be noted that the total estimated liability for the closure and post-closure care costs is only an estimate based on current projections. The estimates are reviewed by our engineer, Thompson & Litton, on an annual basis. Inflation factors are provided by the Department of Environmental Quality to apply to the estimates. Uncontrollable factors such as inflation, changes in technology, and changes in applicable laws and regulations may affect these projections.

Note 13-Landfill Closure and Postclosure Care Cost: (continued)

The County demonstrated financial assurance requirements for closure and post-closure costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with 9 VAC 20-70-10 of the Virginia Administrative Code. The regulation requires local government owners and operators to maintain a financial mechanism, or combination of mechanisms, demonstrating assurance for the closure, post-closure care, and, if applicable, corrective actions costs associated with their owned and operated solid waste facilities. The County has fulfilled the requirements as set forth in the financial ratio test mechanism.

The County has a reserve fund designated for the purpose of landfill closure. The closure and post closure costs are being funded by an annual transfer from the general fund to this fund. As of June 30, 2022, the County has a balance of $8,404,463 in this fund which is the aggregate funding to date including interest earned.

Note 14-Deferred/Unavailable Revenue:

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Long-term portion of opioid settlement receivable that is not available for funding of current expenditures	$ -	$ 1,984,285
Taxes receivable-2nd half installment	17,281,166	17,281,166
Prepaid taxes	1,864,148	1,864,148
Delinquent taxes receivable due prior to June 30 not collected within 60 days	-	2,159,954
Total property taxes	$ 19,145,314	$ 21,305,268
Total	$ 19,145,314	$ 23,289,553

Note 15-Commitments and Contingencies:

Contingent Liabilities:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirement 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.

Note 15-Commitments and Contingencies: (continued)

The School Board had the following commitments:

Project	Contract Amount	Contract Amount Outstanding at Year End	Accounts and Retainage Payable
Union Primary School Addition	$ 3,386,700	$ 2,887,094	$ 285,786
Re-roofing at Coeburn Middle School	965,000	411,378	27,681
St. Paul Renovations	270,924	43,178	160,014
HVAC System Renovations	4,479,722	3,182,462	320,964

Note 16-Other Postemployment Benefits-Health Insurance:

The County and School Board each administer a single-employer defined benefit healthcare plan. The plans provide postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's and School Board's pension plans. The plans do not issue a publicly available financial report.

Benefits Provided

The Wise and Wise School Board Post-Retirement Medical Plans (the Plans) are single-employer defined benefit healthcare plans administered by the County and School Board. The Plans provide health insurance benefits to eligible retirees and their spouses. To be eligible, employees must meet the age and service criteria for immediate retirement benefits under VRS, which requires that the employee be age 50 with 10 years of service or permanently, totally disabled and injured in the line of duty. Additionally, the employee must be of full-time status in VRS and must be covered by the active plan at the time of retirement or disability. The benefit provisions, including employer and employee contributions, are governed by the County and School Board and can be amended through County and School Board action, respectively.

Plan Membership

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

	County	School Board
Total active employees with coverage	241	496
Total active employees without coverage	48	245
Total retirees with coverage	24	19
	313	760

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 Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2022 was $87,704 and $311,511, respectively.

Total OPEB Liability

The County and School Board's total OPEB liabilities were measured as of June 30, 2022 and are based on an actuarial valuation date of July 1, 2021 projected to June 30, 2022 on a "no loss/no gain" basis.

Note 16-Other Postemployment Benefits-Health Insurance: (continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Percentage of Salary
Healthcare Cost Trend Rates	Medical rates start at 7.50% and decrease by varying amounts to an ultimate rate of 4.50%
Salary Increases	3.50%
Discount Rate	4.09%
Inflation	2.50%

Mortality rates use SOA Pub-2010 General, Public Safety, Contingent Survivor, Teacher, as applicable, Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on July 1, 2021 with results actuarially projected on a “no gain/no loss” basis to get to the June 30, 2022 measurement date. Liabilities as of June 30, 2022 are based on an actuarial valuation date of July 1, 2021.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the S%P Municipal Bond 20 Year High Grade Rate Index. The final equivalent single discount rate used for this year’s valuation is 2.19% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in the Total OPEB Liability

	County	School Board
Balances at June 30, 2021	$ 1,843,861	$ 8,648,739
Changes for the year:		
Service cost	$ 118,365	$ 696,441
Interest cost	42,018	201,267
Difference between expected and actual experience	(165,426)	1,326,218
Changes in assumptions	(267,337)	(1,549,796)
Benefit payments	(87,704)	(311,511)
Net changes	$ (360,084)	$ 362,619
Balances at June 30, 2022	$ 1,483,777	$ 9,011,358

Note 16-Other Postemployment Benefits-Health Insurance: (continued)

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 (3.09%) or one percentage point higher (5.09%) than the current discount rate:

Primary Government			Component Unit School Board		
Rate			Rate		
1% Decrease (3.09%)	Current Discount (4.09%)	1% Increase (5.09%)	1% Decrease (3.09%)	Current Discount (4.09%)	1% Increase (5.09%)
$ 1,611,289	$ 1,483,777	$ 1,368,893	$ 9,735,286	$ 9,011,358	$ 8,326,690

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

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

Primary Government			Component Unit School Board		
Rate			Rate		
1% Decrease	Current Trend	1% Increase	1% Decrease	Current Trend	1% Increase
$ 1,413,581	$ 1,483,777	$ 1,568,009	$ 7,963,126	$ 9,011,358	$ 10,238,432

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 $13,974 and $683,632, respectively. At June 30, 2022, the County and School Board reported the following deferred outflows of resources and deferred inflows of resources related to OPEB:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resouces	Deferred Inflows of Resources	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,611	$ 606,231	$ 1,160,441	$ 1,661,596
Changes in assumptions	210,389	225,413	909,811	1,360,768
Total	$ 239,000	$ 831,644	$ 2,070,252	$ 3,022,364

Note 16-Other Postemployment Benefits-Health Insurance: (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board
2022	$ (146,409)	$ (214,073)
2023	(146,409)	(149,055)
2024	(105,029)	(153,682)
2025	(105,029)	(135,786)
2026	(89,768)	(135,786)
Thereafter	-	(163,730)

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

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

Plan Description

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

Plan Description (continued)

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 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. The amount is increased annually based on the VRS Plan 2 cost-of-living 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 $71,051 and $63,003 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (non-professional) were $9,613 and $8,807 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the Group Life Insurance Plan from the Component Unit-School Board (professional) were $178,693 and $165,595 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the County reported a liability of $658,000 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2022, the Component Unit-School Board (nonprofessional) reported a liability of $91,977 for its proportionate share of the Net GLI OPEB Liability.

At June 30, 2022, the Component Unit-School Board (professional) reported a liability of $1,729,292 for its proportionate share of the Net GLI OPEB Liability.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Program 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 County's proportion was 0.05648% as compared to 0.05553% at June 30, 2020.

At June 30, 2021, the Component Unit-School Board (nonprofessional) proportion was 0.00790% as compared to 0.00780% at June 30, 2020.

At June 30, 2021, the Component Unit-School Board (professional) proportion was 0.14850% as compared to 0.13940% at June 30, 2020.

For the year ended June 30, 2022, the County recognized GLI OPEB expense of $20,060. 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.

For the year ended June 30, 2022, the Component-Unit School Board (nonprofessional) recognized GLI OPEB expense of $411. 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.

For the year ended June 30, 2022, the Component-Unit School Board (professional) recognized GLI OPEB expense of $46,927. 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:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 75,046	$ 5,013
Net difference between projected and actual earnings on GLI OPEB program investments	-	157,051
Change in assumptions	36,275	90,028
Changes in proportionate share	15,920	25,821
Employer contributions subsequent to the measurement date	71,051	-
Total	$ 198,292	$ 277,913

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

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

	Component Unit School Board (Nonprofessional)		Component Unit School Board (Professional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,490	$ 701	$ 197,232	$ 13,176
Net difference between projected and actual earnings on GLI OPEB program investments	-	21,953	-	412,745
Change in assumptions	5,071	12,584	95,335	236,604
Changes in proportionate share	2,322	8,488	157,351	131,284
Employer contributions subsequent to the measurement date	9,613	-	178,693	-
Total	$ 27,496	$ 43,726	$ 628,611	$ 793,809

$71,051, $9,613, and $178,693 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's, Component-Unit School Board (nonprofessional), and Component-Unit School Board (professional), respectively, 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:

Year Ended June 30	Primary Government	Component Unit-School Board (Non-professional)	Component Unit-School Board (Professional)
2023	$ (39,313)	$ (7,889)	$ (109,111)
2024	(28,694)	(6,003)	(78,054)
2025	(27,256)	(3,980)	(47,789)
2026	(48,026)	(6,771)	(105,871)
2027	(7,383)	(1,200)	(3,066)

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

Mortality Rates – Teachers (continued)

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

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

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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

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

The actuarial assumptions used in the June 30, 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

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (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 GLI Plan represents the plan’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2021, NOL amounts for the 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
GLI Net OPEB Liability (Asset)	$	1,164,272
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.

Note 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

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

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

*On October 10, 2019, the VRS Board elected a long-term rate of 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 17-Group Life Insurance (GLI) Plan (OPEB Plan): (continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Proportionate share of the GLI Plan Net OPEB Liability:			
County	$ 961,362	$ 658,000	$ 413,021
Component Unit-School Board (Nonprofessional)	$ 134,382	$ 91,977	$ 57,733
Component Unit-School Board (Professional)	$ 2,526,558	$ 1,729,292	$ 1,085,463

GLI Program Fiduciary Net Position

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan):

Component Unit School Board – Nonprofessional

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.

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (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:

	Number
Inactive members or their beneficiaries currently receiving benefits	43
Inactive members:	
Vested inactive members	1
Total inactive members	44
Active members	59
Total covered employees	103

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 (Nonprofessional)'s contractually required employer contribution rate for the year ended June 30, 2022 was 0.53% 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 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 (Nonprofessional) to the HIC Plan were $9,435 and $8,611 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

Net HIC OPEB Liability

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (continued)

Actuarial Assumptions

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

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

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

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

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

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

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

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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (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

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (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 Investement Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

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

*On October 10, 2019, the VRS Board elected a long-term rate of 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 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (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	$ 257,139	$ 163,841	$ 93,298
Changes for the year:			
Service cost	$ 2,354	$ -	$ 2,354
Interest	16,370	-	16,370
Differences between expected and actual experience	(5,954)	-	(5,954)
Assumption changes	3,585	-	3,585
Contributions - employer	-	8,611	(8,611)
Net investment income	-	40,009	(40,009)
Benefit payments	(29,225)	(29,225)	-
Administrative expenses	-	(420)	420
Net changes	$ (12,870)	$ 18,975	$ (31,845)
Balances at June 30, 2021	$ 244,269	$ 182,816	$ 61,453

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (continued)

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

The following presents the School Board (Nonprofessional)'s HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the School Board (Nonprofessional)'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:

	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board (Nonprofessional)'s Net HIC OPEB Liability	$ 83,716	$ 61,453	$ 42,188

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

For the year ended June 30, 2022, the School Board (Nonprofessional) recognized Health Insurance Credit Plan OPEB expense of $6,380. At June 30, 2022, the School Board (Nonprofessional) 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	$ 2,625	$ 5,860
Net difference between projected and actual earnings on HIC OPEB plan investments	-	18,460
Change in assumptions	3,868	-
Employer contributions subsequent to the measurement date	9,435	-
Total	$ 15,928	$ 24,320

$9,435 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board (Nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ (3,421)
2024	(3,661)
2025	(4,813)
2026	(5,932)

Note 18-Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Component Unit School Board – Nonprofessional (continued)

HIC Program Plan Data

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were $400,405 and $370,861 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of $4,448,080 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee Health Insurance Credit Plan was 0.34654% as compared to 0.32720% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC OPEB expense of $321,827. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 77,619
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	58,595
Change in assumptions	120,240	17,877
Change in proportionate share	299,240	294,273
Employer contributions subsequent to the measurement date	400,405	-
Total	$ 819,885	$ 448,364

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

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

$400,405 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:

Year Ended June 30		
2023	$	(45,876)
2024		(46,541)
2025		(30,652)
2026		12,699
2027		41,943
Thereafter		39,543

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Actuarial Assumptions (continued)

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

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

	Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$ 1,477,874
Plan Fiduciary Net Position	194,305
Teacher Employee net HIC OPEB Liability (Asset)	$ 1,283,569
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.

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Long-Term Expected Rate of Return

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

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

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

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

Note 19-Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (continued)

Discount Rate

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

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

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

		Rate	
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 5,007,305	$ 4,448,080	$ 3,974,842

Teacher Employee HIC OPEB Fiduciary Net Position

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

Note 20—Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program. This is a cost-sharing multiple-employer plan administered by the System. Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2022 was $722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were $80,926 and $74,063 for the years ended June 30, 2022 and June 30, 2021, respectively.

Note 20—Line of Duty Act (LODA) Program: (continued)

LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB

At June 30, 2022, the entity reported a liability of $2,372,314 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2021 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2021, the entity's proportion was 0.53800% as compared to 0.50760% at June 30, 2020.

For the year ended June 30, 2022, the entity recognized LODA OPEB expense of $247,966. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 197,787	$ 359,189
Net difference between projected and actual earnings on LODA OPEB program investments	-	13,737
Change in assumptions	656,498	113,479
Change in proportionate share	205,606	2,987
Employer contributions subsequent to the measurement date	80,926	-
Total	$ 1,140,817	$ 489,392

$80,926 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA 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 LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ 84,010
2024	84,642
2025	84,828
2026	85,025
2027	76,710
Thereafter	155,284

Note 20—Line of Duty Act (LODA) Program: (continued)

Actuarial Assumptions

The total LODA 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 as noted below. 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:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16% including inflation*

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return.

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety 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

Note 20—Line of Duty Act (LODA) Program: (continued)

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety 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. Changes to the actuarial assumptions as a result of the experience study 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

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program 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 LODA Program are as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	$ 448,542
Plan Fiduciary Net Position	7,553
LODA Net OPEB Liability (Asset)	$ 440,989
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.68%

The total LODA 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 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.

Note 20—Line of Duty Act (LODA) Program: (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.16%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	Discount Rate		
	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
County's proportionate share of the LODA Net OPEB Liability	$ 2,729,031	$ 2,372,314	$ 2,088,873

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

Note 20—Line of Duty Act (LODA) Program: (continued)

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate (continued)

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
County's proportionate share of the total LODA Net OPEB Liability	$ 1,946,544	$ 2,372,314	$ 2,918,239

LODA OPEB Fiduciary Net Position

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

Note 21-Aggregate OPEB Information:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan:								
County	$ 198,292	$ 277,913	$ 658,000	$ 20,060	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	27,496	43,726	91,977	411
School Board Professional	-	-	-	-	628,611	793,809	1,729,292	46,927
Teacher Health Insurance Credit Plan	-	-	-	-	819,885	448,364	4,448,080	321,827
Health Insurance Credit Plan	-	-	-	-	15,928	24,320	61,453	6,380
Line of Duty Act Program	1,140,817	489,392	2,372,314	247,966	-	-	-	-
County Stand-Alone Plan	239,000	831,644	1,483,777	13,974	-	-	-	-
School Stand-Alone Plan	-	-	-	-	2,070,252	3,022,364	9,011,358	683,632
Totals	$ 1,578,109	$ 1,598,949	$ 4,514,091	$ 282,000	$ 3,562,172	$ 4,332,583	$ 15,342,160	$ 1,059,177

Note 22-Litigation:

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

Note 23-Concentration Risk:

Historically, the County has relied on taxes generated by the Coal Industry. Direct taxes remitted from same include coal and gas severance and machinery and tools taxes. In the past five years, general fund net revenue generated from these sources has declined significantly. This decline in revenue has occurred due to changes in environmental policies of the United States Government. The County does not anticipate significant changes in these policies to occur in the near term. As such, the County does not anticipate continued reliance on the aforementioned revenues. In addition, the County anticipates that other revenue sources will be negatively impacted by a shrinking coal economy; however, estimates (projections) of these declines are not readily available. To date, the County has not identified alternative sources of revenue to maintain historical budget levels.

Note 24-COVID-19 Pandemic Funding Subsequent Event:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2023.

ARPA Funding

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

On May 20, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of $5,573,217 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

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

Note 25-Adoption of Accounting Principle:

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.

	Governmental Activities	General Fund	Component Unit - School Board
Lesse activity:			
Lease assets	$ 1,669,074	$ -	$ 114,640
Lease liabilities	$ (1,669,074)	$ -	$ (114,640)
Lessor activity:			
Lease receivable	$ 200,583	$ 200,583	$ -
Deferred inflows of resources - lease	$ (200,583)	$ (200,583)	$ -

Note 26—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.

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.

Required Supplementary Information

Exhibit 12

County of Wise, Virginia
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
	Original	Final	Actual Amounts	(Negative)
REVENUES				
General property taxes	$ 28,879,832	$ 28,892,697	$ 29,097,418	$ 204,721
Other local taxes	4,554,392	4,554,392	5,221,331	666,939
Permits, privilege fees, and regulatory licenses	38,160	38,160	33,660	(4,500)
Fines and forfeitures	168,041	168,041	75,218	(92,823)
Revenue from the use of money and property	123,000	123,000	40,319	(82,681)
Charges for services	40,343	40,343	38,301	(2,042)
Miscellaneous	139,932	212,792	229,126	16,334
Recovered costs	1,423,586	1,450,878	1,193,163	(257,715)
Intergovernmental:				
Commonwealth	13,300,992	13,917,973	14,143,172	225,199
Federal	6,927,882	7,164,005	8,224,627	1,060,622
Total revenues	$ 55,596,160	$ 56,562,281	$ 58,296,335	$ 1,734,054
EXPENDITURES				
Current:				
General government administration	$ 4,044,539	$ 4,075,543	$ 3,952,634	$ 122,909
Judicial administration	4,186,480	4,376,498	4,215,062	161,436
Public safety	12,513,881	13,409,705	11,715,279	1,694,426
Public works	1,175,001	1,229,601	1,108,595	121,006
Health and welfare	13,574,612	13,810,736	13,720,918	89,818
Education	16,177,984	16,177,984	16,322,566	(144,582)
Parks, recreation, and cultural	949,292	974,042	968,288	5,754
Community development	533,229	2,429,265	1,991,314	437,951
Nondepartmental	1,554,602	1,554,602	168,656	1,385,946
Capital projects	-	-	161,272	(161,272)
Debt service:				
Principal retirement	897,251	897,251	1,129,145	(231,894)
Interest and other fiscal charges	18,857	18,857	36,714	(17,857)
Total expenditures	$ 55,625,728	$ 58,954,084	$ 55,490,443	$ 3,463,641
Excess (deficiency) of revenues over (under) expenditures	$ (29,568)	$ (2,391,803)	$ 2,805,892	$ 5,197,695
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 192,900	$ 192,900	$ -	$ (192,900)
Transfers out	(4,601,703)	(4,601,703)	(3,618,115)	983,588
Total other financing sources (uses)	$ (4,408,803)	$ (4,408,803)	$ (3,618,115)	$ 790,688
Net change in fund balances	$ (4,438,371)	$ (6,800,606)	$ (812,223)	$ 5,988,383
Fund balances - beginning	4,438,371	6,800,606	24,818,213	18,017,607
Fund balances - ending	$ -	$ -	$ 24,005,990	$ 24,005,990

County of Wise, Virginia
Special Revenue Fund - Coal Road Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other local taxes	$ -	$ -	$ 826,299	$ 826,299
Revenue from the use of money and property	-	-	9,801	9,801
Total revenues	$ -	$ -	$ 836,100	$ 836,100
EXPENDITURES				
Current:				
Public works	$ 250,000	$ 250,000	$ 33,297	$ 216,703
Community development	406,750	406,750	491,807	(85,057)
Total expenditures	$ 656,750	$ 656,750	$ 525,104	$ 131,646
Excess (deficiency) of revenues over (under) expenditures	$ (656,750)	$ (656,750)	$ 310,996	$ 967,746
Net change in fund balances	$ (656,750)	$ (656,750)	$ 310,996	$ 967,746
Fund balances - beginning	656,750	656,750	3,176,533	2,519,783
Fund balances - ending	$ -	$ -	$ 3,487,529	$ 3,487,529

Exhibit 14

County of Wise, Virginia
Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)
Primary Government and Component Unit School Board (professional)
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (NPLA) (2)	Employer's Proportionate Share of the NPLA (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the NPLA as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset) (6)
Primary Government - County Retirement Plan (A)					
2021	99.4300%	$ 6,540,168	$ 11,667,036	56.06%	90.37%
2020	98.8143%	14,698,081	11,450,820	128.36%	76.94%
2019	98.6242%	10,968,718	10,794,432	101.61%	81.90%
2018	98.8547%	9,146,168	10,917,731	83.77%	84.11%
2017	98.8547%	8,641,811	10,346,115	83.53%	84.34%
2016	99.1244%	12,283,747	10,456,826	117.47%	77.87%
2015	99.2317%	9,438,135	10,518,844	89.73%	82.24%
Component Unit School Board (professional)					
2021	0.3523%	$ 27,350,169	$ 30,648,076	89.24%	85.46%
2020	0.3328%	48,438,416	28,684,823	168.86%	71.47%
2019	0.3363%	44,253,727	27,789,528	159.25%	73.51%
2018	0.3250%	38,222,000	25,921,458	147.45%	74.81%
2017	0.3509%	43,158,000	27,395,796	157.54%	72.92%
2016	0.3689%	51,696,000	28,122,127	183.83%	68.28%
2015	0.3846%	48,405,000	28,625,391	169.10%	70.68%
2014	0.4036%	48,771,000	29,497,431	165.34%	70.88%

(A) During fiscal year 2016, the County's presentation was changed to a cost-sharing presentation. Information prior to this period is not available.

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 15

County of Wise, Virginia
Schedule of Changes in Net Pension Liability 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	2017	2016	2015	2014
Total pension liability								
Service cost	$ 130,620	$ 135,207	$ 128,781	$ 135,411	$ 144,679	$ 150,120	$ 158,445	$ 153,753
Interest	858,313	853,794	869,715	841,768	838,566	863,535	854,409	840,738
Differences between expected and actual experience	81,380	19,528	313,383	234,486	(148,415)	(573,018)	(46,397)	-
Changes in assumptions	412,819	-	(187,100)	-	3,628	-	-	-
Benefit payments, including refunds of employee contributions	(902,281)	(980,872)	(820,095)	(804,736)	(780,696)	(813,973)	(858,196)	(740,191)
Net change in total pension liability	$ 580,851	$ 27,657	$ 304,684	$ 406,929	$ 57,762	$ (373,336)	$ 108,261	$ 254,300
Total pension liability - beginning	13,166,892	13,139,235	12,834,551	12,427,622	12,369,860	12,743,196	12,634,935	12,380,635
Total pension liability - ending (a)	$ 13,747,743	$ 13,166,892	$ 13,139,235	$ 12,834,551	$ 12,427,622	$ 12,369,860	$ 12,743,196	$ 12,634,935
Plan fiduciary net position								
Contributions - employer	$ 314,844	$ 303,541	$ 293,796	$ 248,631	$ 267,012	$ 262,641	$ 272,831	$ 205,764
Contributions - employee	78,080	76,187	74,964	72,079	77,810	79,498	83,286	84,864
Net investment income	2,313,277	168,053	582,288	642,004	985,712	139,335	385,024	1,226,210
Benefit payments, including refunds of employee contributions	(902,281)	(980,872)	(820,095)	(804,736)	(780,696)	(813,973)	(858,196)	(740,191)
Administrative expense	(6,085)	(6,181)	(6,110)	(5,825)	(5,994)	(5,576)	(5,702)	(6,930)
Other	215	(196)	(365)	(559)	(866)	(61)	(80)	65
Net change in plan fiduciary net position	$ 1,798,050	$ (439,468)	$ 124,478	$ 151,594	$ 542,978	$ (338,136)	$ (122,837)	$ 769,782
Plan fiduciary net position - beginning	8,694,179	9,133,647	9,009,169	8,857,575	8,314,597	8,652,733	8,775,570	8,005,788
Plan fiduciary net position - ending (b)	$ 10,492,229	$ 8,694,179	$ 9,133,647	$ 9,009,169	$ 8,857,575	$ 8,314,597	$ 8,652,733	$ 8,775,570
School Division's net pension liability - ending (a) - (b)	$ 3,255,514	$ 4,472,713	$ 4,005,588	$ 3,825,382	$ 3,570,047	$ 4,055,263	$ 4,090,463	$ 3,859,365
Plan fiduciary net position as a percentage of the total pension liability	76.32%	66.03%	69.51%	70.19%	71.27%	67.22%	67.90%	69.45%
Covered payroll	$ 1,624,655	$ 1,609,045	$ 1,542,918	$ 1,479,309	$ 1,584,431	$ 1,629,068	$ 1,669,474	$ 1,700,246
School Division's net pension liability as a percentage of covered payroll	200.38%	277.97%	259.61%	258.59%	225.32%	248.93%	245.02%	226.99%

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 16

County of Wise, Virginia
Schedule of Employer Contributions
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 Employee Payroll (4)	Contributions as a % of Covered Employee Payroll (5)
Primary Government					
2022	$ 1,649,405	$ 1,649,405	$ -	$ 13,212,516	12.48%
2021	1,470,649	1,470,649	-	11,667,036	12.61%
2020	1,231,295	1,231,295	-	11,450,820	10.75%
2019	1,175,304	1,175,304	-	10,794,432	10.89%
2018	1,207,506	1,053,722	153,784	10,917,731	9.65%
2017	1,151,234	1,007,941	143,293	10,346,115	9.74%
2016	1,329,063	1,072,374	256,689	10,456,826	10.26%
2015	1,336,945	1,069,766	267,179	10,518,844	10.17%
2014	1,130,659	791,968	338,691	10,140,435	7.81%
2013	1,054,605	738,696	315,909	9,458,338	7.81%
Component Unit School Board (nonprofessional)					
2022	$ 343,327	$ 343,327	$ -	$ 1,780,105	19.29%
2021	314,988	314,988	-	1,624,655	19.39%
2020	303,640	303,640	-	1,609,045	18.87%
2019	293,796	293,796	-	1,542,918	19.04%
2018	248,630	248,630	-	1,479,309	16.81%
2017	267,012	267,012	-	1,584,431	16.85%
2016	331,027	264,897	66,130	1,629,068	16.26%
2015	339,237	272,831	66,406	1,669,474	16.34%
2014	275,950	205,764	70,186	1,700,246	12.10%
2013	271,233	202,380	68,853	1,671,183	12.11%
Component Unit School Board (professional)					
2022	$ 5,363,095	$ 5,363,095	$ -	$ 33,107,004	16.20%
2021	4,984,281	4,984,281	-	30,648,076	16.26%
2020	4,423,004	4,423,004	-	28,684,823	15.42%
2019	4,309,619	4,309,619	-	27,789,528	15.51%
2018	4,203,485	4,203,485	-	25,921,458	16.22%
2017	3,994,553	3,994,553	-	27,395,796	14.58%
2016	3,943,479	3,943,479	-	28,122,127	14.02%
2015	4,140,057	4,140,057	-	28,625,391	14.46%
2014	4,914,272	4,914,272	-	29,497,431	16.66%
2013	5,360,684	5,360,684	-	28,273,650	18.96%

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

County of Wise, Virginia
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

Exhibit 18

County of Wise, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Healthcare OPEB Plan - Primary Government
For the Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 118,365	$ 112,165	$ 112,683	$ 100,176	$ 100,914
Interest	42,018	53,397	71,745	70,754	73,033
Changes in assumptions	(267,337)	66,523	218,163	59,374	(9,205)
Differences between expected and actual experience	(165,426)	(245,501)	(359,332)	57,222	(280,453)
Benefit payments	(87,704)	(75,408)	(83,086)	(85,382)	(105,155)
Net change in total OPEB liability	$ (360,084)	$ (88,824)	$ (39,827)	$ 202,144	$ (220,866)
Total OPEB liability - beginning	1,843,861	1,932,685	1,972,512	1,770,368	1,991,234
Total OPEB liability - ending	$ 1,483,777	$ 1,843,861	$ 1,932,685	$ 1,972,512	$ 1,770,368
County's covered payroll	$ 13,070,991	$ 11,692,249	$ 11,224,552	N/A	N/A
County's total OPEB liability (asset) as a percentage of covered payroll	11%	16%	17%	N/A	N/A

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

Exhibit 19

County of Wise, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Healthcare OPEB Plan - School Board
For the Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 696,441	$ 647,736	$ 471,052	$ 432,303	$ 435,248
Interest	201,267	250,331	313,286	329,685	307,380
Changes in assumptions	(1,549,796)	292,417	1,218,609	243,583	(28,197)
Differences between expected and actual experience	1,326,218	(1,155,123)	(1,325,960)	(215,851)	(361,926)
Benefit payments	(311,511)	(297,695)	(437,012)	(406,775)	(426,552)
Net change in total OPEB liability	$ 362,619	$ (262,334)	$ 239,975	$ 382,945	$ (74,047)
Total OPEB liability - beginning	8,648,739	8,911,073	8,671,098	8,288,153	8,362,200
Total OPEB liability - ending	$ 9,011,358	$ 8,648,739	$ 8,911,073	$ 8,671,098	$ 8,288,153
School Board's covered payroll	$ 36,898,552	$ 36,418,070	$ 30,676,023	$ 30,775,590	$ 29,734,870
School Board's total OPEB liability (asset) as a percentage of covered payroll	24.4%	23.7%	29.0%	28.2%	27.9%

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

County of Wise, Virginia
Notes to Required Supplementary Information - Healthcare OPEB Plan
For the Year Ended June 30, 2022

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

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

County and School Board

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry Age Normal Percentage of Salary
Discount Rate	4.09%
Inflation	2.50%
Healthcare Trend Rate	Medical rates start at 7.50% and decrease by varying amounts to an ultimate rate of 4.50%
Salary Scale	3.50%
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates use SOA Pub-2010 General, Public Safety, Contingent Survivor, Teacher, as applicable, Headcount Weighted Mortality Table fully generational using Scale MP-2021

County of Wise, Virginia
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, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2021	0.05648%	$ 658,000	$ 11,667,036	5.64%	67.45%
2020	0.05553%	926,106	11,433,566	8.10%	52.64%
2019	0.05536%	899,050	10,827,351	8.30%	52.00%
2018	0.05741%	871,898	10,917,731	7.99%	51.22%
2017	0.05660%	851,478	10,346,115	8.23%	48.86%
Component Unit School Board (nonprofessional):					
2021	0.00790%	$ 91,977	$ 1,630,920	5.64%	67.45%
2020	0.00780%	130,837	1,613,028	8.11%	52.64%
2019	0.00797%	129,693	1,562,802	8.30%	52.00%
2018	0.00778%	118,000	1,479,309	7.98%	51.22%
2017	0.00859%	130,000	1,584,431	8.20%	48.86%
Component Unit School Board (professional):					
2021	0.14850%	$ 1,729,292	$ 30,665,424	5.64%	67.45%
2020	0.13940%	2,327,026	28,702,275	8.11%	52.64%
2019	0.14180%	2,307,463	27,798,901	8.30%	52.00%
2018	0.13635%	2,071,000	25,921,458	7.99%	51.22%
2017	0.14852%	2,235,000	27,395,796	8.16%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2022	$ 71,051	$ 71,051	$ -	$ 13,157,496	0.54%
2021	63,003	63,003	-	11,667,036	0.54%
2020	59,342	59,342	-	11,433,566	0.52%
2019	56,302	56,302	-	10,827,351	0.52%
2018	56,773	56,773	-	10,917,731	0.52%
2017	54,287	54,287	-	10,346,115	0.52%
Component Unit School Board (nonprofessional):					
2022	$ 9,613	$ 9,613	$ -	$ 1,780,105	0.54%
2021	8,807	8,807	-	1,630,920	0.54%
2020	8,389	8,389	-	1,613,028	0.52%
2019	8,127	8,127	-	1,562,802	0.52%
2018	7,692	7,692	-	1,479,309	0.52%
2017	8,239	8,239	-	1,584,431	0.52%
2016	7,837	7,837	-	1,632,719	0.48%
2015	8,013	8,013	-	1,669,474	0.48%
2014	8,161	8,161	-	1,700,245	0.48%
2013	8,022	8,022	-	1,671,251	0.48%
Component Unit School Board (professional):					
2022	$ 178,693	$ 178,693	$ -	$ 33,091,297	0.54%
2021	165,595	165,595	-	30,665,424	0.54%
2020	149,220	149,220	-	28,702,275	0.52%
2019	144,554	144,554	-	27,798,901	0.52%
2018	134,827	134,827	-	25,921,458	0.52%
2017	142,456	142,456	-	27,395,796	0.52%
2016	135,002	135,002	-	28,125,471	0.48%
2015	137,246	137,246	-	28,593,019	0.48%
2014	141,665	141,665	-	29,513,563	0.48%
2013	135,711	135,711	-	28,273,180	0.48%

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

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Exhibit 24

County of Wise, Virginia
Schedule of Changes in the School Board (Nonprofessional)'s Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through 2021

	2021	2020	2019	2018	2017
Total HIC OPEB Liability					
Service cost	$ 2,354	$ 2,532	$ 2,478	$ 2,000	$ 3,000
Interest	16,370	15,703	16,439	16,000	17,000
Differences between expected and actual experience	(5,954)	4,112	(5,857)	15,000	-
Changes in assumptions	3,585	16,593	4,881	-	(3,000)
Benefit payments	(29,225)	(28,884)	(22,858)	(25,000)	(17,000)
Other changes	-	-	-	-	(1,000)
Net change in total HIC OPEB liability	$ (12,870)	$ 10,056	$ (4,917)	$ 8,000	$ (1,000)
Total HIC OPEB Liability - beginning	257,139	247,083	252,000	244,000	245,000
Total HIC OPEB Liability - ending (a)	$ 244,269	$ 257,139	$ 247,083	$ 252,000	$ 244,000
Plan fiduciary net position					
Contributions - employer	$ 8,611	$ 7,080	$ 6,789	$ 5,000	$ 5,000
Net investment income	40,009	3,497	11,293	13,000	21,000
Benefit payments	(29,225)	(28,884)	(22,858)	(25,000)	(17,000)
Administrator charges	(420)	(310)	(751)	-	-
Other	-	(2)	(13)	(1,000)	1,000
Net change in plan fiduciary net position	$ 18,975	$ (18,619)	$ (5,540)	$ (8,000)	$ 10,000
Plan fiduciary net position - beginning	163,841	182,460	188,000	196,000	186,000
Plan fiduciary net position - ending (b)	$ 182,816	$ 163,841	$ 182,460	$ 188,000	$ 196,000
School Board (Nonprofessional)'s net HIC OPEB liability - ending (a) - (b)	$ 61,453	$ 93,298	$ 64,623	$ 64,000	$ 48,000
Plan fiduciary net position as a percentage of the total HIC OPEB liability	74.84%	63.72%	73.85%	74.60%	80.33%
Covered payroll	$ 1,624,655	$ 1,609,045	$ 1,542,918	$ 1,479,309	$ 1,584,431
School Board (Nonprofessional)'s net HIC OPEB liability as a percentage of covered payroll	3.78%	5.80%	4.19%	4.33%	3.03%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

County of Wise, Virginia
Schedule of Employer Contributions - School Board (Nonprofessional)
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 9,435	$ 9,435	$ -	$ 1,780,105	0.53%
2021	8,611	8,611	-	1,624,655	0.53%
2020	7,080	7,080	-	1,609,045	0.44%
2019	6,789	6,789	-	1,542,918	0.44%
2018	4,882	4,882	-	1,479,309	0.33%
2017	5,228	5,228	-	1,584,431	0.33%
2016	5,864	5,864	-	1,629,068	0.36%
2015	6,010	6,010	-	1,669,474	0.36%
2014	6,800	6,800	-	1,700,245	0.40%
2013	6,690	6,690	-	1,672,583	0.40%

County of Wise, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) 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 though 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

County of Wise, Virginia
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 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.34654%	$ 4,448,080	$ 30,648,076	14.51%	13.15%
2020	0.32720%	4,268,378	28,684,823	14.88%	9.95%
2019	0.33129%	4,336,908	27,789,528	15.61%	8.97%
2018	0.32052%	4,069,000	25,681,458	15.84%	8.08%
2017	0.34702%	4,403,000	27,395,796	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.

Exhibit 28

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 400,405	$ 400,405	$ -	$ 33,091,297	1.21%
2021	370,861	370,861	-	30,648,076	1.21%
2020	344,216	344,216	-	28,684,823	1.20%
2019	333,474	333,474	-	27,789,528	1.20%
2018	318,834	318,834	-	25,681,458	1.24%
2017	303,993	303,993	-	27,395,796	1.11%
2016	298,130	298,130	-	28,125,471	1.06%
2015	303,086	303,086	-	28,593,019	1.06%
2014	327,600	327,600	-	29,513,563	1.11%
2013	313,527	313,527	-	28,245,719	1.11%

County of Wise, Virginia
Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) 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:

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 Rates	No change

Exhibit 30

County of Wise, Virginia
Schedule of Employer's Share of Net LODA OPEB Liability
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through 2021

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered-Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2021	0.53800%	$ 2,372,314	n/a	n/a	1.68%
2020	0.50760%	2,126,074	n/a	n/a	1.02%
2019	0.49430%	1,773,480	n/a	n/a	0.79%
2018	0.49005%	1,537,000	n/a	n/a	0.60%
2017	0.49187%	1,293,000	n/a	n/a	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

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.

County of Wise, Virginia
Schedule of Employer Contributions
Line of Duty Act (LODA) Program
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)	Covered-Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2022	$ 80,926	$ 80,926	$ -	n/a	n/a
2021	74,063	74,063	-	n/a	n/a
2020	68,989	68,989	-	n/a	n/a
2019	66,342	66,342	-	n/a	n/a
2018	52,198	52,198	-	n/a	n/a
2017	53,049	53,049	-	n/a	n/a

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

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

County of Wise, Virginia
Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
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. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

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

Other Supplementary Information

Exhibit 33

County of Wise, Virginia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds		
	Forfeited Assets Fund	Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	$ 179,612	$ 81,720	$ 261,332
Investments	-	227,889	227,889
Due from other governmental units	-	2,845	2,845
Total assets	$ 179,612	$ 312,454	$ 492,066
LIABILITIES			
Accounts payable	$ 3,533	$ 41,843	$ 45,376
Due to other funds	-	187,192	187,192
Total liabilities	$ 3,533	$ 229,035	$ 232,568
FUND BALANCES			
Restricted:			
Capital Projects	$ -	$ 83,419	$ 83,419
Asset forfeiture funds	176,079	-	176,079
Total fund balances	$ 176,079	$ 83,419	$ 259,498
Total liabilities and fund balances	$ 179,612	$ 312,454	$ 492,066

Exhibit 34

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

	Special Revenue Funds		
	Forfeited Assets Fund	Capital Projects Fund	Total
REVENUES			
Revenue from the use of money and property	$ 16	$ -	$ 16
Charges for services	-	14,237	14,237
Miscellaneous	88,387	-	88,387
Intergovernmental:			
Commonwealth	7,401	-	7,401
Federal	-	451,383	451,383
Total revenues	$ 95,804	$ 465,620	$ 561,424
EXPENDITURES			
Current:			
Public safety	$ 66,252	$ -	$ 66,252
Capital projects	-	540,262	540,262
Total expenditures	$ 66,252	$ 540,262	$ 606,514
Excess (deficiency) of revenues over (under) expenditures	$ 29,552	$ (74,642)	$ (45,090)
Net change in fund balances	$ 29,552	$ (74,642)	$ (45,090)
Fund balances - beginning	146,527	158,061	304,588
Fund balances - ending	$ 176,079	$ 83,419	$ 259,498

Exhibit 35

County of Wise, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds			
	Special Welfare Fund	Local Sales Tax Fund	Lonesome Pine Youth Services Fund	Total
ASSETS				
Cash and cash equivalents	$ 110,959	$ 55,897	$ -	$ 166,856
Accounts receivable	-	161,398	-	161,398
Total assets	$ 110,959	$ 217,295	$ -	$ 328,254
LIABILITIES				
Accounts payable	$ -	$ 55,897	$ -	$ 55,897
Due to other local governments	82,447	161,398	62,024	305,869
Due to DSS clients	14,824	-	-	14,824
Total liabilities	$ 97,271	$ 217,295	$ 62,024	$ 376,590
NET POSITION				
Restricted:				
Special Welfare	$ 13,688	$ -	$ -	$ 13,688
Lonesome Pine Youth Services	-	-	(62,024)	(62,024)
Total net position	$ 13,688	$ -	$ (62,024)	$ (48,336)

Exhibit 36

County of Wise, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds			
	Special Welfare Fund	Local Sales Tax Fund	Lonesome Pine Youth Services Fund	Total
Additions				
Contributions:				
Expenditure reimbursement	$ 81,777	$ -	$ -	$ 81,777
Sales tax collection for other governments	-	668,615	-	668,615
Grants	-	-	96,750	96,750
Total contributions	$ 81,777	$ 668,615	$ 96,750	$ 847,142
Deductions				
Special welfare payments	$ 83,196	$ -	$ -	$ 83,196
Payments of sales tax to other governments	-	668,615	-	668,615
Salaries and fringes	-	-	144,565	144,565
Total deductions	$ 83,196	$ 668,615	$ 144,565	$ 896,376
Net increase (decrease) in fiduciary net position	$ (1,419)	$ -	$ (47,815)	$ (49,234)
Net position, beginning	15,107	-	(14,209)	898
Net position, ending	$ 13,688	$ -	$ (62,024)	$ (48,336)

County of Wise, Virginia
Combining Balance Sheet
Discretely Presented Component Unit - School Board
June 30, 2022

	School Operating Fund	School Activity Fund	School Cafeteria Fund	School Capital Projects Fund	Total
ASSETS					
Cash and cash equivalents	$ 1,484,454	$ 2,140,622	$ 3,934,814	$ -	$ 7,559,890
Investments	725,486	-	741,852	-	1,467,338
Receivables (net of allowance for uncollectibles):					
Accounts receivable	177,799	57,601	-	-	235,400
Due from other governmental units	4,864,517	-	42,864	-	4,907,381
Prepaid items	752,635	5,098	-	-	757,733
Total assets	$ 8,004,891	$ 2,203,321	$ 4,719,530	$ -	$ 14,927,742
LIABILITIES					
Accounts payable	$ 2,793,021	$ 13,457	$ 12,698	$ -	$ 2,819,176
Salaries payable	866,240	-	38,697	-	904,937
Due to primary government	1,503,935	-	-	-	1,503,935
Total liabilities	$ 5,163,196	$ 13,457	$ 51,395	$ -	$ 5,228,048
FUND BALANCES					
Nonspendable:					
Prepaid items	$ 752,635	$ 5,098	$ -	$ -	$ 757,733
Restricted:					
School cafeteria	-	-	4,668,135	-	4,668,135
Committed:					
Textbooks	2,089,060	-	-	-	2,089,060
School Activity Funds	-	2,184,766	-	-	2,184,766
Total fund balances	$ 2,841,695	$ 2,189,864	$ 4,668,135	$ -	$ 9,699,694
Total liabilities and fund balances	$ 8,004,891	$ 2,203,321	$ 4,719,530	$ -	$ 14,927,742

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

Total fund balances per above		$ 9,699,694
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	$ 2,003,463	
Construction in progress	2,890,445	
Buildings and improvements	23,049,041	
	5,028,938	
Intangible right-to-use lease assets:		
Machinery and equipment	65,715	33,037,602
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 13,358,239	
OPEB related items	3,562,172	16,920,411
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability	$ (30,605,683)	
Net OPEB liabilities	(15,342,160)	
Lease liabilities	(67,055)	
Compensated absences	(334,022)	(46,348,920)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (22,197,852)	
OPEB related items	(4,332,583)	(26,530,435)
Net position of governmental activities		$ (13,221,648)

County of Wise, Virginia
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 Activity Fund	School Cafeteria Fund	School Capital Projects Fund	Total
REVENUES					
Revenue from the use of money and property	$ 10,129	$ -	$ 9,135	$ -	$ 19,264
Charges for services	146,986	2,382,804	102,865	-	2,632,655
Miscellaneous	319,712	-	14,212	-	333,924
Recovered costs	1,487,153	-	-	-	1,487,153
Intergovernmental:					
Local government	16,274,009	-	-	-	16,274,009
Commonwealth	47,032,964	-	109,303	362,000	47,504,267
Federal	13,563,538	-	4,234,532	-	17,798,070
Total revenues	$ 78,834,491	$ 2,382,804	$ 4,470,047	$ 362,000	$ 86,049,342
EXPENDITURES					
Current:					
Education	$ 73,414,674	$ 2,967,684	$ 3,308,218	$ -	$ 79,690,576
Debt service:					
Principal retirement	2,212,585	-	-	-	2,212,585
Interest and other fiscal charges	2,543,190	-	-	-	2,543,190
Total expenditures	$ 78,170,449	$ 2,967,684	$ 3,308,218	$ -	$ 84,446,351
Excess (deficiency) of revenues over (under) expenditures	$ 664,042	$ (584,880)	$ 1,161,829	$ 362,000	$ 1,602,991
OTHER FINANCING SOURCES (USES)					
Transfers in	$ 362,000	$ 781,144	$ -	$ -	$ 1,143,144
Transfers out	(781,144)	-	-	(362,000)	(1,143,144)
Total other financing sources (uses)	$ (419,144)	$ 781,144	$ -	$ (362,000)	$ -
Net change in fund balances	$ 244,898	$ 196,264	$ 1,161,829	$ -	$ 1,602,991
Fund balances - beginning	2,596,797	1,993,600	3,506,306	-	8,096,703
Fund balances - ending	$ 2,841,695	$ 2,189,864	$ 4,668,135	$ -	$ 9,699,694

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		$ 1,602,991
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlays	$ 5,945,102	
Depreciation and amortization expenses	(2,344,805)	3,600,297
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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal repayments:		
Leases payable		47,585
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
(Increase) decrease in compensated absences	$ 5,093	
Changes in pension related items	5,648,005	
Changes in OPEB related items	(148,504)	5,504,594
Change in net position of governmental activities		$ 10,755,467

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

	School Operating Fund				School Cafeteria Fund				School Capital Projects Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES												
Revenue from the use of money and property	$ 10,000	$ 10,000	$ 10,129	$ 129	$ -	$ -	$ 9,135	$ 9,135	$ -	$ -	$ -	$ -
Charges for services	-	-	146,986	146,986	500,000	500,000	102,865	(397,135)	-	-	-	-
Miscellaneous	200,000	200,000	319,712	119,712	-	-	14,212	14,212	-	-	-	-
Recovered costs	1,450,000	1,450,000	1,487,153	37,153	-	-	-	-	-	-	-	-
Intergovernmental:												
Local government	16,255,775	16,255,775	16,274,009	18,234	-	-	-	-	-	-	-	-
Commonwealth	43,499,365	43,499,365	47,032,964	3,533,599	32,613	32,613	109,303	76,690	-	-	362,000	362,000
Federal	7,600,249	7,600,249	13,563,538	5,963,289	2,962,387	2,962,387	4,234,532	1,272,145	-	-	-	-
Total revenues	$ 69,015,389	$ 69,015,389	$ 78,834,491	$ 9,819,102	$ 3,495,000	$ 3,495,000	$ 4,470,047	$ 975,047	$ -	$ -	$ 362,000	$ 362,000
EXPENDITURES												
Current:												
Education	$ 64,185,900	$ 64,185,900	$ 73,414,674	$ (9,228,774)	$ 3,495,000	$ 3,495,000	$ 3,308,218	$ 186,782	$ -	$ -	$ -	$ -
Debt service:												
Principal retirement	2,212,585	2,212,585	2,212,585	-	-	-	-	-	-	-	-	-
Interest and other fiscal charges	2,543,190	2,543,190	2,543,190	-	-	-	-	-	-	-	-	-
Total expenditures	$ 68,941,675	$ 68,941,675	$ 78,170,449	$ (9,228,774)	$ 3,495,000	$ 3,495,000	$ 3,308,218	$ 186,782	$ -	$ -	$ -	$ -
Excess (deficiency) of revenues over (under) expenditures	$ 73,714	$ 73,714	$ 664,042	$ 590,328	$ -	$ -	$ 1,161,829	$ 1,161,829	$ -	$ -	$ 362,000	$ 362,000
OTHER FINANCING SOURCES (USES)												
Transfers in	$ -	$ -	$ 362,000	$ 362,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers out	-	-	(781,144)	(781,144)	-	-	-	-	-	-	(362,000)	(362,000)
Total other financing sources (uses)	$ -	$ -	$ (419,144)	$ (419,144)	$ -	$ -	$ -	$ -	$ -	$ -	$ (362,000)	$ (362,000)
Net change in fund balances	$ 73,714	$ 73,714	$ 244,898	$ 171,184	$ -	$ -	$ 1,161,829	$ 1,161,829	$ -	$ -	$ -	$ -
Fund balances - beginning	(73,714)	(73,714)	2,596,797	2,670,511	-	-	3,506,306	3,506,306	-	-	-	-
Fund balances - ending	$ -	$ -	$ 2,841,695	$ 2,841,695	$ -	$ -	$ 4,668,135	$ 4,668,135	$ -	$ -	$ -	$ -

OTHER STATISTICAL INFORMATION

Table 1

County of Wise, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Landfill	Sewer	Total
2021-22	$ 3,934,296	$ 3,892,163	$ 12,048,472	$ 1,447,512	$ 13,419,424	$ 12,919,901	$ 1,012,090	$ 3,184,655	$ 2,385,818	$ 3,986,876	$ 608,603	$ 58,839,810
2020-21	4,235,889	3,785,132	15,870,766	1,263,577	12,859,194	11,374,656	978,329	4,418,959	2,327,066	3,431,563	658,919	61,204,050
2019-20	2,957,136	3,514,730	11,607,368	1,354,630	12,722,714	12,427,899	963,477	2,735,920	2,736,556	3,503,296	640,600	55,164,326
2018-19	3,177,209	3,059,783	10,602,502	1,347,697	11,600,611	12,523,405	956,101	3,151,793	2,310,715	3,448,988	640,255	52,819,059
2017-18	3,199,538	2,994,850	10,368,554	1,213,476	10,837,850	12,139,102	954,346	2,764,056	2,366,473	3,338,361	640,201	50,816,807
2016-17	3,515,659	2,864,928	9,877,567	1,270,770	10,836,164	12,365,676	958,367	4,470,285	2,430,958	1,633,053	642,461	50,865,888
2015-16	2,860,095	2,610,691	9,786,433	1,312,160	10,168,893	12,576,685	960,030	3,653,709	2,527,285	3,691,980	654,744	50,802,705
2014-15	2,751,264	2,865,850	10,012,966	2,124,587	10,961,298	13,878,690	958,043	4,693,677	2,317,504	3,730,221	583,948	54,878,048
2013-14	3,000,826	2,769,871	9,700,296	2,619,880	10,961,298	18,185,662	1,024,785	4,455,867	793,150	3,998,594	597,251	58,107,480
2012-13	2,513,670	2,917,968	9,558,466	1,379,473	13,967,744	17,014,461	1,050,295	7,652,569	723,949	3,856,656	299,792	60,935,043

Table 2

County of Wise, Virginia
Government-Wide Revenues
Last Ten Fiscal Years

	PROGRAM REVENUES		GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2021-22	$ 677,885	$ 20,452,583	$ 27,849,284	$ 6,047,630	$ 22,206	$ 2,364,440	$ 2,395,641	$ 59,809,669
2020-21	568,772	23,886,130	28,569,290	4,952,761	238,391	386,907	2,439,649	61,041,900
2019-20	576,553	18,237,114	28,169,580	5,555,965	564,199	352,086	2,567,104	56,022,601
2018-19	565,377	18,426,885	28,312,695	5,840,209	586,953	449,369	2,596,777	56,778,265
2017-18	563,324	16,509,679	27,204,950	5,141,459	194,816	283,444	2,673,735	52,571,407
2016-17	595,556	16,720,043	26,728,694	5,037,746	213,113	373,884	2,672,630	52,341,666
2015-16	619,667	14,811,290	32,254,084	5,570,865	157,597	495,169	2,690,261	56,598,933
2014-15	601,008	14,144,688	28,854,059	6,883,053	128,728	223,044	2,714,740	53,549,320
2013-14	1,239,369	14,643,641	27,604,620	8,173,503	194,916	171,736	2,749,240	54,777,025
2012-13	1,114,258	13,711,562	25,491,426	10,143,685	356,140	171,280	6,167,096	57,155,447

Table 3

County of Wise, Virginia
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Capital Projects	Non-departmental	Debt Service	Total
2021-22	$ 3,952,634	$ 4,215,062	$ 11,781,531	$ 1,141,892	$ 13,720,918	$ 79,739,133	$ 968,288	$ 2,483,121	$ 161,272	$ 168,656	$ 5,921,634	$ 124,254,141
2020-21	4,020,178	3,849,482	17,618,136	1,225,982	12,592,310	67,477,205	934,527	3,588,981	228,823	91,567	5,687,093	117,314,284
2019-20	3,475,972	3,665,584	12,802,229	1,106,949	12,728,280	60,216,163	919,109	1,226,607	-	87,243	19,480,048	115,708,184
2018-19	3,285,105	3,441,676	11,137,520	1,105,460	11,875,631	59,578,059	911,401	1,420,980	-	79,223	3,842,504	96,677,559
2017-18	3,778,223	3,416,029	10,751,727	1,034,137	11,201,751	56,929,904	909,574	1,901,280	-	53,370	7,666,922	97,642,917
2016-17	3,519,972	3,097,648	10,213,833	983,523	10,954,895	56,309,363	912,816	3,064,163	-	37,956	3,436,914	92,531,083
2015-16	3,146,419	3,019,965	9,877,258	1,055,334	10,569,884	57,410,224	914,479	3,503,080	-	60,434	3,676,266	93,233,343
2014-15	3,285,764	3,074,056	9,576,684	2,077,283	11,029,381	57,715,704	912,492	3,682,521	-	57,579	3,486,386	94,897,850
2013-14	3,081,896	2,940,326	9,426,268	2,519,806	10,837,444	80,413,534	990,679	4,439,420	3,888	-	19,059,349	133,712,610
2012-13	3,085,457	2,879,973	9,419,726	3,269,650	13,910,634	63,144,019	1,017,808	7,033,875	27,096	-	19,732,283	123,520,521

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board. Excludes Capital Projects fund.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 4

County of Wise, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	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
2021-22	$ 29,097,418	$ 6,047,630	$ 33,660	$ 75,218	$ 69,400	$ 2,685,193	$ 651,437	$ 2,680,316	$ 87,315,537	$ 128,655,809
2020-21	29,222,240	4,952,761	36,538	49,007	153,451	1,432,774	589,795	1,993,528	82,144,284	120,574,378
2019-20	28,400,564	5,555,965	25,580	53,859	497,324	571,893	320,606	2,885,749	66,995,081	105,306,621
2018-19	27,719,402	5,840,209	33,062	50,648	582,617	675,521	723,384	1,866,631	67,091,845	104,583,319
2017-18	28,257,744	5,141,459	32,224	51,381	168,213	742,898	481,650	2,342,583	63,408,132	100,626,284
2016-17	25,809,760	5,037,746	40,627	33,510	185,173	916,476	287,399	2,280,388	61,379,322	95,970,401
2015-16	30,520,943	5,570,865	67,852	45,052	138,691	1,026,242	528,163	3,878,644	60,314,143	102,090,595
2014-15	28,731,239	6,883,053	35,717	51,141	126,847	1,079,470	2,363,457	3,113,965	59,886,528	102,271,417
2013-14	27,259,792	8,173,503	52,913	106,243	237,308	1,357,273	819,939	478,379	61,156,088	99,641,438
2012-13	24,182,703	10,143,685	34,091	116,480	372,688	1,299,770	488,317	816,163	64,383,078	101,836,975

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit-School Board. Excludes Capital Projects fund.
(2) Excludes contribution from Primary Government to Discretely Presented Component Unit.

Table 5

County of Wise, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,2)	Current Tax Collections (1,2)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections (2)	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1), (3)	Percent of Delinquent Taxes to Tax Levy
2021-22	$ 30,152,299	$ 28,589,917	94.82%	$ 1,521,480	$ 30,111,397	99.86%	$ 3,098,945	10.28%
2020-21	30,293,412	28,310,001	93.45%	1,917,081	30,227,082	99.78%	4,304,330	14.21%
2019-20	30,654,989	28,047,167	91.49%	1,443,922	29,491,089	96.20%	5,057,333	16.50%
2018-19	29,777,017	27,207,956	91.37%	1,539,804	28,747,760	96.54%	5,478,012	18.40%
2017-18	28,208,775	25,812,255	91.50%	3,243,919	29,056,174	103.00%	4,713,100	16.71%
2016-17	27,902,652	25,405,674	91.05%	1,456,012	26,861,686	96.27%	5,589,033	20.03%
2015-16	32,710,717	30,332,337	92.73%	1,192,584	31,524,921	96.37%	4,770,122	14.58%
2014-15	29,575,091	28,696,533	97.03%	925,793	29,622,326	100.16%	3,196,436	10.81%
2013-14	27,668,374	26,671,809	96.40%	203,205	26,875,014	97.13%	3,125,435	11.30%
2012-13	25,969,822	25,101,645	96.66%	357,581	25,459,226	98.03%	2,604,089	10.03%

(1) Exclusive of penalties and interest.
(2) Includes amount received under the Personal Property Tax Relief Act.

Table 6

County of Wise, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property	Machinery and Tools	Merchant's Capital	Mobile Homes	Data Center	Public Service (2)	Total
2021-22	$ 1,886,083,821	$ 360,076,025	$ 39,412,210	$ 22,872,678	$ 29,631,083	$ 9,901,550	$ 1,466,422,806	$ 3,814,400,173
2020-21	1,874,427,872	391,849,868	45,790,500	26,351,361	29,267,123	-	1,398,197,828	3,765,884,552
2019-20	1,891,090,438	395,654,918	41,853,105	28,878,600	28,930,713	-	1,403,610,614	3,790,018,388
2018-19	1,886,469,691	397,045,693	51,983,545	28,338,431	28,252,703	-	1,431,399,061	3,823,489,124
2017-18	1,881,275,247	419,166,849	53,805,715	28,638,275	34,457,077	-	1,439,558,790	3,856,901,953
2016-17	1,866,684,682	403,135,802	75,302,775	29,753,723	34,442,807	-	1,461,492,404	3,870,812,193
2015-16	1,856,050,530	408,020,785	122,528,345	32,109,973	34,320,660	-	2,180,583,683	4,633,613,976
2014-15	1,882,864,270	427,550,149	184,405,660	34,551,733	33,849,030	-	1,358,254,710	3,921,475,552
2013-14	1,947,361,669	400,495,555	244,969,850	34,979,151	40,491,360	-	1,430,798,105	4,099,095,690
2012-13	2,035,910,348	416,493,632	279,241,765	35,960,355	40,456,220	-	582,525,325	3,390,587,645

(1) Real estate is assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission-includes all property types.

Table 7

County of Wise, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery & Tools	Merchant's Capital	Mobile Homes	Data Center
2021-22	$ 0.69	$ 1.65	$ 1.41	$ 2.85	$ 0.69	$ 0.24
2020-21	0.69	1.65	1.41	2.85	0.69	-
2019-20	0.69	1.65	1.41	2.85	0.69	-
2018-19	0.62/0.69	1.58	1.41	2.85	0.62	-
2017-18	0.60/0.62	1.56	1.41	2.85	0.60	-
2016-17	0.60	1.56	1.41	2.85	0.60	-
2015-16	0.60	1.56	1.41	2.85	0.60	-
2014-15	0.60	1.56	1.41	2.85	0.60	-
2013-14	0.60	1.56	1.41	2.85	0.60	-
2012-13	0.57	1.49	1.41	2.85	0.57	-

(1) Per $100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Less: Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2021-22	36,130	$ 3,814,400	$ 44,908,003	$ -	$ 44,908,003	1.18%	$ 1,243
2020-21	36,130	3,765,885	47,518,003	-	47,518,003	1.26%	1,315
2019-20	41,452	3,790,018	50,063,003	-	50,063,003	1.32%	1,208
2018-19	41,452	3,823,489	52,443,003	-	52,443,003	1.37%	1,265
2017-18	41,452	3,856,902	55,147,832	-	55,147,832	1.43%	1,330
2016-17	41,452	3,870,812	57,001,603	-	57,001,603	1.47%	1,375
2015-16	41,452	4,633,614	56,508,003	-	56,508,003	1.22%	1,363
2014-15	41,452	4,099,096	57,354,743	-	57,354,743	1.40%	1,384
2013-14	41,452	3,390,588	60,458,615	-	60,458,615	1.78%	1,459
2012-13	41,452	3,390,588	61,891,570	-	61,891,570	1.83%	1,493

(1) Bureau of the Census.
(2) Real property assessed at 100% of fair market value.
(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.
Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

Table 9

County of Wise, Virginia
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2021-22	$ 5,921,634	$ 124,254,141	4.77%
2020-21	5,687,093	117,314,284	4.85%
2019-20 (2)	4,680,048	115,708,184	4.04%
2018-19	3,842,504	96,677,559	3.97%
2017-18	7,666,922	97,642,917	7.85%
2016-17	3,436,914	92,531,083	3.71%
2015-16 (2)	3,676,266	93,233,343	3.94%
2014-15	3,486,386	94,897,850	3.67%
2013-14 (2)	4,359,349	133,712,610	3.26%
2012-13 (2)	5,732,283	123,520,521	4.64%

(1) Includes all governmental funds of the Primary Government and Special Revenue funds of the Discretely Presented Component Unit-School Board.
(2) Excludes refunding debt service.

Table 10

County of Wise, Virginia
Schedule of Legal Debt Margin
For the Year Ended June 30, 2022

Legal Debt Limit		
10% of Assessed Value of Taxable Real Estate (Including public utility real estate)	$	335,241,625
Less: Net bonded debt		(44,908,003)
Legal margin for creation of additional debt	$	290,333,622

COMPLIANCE SECTION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Wise, 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 Wise, Virginia's basic financial statements and have issued our report thereon dated February 2, 2023. Our report includes a reference to other auditors who audited the financial statements of Wise County Public Service Authority, as described in our report on the County of Wise, Virginia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Wise, 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 Wise, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Wise, 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 Wise, 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

County of Wise, Virginia's Response to Findings

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

Blacksburg, Virginia
February 2, 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 Wise, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Wise, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Wise, Virginia's major federal programs for the year ended June 30, 2022. County of Wise, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

County of Wise, Virginia's basic financial statements include the operations of the PSA, which expended $344,125 in federal awards which is not included in the County of Wise, Virginia's schedule of expenditures of federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of the PSA because the component unit engaged other auditors to perform an audit of compliance.

In our opinion, County of Wise, 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 Wise, 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 Wise, Virginia' 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 Wise, 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 Wise, 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 Wise, 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 Wise, 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 Wise, 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 Wise, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

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

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

Blacksburg, Virginia
February 2, 2023

County of Wise, 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	Expenditures to Subrecipients
Department of Health and Human Services:						
Pass Through Payments:						
Virginia Department of Social Services:						
Temporary Assistance for Needy Families	93.558	0400121/0400122			$ 650,914	
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121/0950221			107,845	
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	500122			3,024	
Low-Income Home Energy Assistance	93.568	0600421/0600422			115,892	
CCDF Cluster:						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122			141,778	
Adoption and Legal Guardianship Incentive Payments	93.603	1130119			1,667	
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121			1,545	
Foster Care Title IV-E	93.658	1100121/1100122			752,497	
Adoption Assistance	93.659	1120121/1120122			1,385,698	
Social Services Block Grant	93.667	1000121/100122			819,253	
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150120/9150121			21,148	
Children's Health Insurance Program	93.767	0540121/0540122			6,151	
Title IV-E Prevention Program	93.472	1140122			10,651	
Guardianship Assistance	93.090	1110121/1110122			652	
Community-Based Child Abuse Prevention Grants	93.590	9560121			785	
Elder Abuse Prevention Interventions Program	93.747	8000221			11,694	
Medicaid Cluster:						
Medical Assistance Program	93.778	1200121/1200122			587,726	
Total Department of Health and Human Services					$ 4,618,920	
Department of Agriculture:						
Pass Through Payments:						
Child Nutrition Cluster:						
Virginia Department of Agriculture & Consumer Services:						
Food Distribution-Schools (Note C)	10.555	Unknown	$ 245,227			
Virginia Department of Education:						
COVID-19 - National School Lunch Program	10.555	86557	44,322			
National School Lunch Program	10.555	40254	2,866,546	$ 3,156,095		
Summer Food Service Program for Children (SFSPC) - commodities	10.559	Not applicable	$ 5,743			
Summer Food Service Program for Children	10.559	60302/60303	60,339	66,082		
School Breakfast Program	10.553	40253/41110		1,006,540	$ 4,228,717	
Virginia Department of Education:						
Forest Service Schools and Roads Cluster:						
Schools and Roads - Grants to States	10.665	43841			59,598	
COVID-19 - Pandemic EBT Administrative Costs	10.649	86556			5,814	
Virginia Department of Social Services:						
SNAP Cluster:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010121/0010122 0040121/0040122			1,145,327	
Total Department of Agriculture					$ 5,439,456	
Department of Housing and Urban Development:						
Pass Through Payments:						
Virginia Department of Housing and Community Development:						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	50790			$ 348,721	
Appalachian Regional Commission:						
Appalachian Area Development	23.002	49301			2,500	
Department of Justice:						
Pass Through Payments:						
Virginia Department of Criminal Justice Services:						
Violence Against Women Formula Grants	16.588	20WFAX0011			$ 24,950	
Crime Victim Assistance	16.575	20V2GX0048			70,854	
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	20VDBX0141			39,958	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	18DJBX0728			48,031	
Total Department of Justice					$ 183,793	
Department of Treasury:						
Direct payments:						
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Not applicable		$ 1,729,243		
Pass Through Payments:						
Virginia Department of Housing and Community Development:						
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown		147,835		147,835
Virginia Compensation Board:						
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown		129,180		
Virginia Department of Education:						
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	45277		440,138	$ 2,446,396	

County of Wise, Virginia
Schedule of Expenditures of Federal Awards (Continued)
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	Expenditures to Subrecipients
Department of Transportation:					
Pass Through Payments:					
Virginia Department of Motor Vehicles:					
Highway Safety Cluster:					
National Priority Safety Programs	20.616	M6OT 19 59229		$ 27,597	
Environmental Protection Agency:					
Direct Payments:					
Department of Conservation and Recreation					
Brownsfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	Not applicable		$ 100,162	
Department of Education:					
Pass Through Payments:					
Virginia Department of Education:					
Adult Education - Basic Grants to States	84.002	42801/61111		$ 307,855	
Title I Grants to Local Educational Agencies	84.010	42901		2,613,170	
Special Education Cluster (IDEA):					
Special Education Grants to States	84.027	40287/43071/61111	$ 1,354,556		
Special Education Preschool Grants	84.173	40287/40286	13,915	1,368,471	
Career and Technical Education -- Basic Grants to States	84.048	60031/600311005		150,516	
Student Support and Academic Enrichment Program	84.424	60281		128,091	
Rural Education	84.358	43481		124,705	
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	61480		227,034	
Education Stabilization Fund:					
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	50195/60177	$ 2,621,828		
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	70037	73,380		
COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief Fund	84.425U	50193	4,847,590	7,542,798	
Total Department of Education				$ 12,462,640	
Department of Homeland Security:					
Pass Through Payments:					
Virginia Department of Emergency Management:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4512 DRVAP00000001		$ 42,810	
Federal Disaster Assistance to Individuals and Households in Presidential Declared Disaster Areas	97.048	Unknown		3,750	
Emergency Management Performance Grants	97.042	EMP-2021-EP-00004		7,500	
Homeland Security Grant Program	97.067	EMW-2020-SS-00096		139,662	
Total Department of Homeland Security				$ 193,722	
Executive Office of the President:					
Pass Through Payments:					
Appalachia HIDTA					
High Intensity Drug Trafficking Areas Program	95.001	Unknown		$ 36,174	
National Endowment for the Humanities:					
Pass Through Payments:					
The Library of Virginia					
Grants to States	45.310	118903		$ 2,515	
Total Expenditures of Federal Awards				$ 25,862,596	$ 147,835

Notes to Schedule of Expenditures of Federal Awards:

Note A -- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Wise County, 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 Wise, Virginia, it is not intended to and does not present the financial position, changes in nets position, or cash flows of the County of Wise, Virginia.

Note B -- Summary of Significant Accounting Policies

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

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

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

Note C -- Food Donation:

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2022, The Wise County School Board had no food commodities in inventory.

Note D -- Donated Items:

The County did not receive any donated items during the year.

Note E -- Outstanding Balance of Federal Loans:

The County did not have any loans or loan guarantees which are subject to reporting requirements for the current year.

Note F -- Relationship to Financial Statements:

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

Primary government:	
General Fund - Intergovernmental	$ 22,367,799
Less: Revenue from the Commonwealth	(14,143,172)
Less: Payment in lieu of taxes	(10,321)
Nonmajor Governmental Funds - Intergovernmental	458,784
Less: Revenue from the Commonwealth	(7,401)
Total primary government:	$ 8,665,689
Component Unit School Board:	
School Operating Fund - Intergovernmental	$ 13,563,538
Less: QSCB interest subsidy	(601,163)
School Cafeteria Fund - Intergovernmental	4,234,532
Total component unit school board:	17,196,907
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$ 25,862,596

County of Wise, Virginia

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

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

Identification of major programs:

Federal Assistance Listing #	Name of Federal Program or Cluster
10.561	Supplemental Nutrition Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund
93.667	Social Services Block Grant
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs	$ 775,878
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

2022-001	Material Weakness
Criteria:	Per auditing standards, an auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Condition:	Trial balances as presented for audit did not contain all necessary adjustments to comply with generally accepted accounting principles (GAAP). As such, there were proposed adjustments that were material to the financial statements.
Cause:	The County does not have proper controls in place to detect and correct adjustments in closing their year end financial statements.
Effect:	There is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected by the internal controls over financial reporting.
Recommendation:	The County and School Board should review the proposed audit adjustments and incorporate same in the next year's financial statements presented for audit.
Management's Response:	Management agrees with this finding and will continue to work toward having the trial balances more complete and ready for the audit process.

2022-002	Compliance
Criteria:	The Code of Virginia, (1950), as amended requires that an appropriation exists prior to the expenditure of funds.
Condition:	The School Fund overspent the appropriated budget.
Cause of Condition:	Additional grant funding was received and utilized during the year but the original budget was not amended to include same and; therefore, an additional appropriation was not made.
Effect of Condition:	The School Board has not met the requirements of the Code of Virginia, (1950), as amended.
Recommendation:	The School Board's final budget should include appropriations for all expenditures.
Management's Response:	The School Board Finance Director will work with Department Heads to ensure that the budget for their department includes all expected expenditures and the source of funds to provide same. Department heads will be held accountable for ensuring that the System's budget information is appropriately reflected.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs.

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

2021-001

Condition:	Per auditing standards, an auditee should have sufficient controls in place to produce financial statements in accordance with applicable standards.
Recommendation:	The County and School Board should review the proposed audit adjustments and incorporate same in the next year's financial statements presented for audit.
Current Status:	Finding 2021-001 was repeated in the current year as 2022-001.