

COUNTY OF POWHATAN, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023



COUNTY OF POWHATAN, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023



PREPARED BY:
DEPARTMENT OF FINANCE
POWHATAN, VIRGINIA

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INTRODUCTORY SECTION

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COUNTY OF POWHATAN, VIRGINIA
DIRECTORY OF PRINCIPAL OFFICIALS

BOARD OF SUPERVISORS

Michael W. Byerly, Chairman
Steve W. McClung, Vice Chairman

Bill L. Cox

Karin M. Carmack

David T. Williams

SCHOOL BOARD

Susan Smith, Chairman
Dr. James Taylor, Vice Chairman

Vicki Hurt

Valarie C. Ayers

Kim D. Hymel

SOCIAL SERVICES BOARD

Ken Filiben, Chairman

Sean Campbell

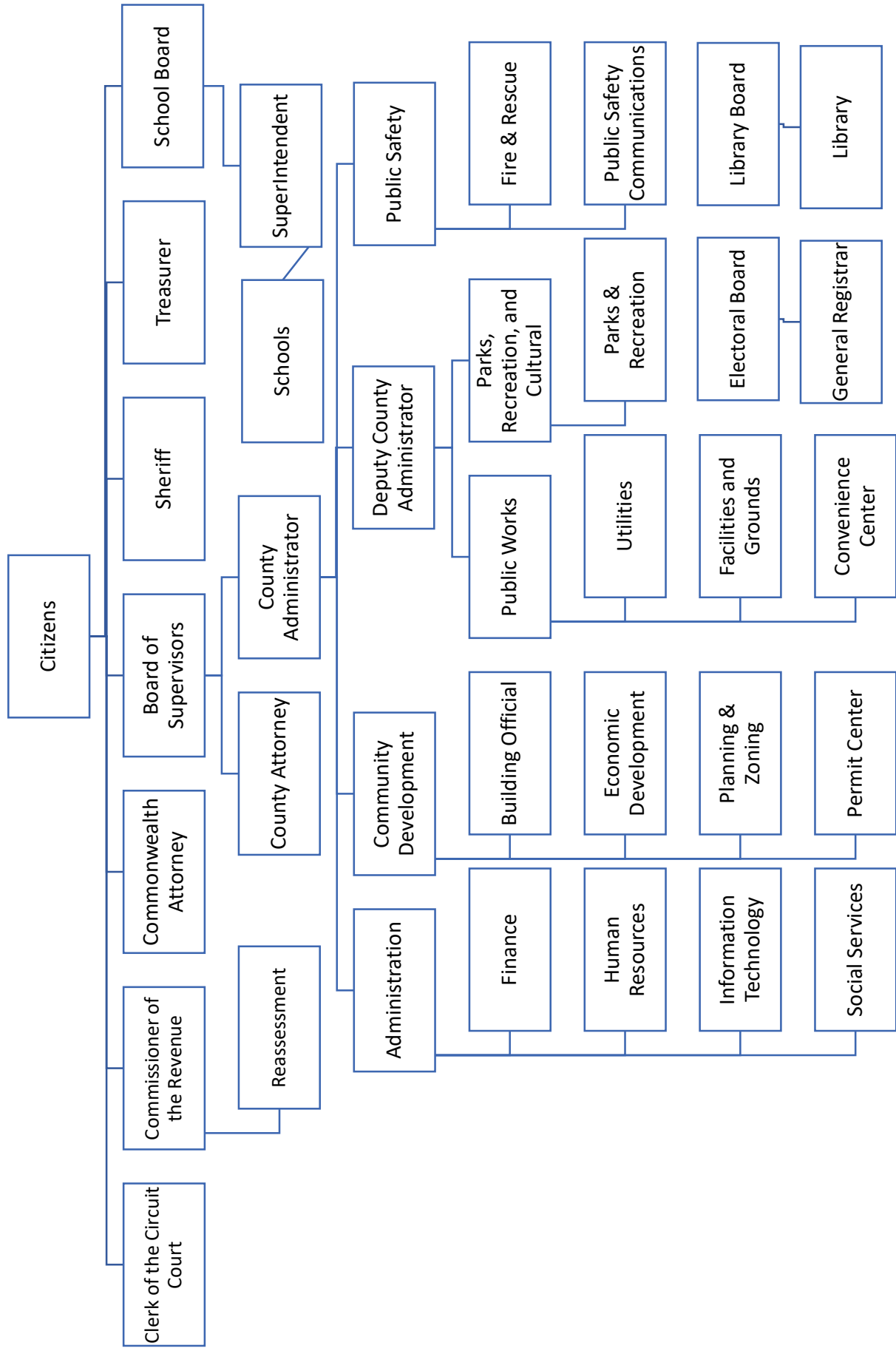
Connie Thompson
Lynne LaPierre

Lindia Cox

OTHER OFFICIALS

Clerk of the Circuit Court
Commonwealth's Attorney
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Commissioner of the Revenue
County Administrator
Director of Finance – County
Assistant Superintendent of Finance

Teresa H. Dobbins
Rob Cerullo
Rebecca Nunnally
Bradford Nunnally
Dr. Beth Teigen
Megan Carroll
James B. Timberlake, II
Bret Schardein
Charla W. Schubert
Debbie Halloway



Board of Supervisors
Michael W. Byerly, Chairman
Steve McClung, Vice Chairman
David T. Williams
Bill L. Cox
Karin M. Carmack



County Administrator
Bret Schardein

The County Of Powhatan

November 30, 2023

Honorable Members of the Board of Supervisors and Citizens
County of Powhatan
Powhatan, Virginia:

The Annual Comprehensive Financial Report of the County of Powhatan, Virginia, (the County) for the fiscal year ended June 30, 2023, is hereby submitted. The *Code of Virginia* requires that all local governments shall be audited annually with a report to the governing body by December 31. This report is published to fulfill that requirement.

As management, we assume full responsibility for the completeness and reliability of all the information contained in this report. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is established for this purpose. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

The County's financial statements have been audited by Brown, Edwards & Company, LLP, a firm of licensed certified public accountants. The independent auditor has issued an unmodified opinion on the County's financial statements for the fiscal year ended June 30, 2023. The independent auditor's report is located at the front of the Financial Section of the Annual Comprehensive Financial Report.

Management's Discussion and Analysis (MD&A) is found immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The independent audit of the financial statements of the County was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. These reports are available in the Single Audit Section of the Annual Comprehensive Financial Report.

Profile of the County

Powhatan II lived from 1550 - 1618 and was the paramount Virginia Native American chief during the period of the founding of Jamestown in a land Europeans called "The New World". Jamestown (1607) had the distinction of being the first permanent English colony in the Americas. Chief Powhatan headed a tribal alliance of 32 Indian nations, known as the "Powhatan Confederacy". Its boundaries stretched from North Carolina to Washington, D.C., to the Eastern Shore region (approximately 16,000 square miles). He is popularly well-known to be the father of Pocahontas, the Pamunkey Indian child who supposedly saved the life of Captain John Smith. In early 1617 Powhatan went to the Tauxenent (Dogue) town of May-umps near the mouth of Virginia's Occoquan River. By May 1618 he died and his body may have remained with the Tauxenents until its transfer for burial in a sacred place in 1621. His interment site is believed to be in a large mound on the Pamunkey Reservation in King William County.

Profile of the County (Continued)

The first European settlers along the James River in the area west of present-day Chesterfield County were the French Huguenots in the early 1700's. Subsequently, the County was created by the Virginia General Assembly in 1777 and was named in honor of Chief Powhatan. The County of Powhatan, a community of 31,365 people and 272 square miles, is located in Virginia's Central Piedmont region between the Appomattox and James Rivers. Powhatan is twenty miles west of Richmond, the Commonwealth's capital city, and is within an easy two-hour drive to the Atlantic Ocean, Washington D.C., Colonial Williamsburg, and the Blue Ridge Mountains.



The governing body, a five-member Board of Supervisors elected by district for four-year terms, sets the policies for the County. The Board of Supervisors hires a County Administrator to act as Chief Administrative Officer. The County Administrator serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, and oversees the daily administration of the County. Powhatan County Public Schools (PCPS) is governed by a five-member School Board who are elected by district for four-year terms. The School Board hires the Superintendent who is the Chief Administrative Officer of PCPS. The County Treasurer, the Commissioner of the Revenue, the Commonwealth's Attorney, the Clerk of the Circuit Court and the Sheriff are elected at-large by the voters. The judges of the Circuit Court, General District Court, and the Juvenile and Domestic Relations Courts are appointed by the Virginia legislature.

The County provides a full range of municipal-type services including public safety (sheriff, fire, and EMS), health and social services, public improvements, planning, zoning and building inspections, recreation and cultural services, solid waste and recycling disposal, and general administrative services. The County also operates a public water system along the eastern portion of Andersen Highway and two wastewater treatment plants in the central and eastern parts of the County.

Profile of the County (Continued)

In accordance with the requirements of the Government Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the County is financially accountable. The discretely presented component units qualifying for inclusion in this report is Powhatan County Public Schools (PCPS) and Powhatan County Economic Development Authority. The discretely presented component units are reported separately in the financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operation and cash flows from those of the primary government.

The annual operating budget serves as the foundation for the County's financial planning and control. All departments of the County are required to submit their recommended budgets to the County Administrator in January. The County Administrator uses these recommendations as the starting point for developing his proposed budget. The County Administrator presents the proposed budget to the Board of Supervisors usually by the beginning of March. The School Board presents the proposed budget for PCPS to the Board of Supervisors by mid-March. The Board of Supervisors holds public work sessions in March and April to discuss the budget. The Board of Supervisors is required to hold a public hearing and adopt a budget by May 15 for the fiscal year beginning July 1. PCPS budget is appropriated and controlled at the total budget level. The County's appropriated budget is legally controlled at the fund level. The Board of Supervisors must approve all transfers between funds. The County Administrator may make transfers of appropriations within a fund.

Local economy

The 2023 residential/commercial is 93% / 7%. For the fiscal year end (FYE) 2023, revenue from sales tax increased 3% over FYE 2022. The County's unemployment rate increased to 2.6% in FY 2023, which is lower than the state rate of 2.7% and the national rate of 3.6%.

Long term financial planning

On June 22, 2016, Standard & Poor's affirmed the County's bond rating of AA+ and assigned a stable outlook. Standard & Poor's AA+ rating was based on their assessment of the county's strong economy, strong management conditions with what they considered "strong" financial policies and practices, very strong budgetary flexibility with a history of available reserves above 29% of expenditures, very strong liquidity, and very weak debt and contingent liabilities, which includes overall net debt at less than 3.8% of market value.

Relevant financial policies

The County believes that sound financial management principles require that sufficient funds be retained by the County to always provide a stable financial base. To retain this stable financial base, the County maintains an unassigned General Fund Balance sufficient to fund all cash flows of the County, to provide financial reserves for unanticipated expenditures and for revenue shortfalls. Policy guidelines have established this amount at a minimum of 15% of operating revenues of the same fiscal year net of transfers. The County has also established a capital maintenance reserve within its fund balance policy where any fund balance remaining over and above the assigned fund balances is to be maintained for non-recurring needs of the County. Only the Board of Supervisors can determine these needs and authorize the use of the capital reserve fund balance.

In addition, policies and procedures are being developed or revised periodically to provide better clarification, more detail of practice, and to strengthen documentation of management.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Powhatan for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

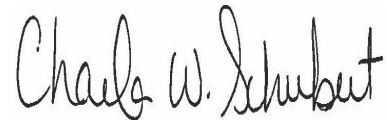
A Certificate of Achievement is valid for a period of one year only. We believe that our current financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department. We wish to thank all county departments and Powhatan County Public Schools for their assistance in providing the data necessary to prepare this report. The Board of Supervisors are to be commended for their support in strategically planning and managing the fiscal policies of the County.

Respectfully submitted,



Bret Schardein
County Administrator



Charla W. Schubert
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Powhatan
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors
County of Powhatan, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Powhatan (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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 1 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *SBITA*. Our opinion is not modified with respect to this matter.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 the County'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.

Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the County'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 the County'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.

Report on the Audit of the Financial Statements (Continued)

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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 November 28, 2023 on our consideration of the County'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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 28, 2023

County of Powhatan, Virginia

Management's Discussion and Analysis

For Fiscal Year Ended June 30, 2023

This section of the County of Powhatan (the "County") comprehensive annual financial report presents management's discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter, which can be found on pages iii-vi and with the County's basic financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the County, on a government-wide basis excluding component units, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$68,791,771 (*net position*). Of this amount, \$52,643,803 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position, excluding component units, increased by \$9,859,030, of which the governmental activities increased \$9,570,176 and business-type activities increased by \$288,854.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$48,638,519, an increase of \$8,097,954 in comparison with the prior year. The increase was due to the additional transfer to capital projects and an increase in general property taxes. Approximately 26% of this amount, \$12,726,761, 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 \$16,163,376 or 15% of total operating revenues of the general, school operating and school cafeteria funds (\$107,755,843). The County's policy is to maintain the general fund unassigned fund balance of 15% of operating revenues. General fund unassigned fund balance as a percent of operating revenues as calculated in accordance with the County's Unassigned Fund Balance Policy R-2015-62 of 15 percent is \$16,163,376. The County maintains a capital maintenance reserve for the County's capital needs. The County funds the capital maintenance reserve with fund balance in excess of the 15 percent policy less any budget carryforwards, nonspendable fund balance, transportation capital reserve, broadband capital investment reserve, economic incentive program, road construction and schools' capital maintenance reserve. The amount in the County capital maintenance reserve is \$7,184,219.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the Financial Statements (Continued)

Government-Wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances using the economic resources measurement focus and the accrual basis of accounting, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two 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. Additionally, to assess the overall financial health of the County one must also consider non-financial factors such as changes in the County's property tax base.

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, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g. uncollected taxes and earned but unused compensated absences).

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 administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The business-type activities are for water and sewer utilities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board for which the County is financially accountable. Financial information for the *component units* are reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 16-18 of this report.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and 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 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 statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances 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 fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*. These funds are reported on the modified accrual basis of accounting, this measures cash and other liquid assets that can be readily converted to cash.

The County maintains nine individual governmental 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, County Capital Projects Fund and the Grants Fund, which are all considered to be major funds. Data for the other seven County funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Overview of the Financial Statements (Continued)

Fund financial statements (continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic fund financial statements can be found on pages 19-22 of this report.

The County maintains one type of **Proprietary Fund**. The County uses *enterprise funds*, which are used to report the same functions presented as *business-type activities* in the government-wide financial statements, to account for its water and sewer utilities. The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on pages 26-27 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-130 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. It also provides information on the progress in funding its obligation to provide pension benefits and health insurance to its employees. Required supplementary information can be found on pages 131-144 of this report.

The combining statements referred to earlier with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 146 of this report.

Government-Wide Financial Analysis

An analysis of the County's financial position with a review of the Statement of Net Position and the Statement of Activities. These two statements report the County's net position and changes therein. It should be noted that the County's financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

As noted earlier, net position may serve over time as a useful indicator of a government's financial standing. In the case of the County, assets exceeded liabilities by \$68.8 million at the close of the most recent fiscal year. A portion of the County's net position (\$16,147,968, 23.5% of total) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services 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 (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Unrestricted net position of \$50.7 million or 85% may be used to meet the County's ongoing obligations to citizens and creditors.

Government-wide Financial Analysis (Continued)

The following table reflects the condensed Summary of Net Position as presented in the government-wide financial statement:

County of Powhatan, Virginia's Net Position								
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2023	2022	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 85,055,699	\$ 77,026,755	\$ 2,336,823	\$ 2,442,537	\$ 87,392,522	\$ 79,469,292	\$ 5,367,088	\$ 5,945,018
Capital assets	93,752,845	99,093,040	20,077,504	20,511,344	113,830,349	119,604,384	24,408,500	22,447,018
Total assets	\$ 178,808,544	\$ 176,119,795	\$ 22,414,327	\$ 22,953,881	\$ 201,222,871	\$ 199,073,676	\$ 29,775,588	\$ 28,392,036
Deferred outflows of resources:								
Pension contributions made subsequent to the measurement date	\$ 1,574,532	\$ 1,185,728	\$ 37,211	\$ 27,719	\$ 1,611,743	\$ 1,213,447	\$ 4,712,574	\$ 4,550,521
Difference between expected and actual experience and change in assumptions - pension	1,332,984	2,033,999	31,550	47,828	1,364,534	2,081,827	2,683,259	4,112,126
Deferred outflows - OPEB	1,392,076	689,137	41,439	21,083	1,433,515	710,220	6,850,593	4,314,033
Change in proportion - teacher cost sharing pool	-	-	-	-	-	-	391,824	54,032
Deferred amounts on bond refunding	1,058,789	1,194,134	616,070	687,095	1,674,859	1,881,229	-	-
Total deferred outflows of resources	\$ 5,358,381	\$ 5,102,998	\$ 726,270	\$ 783,725	\$ 6,084,651	\$ 5,886,723	\$ 14,638,250	\$ 13,030,712
Current liabilities	\$ 2,516,542	\$ 3,434,068	\$ 240,480	\$ 269,051	\$ 2,757,022	\$ 3,703,119	\$ 3,048,802	\$ 3,135,355
Long-term liabilities:								
Net pension liability	2,502,312	1,176,298	59,226	27,498	2,561,538	1,203,796	9,520,598	22,259,129
Other postemployment payable	3,642,548	3,411,602	91,123	84,656	3,733,671	3,496,258	24,647,108	22,841,605
Due within one year	6,742,879	6,648,017	881,270	865,179	7,624,149	7,513,196	228,527	150,903
Due in more than one year	82,123,750	88,591,849	12,973,873	13,850,237	95,097,623	102,442,086	2,449,343	2,438,089
Total liabilities	\$ 97,528,031	\$ 103,261,834	\$ 14,245,972	\$ 15,096,621	\$ 111,774,003	\$ 118,358,455	\$ 39,894,378	\$ 50,825,081
Deferred inflows of resources:								
Net difference between projected and actual investment earnings on pension plan investments	\$ 810,905	\$ 3,306,629	\$ 19,193	\$ -	\$ 830,098	\$ 3,306,629	\$ 3,921,070	\$ 15,201,271
Difference between expected and actual experience pensions	546,558	347,674	12,936	8,128	559,494	355,802	2,025,779	1,970,120
Change in assumptions - pension	-	10,956	-	256	-	11,212	-	-
Difference between expected and actual experience OPEB	1,213,739	672,774	36,362	19,788	1,250,101	692,562	3,340,926	1,368,198
Change in proportion - teacher cost sharing pool	-	-	-	-	-	-	636,631	1,086,816
Leases	601,307	614,855	-	-	601,307	614,855	-	-
Deferred property taxes	23,500,748	22,612,610	-	-	23,500,748	22,612,610	-	-
Total deferred inflows of resources	\$ 26,673,257	\$ 27,565,498	\$ 68,491	\$ 28,172	\$ 26,741,748	\$ 27,593,670	\$ 9,924,406	\$ 19,626,405
Net position:								
Net investment in capital assets	\$ 9,269,806	\$ 8,198,560	\$ 6,878,162	\$ 6,521,718	\$ 16,147,968	\$ 14,720,278	\$ 24,408,500	\$ 22,447,018
Restricted	-	2,211,309	-	-	-	2,211,309	-	-
Unrestricted (deficit)	50,695,831	39,985,592	1,947,972	2,015,562	52,643,803	42,001,154	(29,813,446)	(51,475,756)
Total net position	\$ 59,965,637	\$ 50,395,461	\$ 8,826,134	\$ 8,537,280	\$ 68,791,771	\$ 58,932,741	\$ (5,404,946)	\$ (29,028,738)

Government-wide Financial Analysis (Continued)

The County's combined net position, which is the County's bottom line, increased by \$9,859,030 or 16.7% from the prior year. The change in the County's combined net position is a combination of an increase of \$9.6 million from the efforts of governmental activities and an increase of \$288,854 from the efforts of business-type activities. A significant portion of the increase from the efforts of the governmental activities can be attributed to an increase in collection of property taxes and local sales tax, as well as a reduction in spending across the County.

The School Board and Economic Development Authority (EDA) make up the County's component units. In FY 2023, the net position of the two component units' totals (\$5,404,946) compared to (\$29,028,738) in FY 2022. Powhatan County Public Schools, liabilities exceeded assets by \$5.6 million at the close of fiscal year 2023. The deficit is due to GASB Statements 68 and 75, which requires for the recording of the net pension liability and net other postemployment liabilities. The Powhatan County Public Schools net pension liability at June 30, 2023 is \$9,520,598 and net other post-employment benefits liability is \$24,647,108. The Commonwealth of Virginia requires that counties, as well as their financial dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. The capital assets of the Powhatan County Public Schools are jointly owned with the County. The County maintains ownership of the capital asset and as debt is paid a portion of the asset is transferred back to the component unit. The County also reports depreciation expense on these assets and as debt is paid a portion of the jointly owned assets are transferred back to the component unit. The EDA's assets exceeded its liabilities by \$156,737 at the close of fiscal year 2023.

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Government-wide Financial Analysis (Continued)

The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also shows the general revenue sources that fund governmental operations. The following table shows the revenue and expenses of government-wide activities:

County of Powhatan, Virginia's Statement of Activities								
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues:								
Program Revenues:								
Charges for Services	\$ 2,387,829	\$ 2,410,573	\$ 781,483	\$ 862,259	\$ 3,169,312	\$ 3,272,832	\$ 2,330,860	\$ 1,717,825
Operating Grants and Contributions	6,464,118	4,251,534	-	-	6,464,118	4,251,534	29,328,464	30,103,964
Capital Grants and Contributions	2,694,013	1,591,227	-	440,000	2,694,013	2,031,227	-	-
Property Taxes	53,122,542	56,676,166	-	-	53,122,542	56,676,166	-	-
Other local taxes	9,380,952	9,467,027	-	-	9,380,952	9,467,027	-	-
Grants and Contributions not restricted to specific programs	3,803,171	3,899,906	-	-	3,803,171	3,899,906	-	-
Other	1,195,091	630,097	2,943	13,471	1,198,034	643,568	871,507	914,592
Total revenues	\$ 79,047,716	\$ 78,926,530	\$ 784,426	\$ 1,315,730	\$ 79,832,142	\$ 80,242,260	\$ 32,530,831	\$ 32,736,381
Expenses:								
General government administration	\$ 5,318,059	\$ 4,482,953	\$ -	\$ -	\$ 5,318,059	\$ 4,482,953	\$ -	\$ -
Judicial administration	1,485,251	1,356,321	-	-	1,485,251	1,356,321	-	-
Public safety	14,828,899	13,574,246	-	-	14,828,899	13,574,246	-	-
Public works	2,807,458	2,582,620	2,374,677	2,105,052	5,182,135	4,687,672	-	-
Health and welfare	6,267,296	5,578,307	-	-	6,267,296	5,578,307	-	-
Education	31,412,737	29,820,818	-	-	31,412,737	29,820,818	35,429,325	51,677,521
Parks, recreation, and cultural	1,095,549	1,019,595	-	-	1,095,549	1,019,595	-	-
Community development	1,966,462	1,235,356	-	-	1,966,462	1,235,356	-	-
Interest and fiscal charges	2,416,724	2,537,193	-	-	2,416,724	2,537,193	-	-
Total expenses	\$ 67,598,435	\$ 62,187,409	\$ 2,374,677	\$ 2,105,052	\$ 69,973,112	\$ 64,292,461	\$ 35,429,325	\$ 51,677,521
Change in net position before transfers	\$ 11,449,281	\$ 16,739,121	\$ (1,590,251)	\$ (789,322)	\$ 9,859,030	\$ 15,949,799	\$ (2,898,494)	\$ (18,941,140)
Transfers	(1,879,105)	(1,712,286)	1,879,105	1,712,286	-	-	26,522,286	25,721,394
Change in net position	\$ 9,570,176	\$ 15,026,835	\$ 288,854	\$ 922,964	\$ 9,859,030	\$ 15,949,799	\$ 23,623,792	\$ 6,780,254
Net position - beginning	50,395,461	35,368,626	8,537,280	7,614,316	58,932,741	42,982,942	(29,028,738)	(35,808,992)
Net position - ending	\$ 59,965,637	\$ 50,395,461	\$ 8,826,134	\$ 8,537,280	\$ 68,791,771	\$ 58,932,741	\$ (5,404,946)	\$ (29,028,738)

Governmental activities – For fiscal year ended June 30, 2023, revenues from governmental activities (not including Capital Projects) totaled \$76.3 million, which was an increase of \$5.9 million from the prior year. Real estate tax revenues, the County's largest revenue source, real estate billing of \$36.7 million. The County's

Government-wide Financial Analysis (Continued)

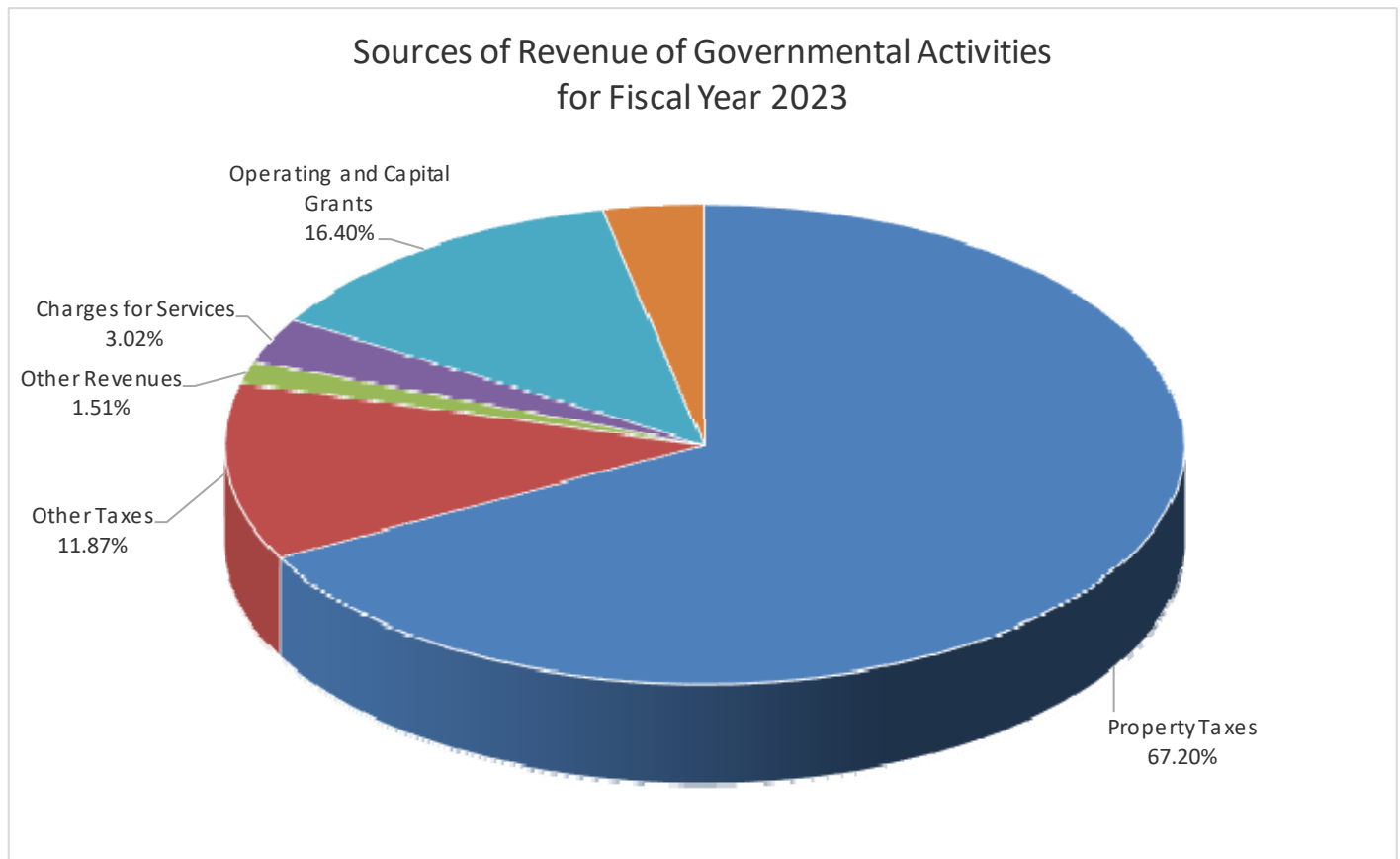
assessed real property tax base for fiscal year 2023 saw an increase of \$908 million. The increase is due to increase in value based on the sales study. The real estate tax rate was lowered to \$.69 for the tax year 2023.

In the General Fund, the County reported current year collections of \$18 million in personal property taxes, the County's second largest revenue source. Of that amount, \$3.02 million was received as reimbursement from the Commonwealth of Virginia. Under the provisions of the Personal Property Tax Relief Act (PPTRA), the state's share of local personal property taxes remains stable, which is attributed to the tax rate remaining at \$3.60.

For the fiscal year ended June 30, 2023, expenses relating to governmental activities (not including Capital Projects) were \$1,950,767 less than planned. The decrease in spending can be contributed conservative spending by all departments in the County.

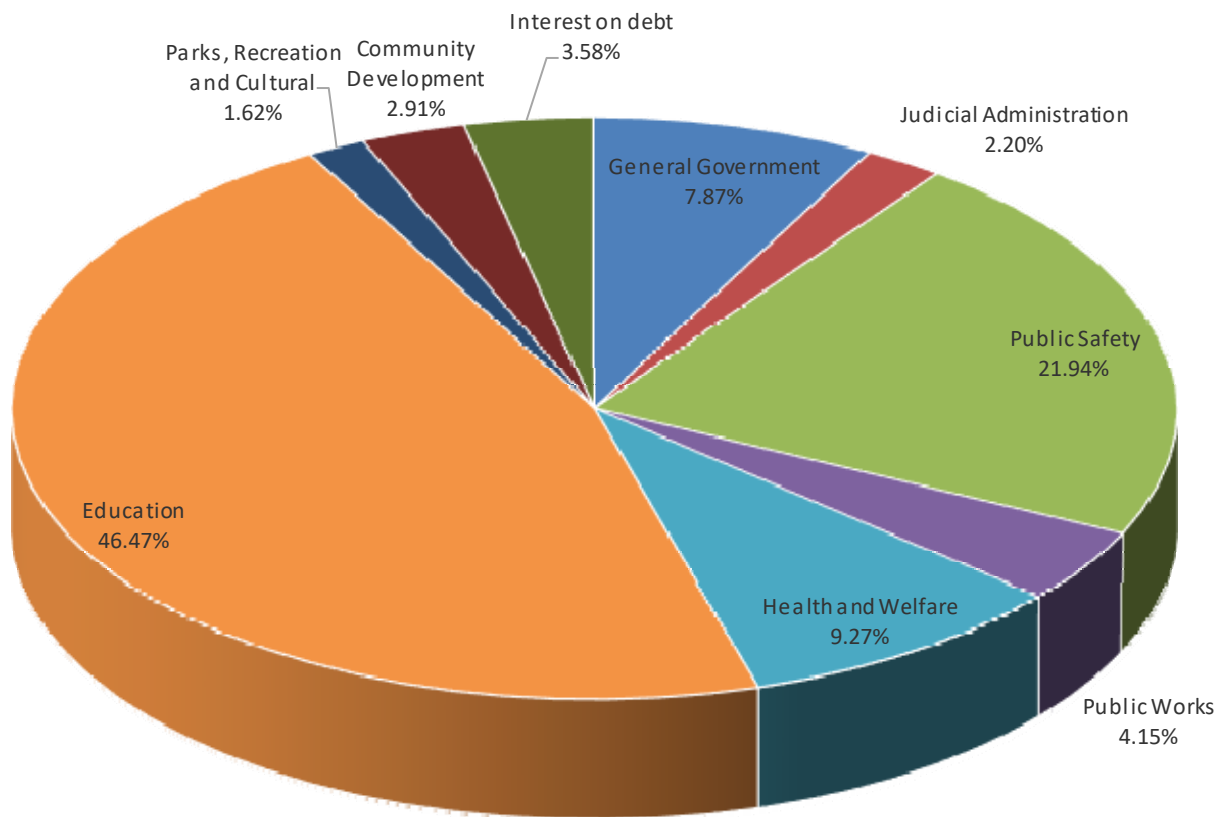
Public education continues to be one of the County's highest priorities and commitments. The County contributed \$25.4 million to public education school operations and \$6.6 million toward debt payments relating to school projects for a total contribution of \$32 million.

The following graphs illustrate by source for governmental activities, as well as illustrating expenses for each of the functional areas of governmental activities:



Government-wide Financial Analysis (Continued)

Total Functional Expenses for Governmental Activities for Fiscal Year 2023



Business-type activities increased the County's net position by \$288,852 for fiscal year 2023. Similar to the changes in net position attributable to governmental activities, changes in business-type activity net position also result from the difference between revenues and expenses. Unlike governmental activities, which primarily rely on general tax revenue to finance operations, business-type activities are financed by fees charged for goods and services provided.

The County has one enterprise fund, which provides water and wastewater services to approximately 200 customers in the County. Like all business-type activities, the Utility Fund attempts to recover much of the operating expenses it incurs to meet service demands through user fees. The primary factors affecting the Utility Fund are:

- Efforts to make the fund self-supporting have been unsuccessful; however, the fund is showing improvements. The County recognizes the need to continue support of the fund through annual General Fund transfers. The budgeted transfer was \$1,744,105 in fiscal year 2023.

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 government'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 \$48.6 million, an increase of \$8.1 million in comparison with the prior year. The \$8.1 million increase can be attributed to an increase of \$5.1 million in property tax collections and increases in all major revenue sources.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16.2 million, while total fund balance reached \$26.4 million. The Board of Supervisors adopted a fund balance policy to keep unassigned fund balance at a minimum of 15% of operating revenues of the same fiscal year. The fund balance in excess of 15% is assigned to capital maintenance reserve. In fiscal year 2023 the County's fund balance was 24.5% of fiscal year 2023 operating revenues. The excess fund balance of \$10.3 million is assigned to the capital maintenance needs of the County and Schools. The fund balance decreased by \$437,565. This reduction is mainly contributed to an increase in contribution to the capital projects fund for pay go projects.

The County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those reported by the Proprietary Fund. The County Capital Projects Fund has a fund balance of \$19.8 million, which \$2.3 million was restricted for bonded projects and \$17.4 million has been assigned for future capital projects. The fund balance increased from the prior year by \$10.5 million. The County made a transfer from capital maintenance reserve in the amount of \$3.7 million to fund pay as you go projects from the Ten-Year Capital Improvement Plan.

Proprietary funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Utility Fund at the end of the year amounted to \$1.9 million, which is a decrease of \$67,590 from fiscal year 2022. The majority of this decrease can be attributed to a reduction in water and sewer revenues. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Total General Fund expenditures in fiscal year 2023 came in at \$1.95 million or 3% below the final amended budget. Local expenditures for Education were under budget by \$669,021.

General Fund revenues exceeded budget projections in fiscal year 2023 by \$1.3 million, which can be attributed to very conservative revenue forecasting and increase in real estate and personal property assessments.

There was an increase of \$302,988 between the original General Fund budget and the final amended General Fund budget, and the major differences can be summarized as follows:

- An increase of \$240,546 can be associated with the Sheriff's office due to unforeseen overtime and increase in salaries and wages, as well as fuel and uniforms.
- An increase of \$62,442 can be attributed to various minor budget changes across multiple departments.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$113.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, and machinery and equipment.

The County does not own its own roads; therefore, roads are not included in the capital assets.

Major capital asset events during the current fiscal year included the following:

- The County completed the ERP upgrade.
- The County began the Village RTU project and Fire Station #1 addition.

Capital assets, net of accumulated depreciation, are illustrated in the following table:

Capital Assets As of June 30, 2023 and 2022								
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2023	2022	2023	2022	2023	2022	2023	2022
Land	\$ 2,448,781	\$ 2,448,781	\$ 859,030	\$ 859,030	\$ 3,307,811	\$ 3,307,811	\$ 918,851	\$ 918,851
Construction in progress	846,648	1,051,350	262,968	333,290	1,109,616	1,384,640	1,000,499	-
Buildings	14,394,765	14,784,536	18,477,153	18,909,397	32,871,918	33,693,933	-	-
Machinery & equipment	19,181,397	19,240,944	478,353	409,627	19,659,750	19,650,571	1,887,513	2,193,402
Lease assets	937,188	1,019,461	-	-	937,188	1,019,461	-	-
Subscription assets	35,945					-	102,172	148,115
Jointly owned assets	55,908,121	60,547,968	-	-	55,908,121	60,547,968	20,499,465	19,334,765
Total	<u>\$ 93,752,845</u>	<u>\$ 99,093,040</u>	<u>\$ 20,077,504</u>	<u>\$20,511,344</u>	<u>\$ 113,794,404</u>	<u>\$ 119,604,384</u>	<u>\$24,408,500</u>	<u>\$ 22,595,133</u>

Additional information on the County's capital assets can be found in Note 8 on pages 47-50 of this report.

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Capital Asset and Debt Administration (Continued)

Long-term debt: At the end of the current fiscal year, the County had a total outstanding debt of \$105.6 million and details are summarized in the following table:

Long-Term Debt As of June 30, 2023 and 2022								
	Governmental Activities		Business-type Activities		Primary Government Totals		Component Units	
	2023	2022	2023	2022	2023	2022	2023	2022
Bonds Payable:								
General obligation bonds	\$ 14,751,130	\$ 16,914,314	\$ -	\$ -	\$ 14,751,130	\$ 16,914,314	\$ -	\$ -
Revenue bonds	65,658,000	69,098,000	13,155,000	13,960,000	78,813,000	83,058,000	-	-
Premium on bonds	5,321,197	5,736,534	660,412	716,721	5,981,609	6,453,255	-	-
Lease liability	972,823	1,037,710	-	-	972,823	1,037,710	-	-
Subscription liability	24,905	44,230	-	-	24,905	44,230	97,673	148,115
Financed purchases	1,063,289	1,505,204	-	-	1,063,289	1,505,204	-	-
Compensated absences	1,075,285	948,104	39,731	38,695	1,115,016	986,799	2,580,197	2,588,992
Total	\$ 88,866,629	\$ 95,284,096	\$ 13,855,143	\$14,715,416	\$ 102,721,772	\$ 109,999,512	\$ 2,677,870	\$ 2,737,107

Debt associated with governmental activities decreased \$6.4 million, which is the net amount of pay down of principal during the year. The debt associated with business-type activities decreased by \$860,273, which can be attributed to pay down of principal during the current year.

The County is not subject to a statutory debt limitation, but the County limits its debt to a net debt as a percentage of assessed value of taxable property which shall not exceed 4%. The County also limits its ratio of debt service as a percentage of governmental operating funds expenditures to 15%. The County's net tax supported debt as a percentage of assessed value was 1.52%, the net debt per capita ratio was \$3,239, and the debt payments percentage was 10.61%.

Additional information on the County's long-term debt can be found in Note 10 on pages 51-59.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County as of June 2023 was 2.6 percent, which is lower than the state rate (2.7 percent) and the national rate (3.6 percent).
- Real property taxable assessed values increased 20 percent from January 1, 2022 to January 1, 2023 from \$4,535,152,600 to \$5,443,483,373 due to the County's general reassessment. The County anticipates the assessments to continue to increase for new construction and this will be taken into consideration in the development of the FY 2025 Budget, which is currently underway.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, County of Powhatan, 3834 Old Buckingham Road, Suite B, Powhatan VA 23139. General information relating to the County of Powhatan is available on the County's website <http://www.powhatanva.gov>.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents (Note 3)	\$ 48,980,922	\$ 2,211,610	\$ 51,192,532	\$ 2,748,788	\$ 56,737
Receivables, net:					
Taxes (Note 5)	29,656,927	-	29,656,927	-	-
Accounts (Note 5)	292,775	125,213	417,988	112,352	-
Leases receivable (Note 10)	643,114	-	643,114	-	-
Due from other governmental units (Note 6)	2,962,248	-	2,962,248	1,538,773	-
Inventories	-	-	-	103,742	-
Prepaid expenses	205,448	-	205,448	-	-
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents (in custody of others) (Note 3)	4,851	-	4,851	-	-
Investments (Note 3)	2,309,414	-	2,309,414	-	-
Net pension asset (Note 11)	-	-	-	806,696	-
Capital assets (Note 8):					
Nondepreciable	3,295,429	1,121,998	4,417,427	1,819,350	100,000
Depreciable, net	90,457,416	18,955,506	109,412,922	22,489,150	-
Total assets	\$ 178,808,544	\$ 22,414,327	\$ 201,222,871	\$ 29,618,851	\$ 156,737
DEFERRED OUTFLOWS OF RESOURCES					
Pension contributions made subsequent to the measurement date (Notes 11 & 12)	\$ 1,574,532	\$ 37,211	\$ 1,611,743	\$ 4,712,574	\$ -
Changes in assumptions - pension (Note 11 & 12)	899,753	21,295	921,048	2,683,259	-
Other deferred outflows - pension (Notes 11 & 12)	433,231	10,255	443,486	-	-
Deferred outflows - OPEB (Notes 13 and 14)	1,392,076	41,439	1,433,515	6,850,593	-
Change in proportion - teacher cost sharing pool (Note 12)	-	-	-	391,824	-
Deferred amount on bond refundings	1,058,789	616,070	1,674,859	-	-
	\$ 5,358,381	\$ 726,270	\$ 6,084,651	\$ 14,638,250	\$ -
LIABILITIES					
Accounts payable	\$ 1,675,944	\$ 113,924	\$ 1,789,868	\$ 437,731	\$ -
Accrued liabilities	75,271	-	75,271	2,611,071	-
Retainage payable	50,102	-	50,102	-	-
Accrued interest payable	715,225	126,400	841,625	-	-
Unearned revenue	-	156	156	-	-
Long-term liabilities:					
Due within one year (Note 10)	6,742,879	881,270	7,624,149	226,394	-
Due in more than one year (Note 10)	82,123,750	12,973,873	95,097,623	2,451,476	-
Net pension liability (Notes 11 & 12)	2,502,312	59,226	2,561,538	9,520,598	-
Net other postemployment benefits liability (Notes 13, 14, 15 & 17)	3,642,548	91,123	3,733,671	24,647,108	-
Total liabilities	\$ 97,528,031	\$ 14,245,972	\$ 111,774,003	\$ 39,894,378	\$ -
DEFERRED INFLOWS OF RESOURCES					
Difference between expected and actual experience - pension (Notes 11 & 12)	\$ 546,558	\$ 12,936	\$ 559,494	\$ 2,025,779	\$ -
Difference between expected and actual earnings on investments - Pensions (Notes 11 & 12)	810,905	19,193	830,098	3,921,070	-
Difference between expected and actual experience - OPEB (Notes 13 & 14)	1,213,739	36,362	1,250,101	3,340,926	-
Change in proportion - teacher cost sharing pool (Note 12)	-	-	-	636,631	-
Leases (Note 10)	601,307	-	601,307	-	-
Deferred property taxes (Note 9)	23,500,748	-	23,500,748	-	-
	\$ 26,673,257	\$ 68,491	\$ 26,741,748	\$ 9,924,406	\$ -
NET POSITION					
Net investment in capital assets	\$ 9,269,806	\$ 6,878,162	\$ 16,147,968	\$ 24,308,500	\$ 100,000
Unrestricted (deficit)	50,695,831	1,947,972	52,643,803	(29,870,183)	56,737
Total net position	\$ 59,965,637	\$ 8,826,134	\$ 68,791,771	\$ (5,561,683)	\$ 156,737

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

COUNTY OF POWHATAN, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 5,318,059	\$ 75,168	\$ 865,468	\$ -
Judicial administration	1,485,251	238,171	458,397	-
Public safety	14,828,899	1,698,586	1,924,960	150,000
Public works	2,807,458	84,923	-	-
Health and welfare	6,267,296	-	3,020,970	-
Education	31,412,737	-	-	2,544,013
Parks, recreation, and cultural	1,095,549	26,441	165,808	-
Community development	1,966,462	264,540	28,515	-
Interest on long-term debt	2,416,724	-	-	-
Total governmental activities	\$ 67,598,435	\$ 2,387,829	\$ 6,464,118	\$ 2,694,013
Business-type activities:				
Water and sewer	\$ 2,374,677	\$ 781,483	\$ -	\$ -
Total business-type activities	\$ 2,374,677	\$ 781,483	\$ -	\$ -
Total primary government	\$ 69,973,112	\$ 3,169,312	\$ 6,464,118	\$ 2,694,013
COMPONENT UNITS:				
School Board	\$ 35,425,196	\$ 2,330,860	\$ 29,328,464	\$ -
Economic Development Authority	4,129	-	-	-
Total component units	\$ 35,429,325	\$ 2,330,860	\$ 29,328,464	\$ -

General revenues:
 General property taxes
 Local sales and use tax
 Consumer utility tax
 Other local taxes
 Unrestricted revenues from use of money and property
 Miscellaneous
 Grants and contributions not restricted to specific programs
 Payment from Powhatan County
 Transfers (Note 7)
 Total general revenues and transfers
 Change in net position
 Net position - beginning
 Net position - ending

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

Net (Expense) Revenue and Changes in Net Assets					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	School Board	EDA	
\$ (4,377,423)	\$ -	\$ (4,377,423)	\$ -	\$ -	
(788,683)	-	(788,683)	-	-	
(11,055,353)	-	(11,055,353)	-	-	
(2,722,535)	-	(2,722,535)	-	-	
(3,246,326)	-	(3,246,326)	-	-	
(28,868,724)	-	(28,868,724)	-	-	
(903,300)	-	(903,300)	-	-	
(1,673,407)	-	(1,673,407)	-	-	
(2,416,724)	-	(2,416,724)	-	-	
<u>\$ (56,052,475)</u>	<u>\$ -</u>	<u>\$ (56,052,475)</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (1,593,194)	\$ (1,593,194)	\$ -	\$ -	
\$ -	\$ (1,593,194)	\$ (1,593,194)	\$ -	\$ -	
<u>\$ (56,052,475)</u>	<u>\$ (1,593,194)</u>	<u>\$ (57,645,669)</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ (3,765,872)	\$ -	
\$ -	\$ -	\$ -	\$ -	\$ (4,129)	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,765,872)</u>	<u>\$ (4,129)</u>	
\$ 53,122,542	\$ -	\$ 53,122,542	\$ -	\$ -	
5,190,290	-	5,190,290	-	-	
669,974	-	669,974	-	-	
3,520,688	-	3,520,688	-	-	
471,556	-	471,556	39,394	138	
723,535	2,943	726,478	831,538	437	
3,803,171	-	3,803,171	-	-	
-	-	-	26,522,286	-	
(1,879,105)	1,879,105	-	-	-	
<u>\$ 65,622,651</u>	<u>\$ 1,882,048</u>	<u>\$ 67,504,699</u>	<u>\$ 27,393,218</u>	<u>\$ 575</u>	
\$ 9,570,176	\$ 288,854	\$ 9,859,030	\$ 23,627,346	\$ (3,554)	
50,395,461	8,537,280	58,932,741	(29,189,029)	160,291	
<u>\$ 59,965,637</u>	<u>\$ 8,826,134</u>	<u>\$ 68,791,771</u>	<u>\$ (5,561,683)</u>	<u>\$ 156,737</u>	

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FUND FINANCIAL STATEMENTS

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Balance Sheet
Governmental Funds
June 30, 2023

	General	County Capital Projects	Grants Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 23,970,065	\$ 17,718,567	\$ 2,009,470	\$ 5,282,820	\$ 48,980,922
Receivables, net:					
Taxes	29,656,927	-	-	-	29,656,927
Accounts	187,288	23,552	-	81,935	292,775
Leases receivable	643,114	-	-	-	643,114
Due from other governmental units	1,693,995	639,901	23,453	604,899	2,962,248
Prepaid items	205,448	-	-	-	205,448
Restricted assets:					
Temporarily restricted:					
Cash and cash equivalents	4,851	-	-	-	4,851
Investments	-	2,309,414	-	-	2,309,414
Total assets	<u>\$ 56,361,688</u>	<u>\$ 20,691,434</u>	<u>\$ 2,032,923</u>	<u>\$ 5,969,654</u>	<u>\$ 85,055,699</u>
LIABILITIES					
Accounts payable	\$ 712,644	\$ 888,332	\$ 23,112	\$ 51,856	\$ 1,675,944
Accrued liabilities	71,396	-	3,875	-	75,271
Retainage payable	-	50,102	-	-	50,102
Total liabilities	<u>\$ 784,040</u>	<u>\$ 938,434</u>	<u>\$ 26,987</u>	<u>\$ 51,856</u>	<u>\$ 1,801,317</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable/deferred revenue (Note 9)	\$ 28,561,555	\$ -	\$ 5,442,551	\$ 10,450	\$ 34,014,556
Leases	601,307	-	-	-	601,307
Total deferred inflows of resources	<u>\$ 29,162,862</u>	<u>\$ -</u>	<u>\$ 5,442,551</u>	<u>\$ 10,450</u>	<u>\$ 34,615,863</u>
FUND BALANCES:					
Nonspendable	\$ 205,448	\$ -	\$ -	\$ -	\$ 205,448
Restricted	-	2,304,516	-	4,937,405	7,241,921
Committed	-	-	-	969,943	969,943
Assigned	10,045,962	17,448,484	-	-	27,494,446
Unassigned	16,163,376	-	(3,436,615)	-	12,726,761
Total fund balances	<u>\$ 26,414,786</u>	<u>\$ 19,753,000</u>	<u>\$ (3,436,615)</u>	<u>\$ 5,907,348</u>	<u>\$ 48,638,519</u>
Total liabilities and fund balances	<u>\$ 56,361,688</u>	<u>\$ 20,691,434</u>	<u>\$ 2,032,923</u>	<u>\$ 5,969,654</u>	<u>\$ 85,055,699</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	48,638,519
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$	158,977,062	
Less: accumulated depreciation		<u>(65,224,217)</u>	93,752,845

Deferred inflows of resources (i.e. taxes levied) are not available to pay current period expenditures and, therefore, are deferred in the funds.	10,513,808
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources for employer contributions - pension	\$	1,574,532	
Deferred outflows - pension		1,332,984	
Deferred inflows of resources for differences between expected and actual experience - pension		(546,558)	
Deferred inflows of resources for the net difference between projected and actual plan investments - pension		(810,905)	
Deferred outflows - OPEB		1,392,076	
Deferred inflows - OPEB		(1,213,739)	
Net other postemployment benefits liability		(3,642,548)	
Net Pension Liability		<u>(2,502,312)</u>	(4,416,470)

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

Bonds and loans payable	\$	(80,409,130)	
Bond issuance premium		(5,321,197)	
Deferred charge on refundings		1,058,789	
Interest payable		(715,225)	
Financed purchases obligations		(1,063,289)	
Subscription liability		(24,905)	
Lease liability		(972,823)	
Compensated absences		<u>(1,075,285)</u>	(88,523,065)

Net position of governmental activities	\$	<u>59,965,637</u>
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The notes to the financial statements are an integral part of this statement.

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

	General	County Capital Projects	Grants Fund	Other Governmental Funds	Total
REVENUES					
General property taxes	\$ 53,215,804	\$ -	\$ -	\$ -	\$ 53,215,804
Other local taxes	7,140,781	-	-	2,315,339	9,456,120
Permits, privilege fees, and regulatory licenses	1,042,408	-	-	264,540	1,306,948
Fines and forfeitures	94,859	-	-	-	94,859
Revenue from the use of money and property	378,159	92,625	-	772	471,556
Charges for services	260,877	-	-	649,977	910,854
Miscellaneous	347,904	52,353	236,667	86,611	723,535
Intergovernmental revenues:					
Commonwealth	8,021,707	1,944,013	91,476	157,470	10,214,666
Federal	1,186,677	750,000	805,409	4,550	2,746,636
Total revenues	\$ 71,689,176	\$ 2,838,991	\$ 1,133,552	\$ 3,479,259	\$ 79,140,978
EXPENDITURES					
Current:					
General government administration	\$ 4,623,036	\$ 763,325	\$ 34	\$ -	\$ 5,386,395
Judicial administration	1,360,817	1,781	44,694	-	1,407,292
Public safety	11,821,624	1,071,818	361,368	725,545	13,980,355
Public works	2,803,926	531,600	-	-	3,335,526
Health and welfare	5,878,939	-	360,948	-	6,239,887
Education	25,357,586	1,415,303	-	-	26,772,889
Parks, recreation, and cultural	838,268	120,444	(434)	-	958,278
Community development	1,371,647	634,643	12,958	4,550	2,023,798
Capital projects	1,509	-	-	-	1,509
Debt service:					
Principal retirement	6,141,502	-	-	-	6,141,502
Interest and other fiscal charges	2,916,488	-	-	-	2,916,488
Total expenditures	\$ 63,115,342	\$ 4,538,914	\$ 779,568	\$ 730,095	\$ 69,163,919
Excess (deficiency) of revenues over expenditures	\$ 8,573,834	\$ (1,699,923)	\$ 353,984	\$ 2,749,164	\$ 9,977,059
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 12,216,294	\$ -	\$ -	\$ 12,216,294
Transfers out	(9,011,399)	-	(3,024,000)	(2,060,000)	(14,095,399)
Issuance of SBITA financing	44,230	-	-	-	44,230
Payment for SBITAs	(44,230)	-	-	-	(44,230)
Total other financing sources (uses)	\$ (9,011,399)	\$ 12,216,294	\$ (3,024,000)	\$ (2,060,000)	\$ (1,879,105)
Net change in fund balances	\$ (437,565)	\$ 10,516,371	\$ (2,670,016)	\$ 689,164	\$ 8,097,954
Fund balances - beginning	26,852,351	9,236,629	(766,599)	5,218,184	40,540,565
Fund balances - ending	\$ 26,414,786	\$ 19,753,000	\$ (3,436,615)	\$ 5,907,348	\$ 48,638,519

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

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

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

Net change in fund balances - total governmental funds	\$	8,097,954
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$	2,070,320	
Allocation of jointly owned assets, net		(4,639,848)	
Depreciation expense		<u>(2,724,339)</u>	(5,293,867)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(93,262)
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Governmental funds report employer pension contributions as expenditures. However in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.

Employer pension contributions	\$	1,574,532	
Pension expense		<u>(1,408,486)</u>	414,239

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 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 payments	\$	6,141,502	
Amortization of leases		(61,887)	
Amortization of subscriptions		(69,767)	
Amortization of deferred amounts on refunding		148,893	
Amortization of premium on bonds payable		<u>415,337</u>	6,574,078

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	\$	(127,182)	
(Increase) decrease in OPEB liability		(68,972)	
(Increase) decrease in interest payable		<u>67,188</u>	<u>(128,966)</u>

Change in net position of governmental activities	\$	<u><u>9,570,176</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
Proprietary Fund
June 30, 2023

	Enterprise Fund
	Water &
	Sewer
ASSETS	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 2,211,610
Accounts receivable, net of allowance for uncollectibles (Note 5)	125,213
Total current assets	\$ 2,336,823
Noncurrent assets (Note 8):	
Capital assets:	
Nondepreciable	\$ 1,121,998
Depreciable, net	18,955,506
Total noncurrent assets	\$ 20,077,504
Total assets	\$ 22,414,327
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions made subsequent to the measurement date (Note 11)	\$ 37,211
Differences between expected and actual experience, difference between projected and actual earnings and changes in assumptions on pension plan investments - pension (Note 11)	10,255
Change in assumptions (Note 11)	21,295
Deferred Outflows - OPEB (Note 13)	41,439
Deferred amount on bond refunding	616,070
Total deferred outflows of resources	\$ 726,270
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 113,924
Accrued interest payable	126,400
Deferred Revenue	156
Compensated absences - current portion	3,973
Bonds payable - current portion	877,297
Total current liabilities	\$ 1,121,750
Noncurrent liabilities:	
Bonds payable - net of current portion	\$ 12,938,115
Compensated absences - net of current portion	35,758
Net pension liability	59,226
Other post-employment benefits payable	91,123
Total noncurrent liabilities	\$ 13,124,222
Total liabilities	\$ 14,245,972
DEFERRED INFLOWS OF RESOURCES	
Difference between expected and actual experience on pension (Note 11)	\$ 12,936
Net difference between projected and actual earnings on pension (Note 11)	19,193
Deferred Inflows - OPEB (Note 13)	36,362
Total deferred inflows of resources	\$ 68,491
NET POSITION	
Net investment in capital assets	\$ 6,878,162
Unrestricted	1,947,972
Total net position	\$ 8,826,134

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

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Fund
 For the Year Ended June 30, 2023

	Enterprise Fund
	Water &
	Sewer
OPERATING REVENUES	
Charges for services:	
Water and sewer revenues	\$ 531,868
Connection and reconnection fees	249,615
Miscellaneous	2,943
Total operating revenues	<u>\$ 784,426</u>
OPERATING EXPENSES	
Personal services	\$ 301,303
Fringe benefits	119,992
Contractual services	429,346
Other charges	429,407
Depreciation	606,214
Total operating expenses	<u>\$ 1,886,262</u>
Operating loss	<u>\$ (1,101,836)</u>
NONOPERATING EXPENSES	
Interest and fiscal charges	\$ (488,415)
Total nonoperating expenses	<u>\$ (488,415)</u>
Loss before contributions and transfers	<u>\$ (1,590,251)</u>
Capital contributions	\$
Transfers in	1,879,105
Change in net position	<u>\$ 288,854</u>
Total net position - beginning	8,537,280
Total net position - ending	<u><u>\$ 8,826,134</u></u>

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

Statement of Cash Flows

Proprietary Fund

For the Year Ended June 30, 2023

	Enterprise Fund
	Water &
	Sewer
OPERATING ACTIVITIES	
Receipts from customers and users	\$ 822,816
Payments to suppliers	(880,074)
Payments to employees	(430,848)
Net cash used in operating activities	<u>\$ (488,106)</u>
NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	\$ 1,879,105
Net cash provided by noncapital financing activities	<u>\$ 1,879,105</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Additions to capital assets	\$ (172,376)
Principal payments on bonds	(805,000)
Interest payments	(481,106)
Net cash used in capital and related financing activities	<u>\$ (1,458,482)</u>
Net increase in cash and cash equivalents	\$ (67,483)
Cash and cash equivalents - beginning - including restricted	2,279,093
Cash and cash equivalents - ending - including restricted	<u><u>\$ 2,211,610</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (1,101,836)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	\$ 606,214
(Increase) decrease in accounts receivable	38,234
Increase (decrease) in accounts payable and accrued liabilities	(21,321)
Increase (decrease) in deferred revenue	156
Increase (decrease) in compensated absences and OPEB	3,721
Increase (decrease) Pension expense net of employer contributions	(13,274)
Total adjustments	<u>\$ 613,730</u>
Net cash used in operating activities	<u><u>\$ (488,106)</u></u>

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

Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

	Custodial Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 456,323
Total assets	<hr/> \$ 456,323 <hr/>
NET POSITION	
Restricted for:	
Social Services clients	\$ 22,521
Bond escrow	<hr/> 433,802
Total net position	<hr/> \$ 456,323 <hr/>

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

Statement of Changes in Fiduciary Net Position - Custodial Funds
 Year Ended June 30, 2023

	Custodial Funds
Additions:	
Member contributions	\$ 35,221
Performance bonds	44,333
Total additions	<u>\$ 79,554</u>
Deductions:	
Payments made to welfare recipients	\$ 33,536
Repayment of performance bonds	188,260
Total deductions	<u>\$ 221,796</u>
Change in fiduciary net position	\$ (142,242)
Total net position, beginning	598,565
Total net position, ending	<u><u>\$ 456,323</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The financial statements of the County have been prepared in conformity with specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and accounting principles generally accepted in the United States, as specified by the Governmental Accounting Standards Board. For this year ended June 30, 2023, The County implemented GASB 96, the new subscription-based information technology agreements standard for U.S. government entities, with no impact to beginning net position. The more significant of the government's accounting policies are described below.

B. Financial Statement Presentation

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 (government and business-type activities) and its discretely presented component units. Governments report all capital assets in the government-wide statement of net position and report depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net position of a government is broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities

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

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

B. Financial Statement Presentation (Continued)

Statement of Activities (Continued)

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

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

Budgetary Comparison Schedules

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

C. Financial Reporting Entity

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

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

D. Individual Component Unit Disclosures

Discretely Presented Component Units

School Board

The School Board members are elected by the citizens of Powhatan County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School does not issue a separate financial report.

Economic Development Authority

The Powhatan County Economic Development Authority (EDA) is responsible for industrial and commercial development in the County. The Authority consists of six members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2023. The Authority does not issue a separate financial report.

E. Other Related Organizations

James River Juvenile Detention Commission

The James River Juvenile Detention Commission is jointly governed by the localities of Goochland, Henrico, and Powhatan. The Commission is funded primarily through monthly fees paid by the member jurisdictions for operating support which is determined annually by the Commission. The County's annual fee for fiscal year 2023 was \$280,393.

Central Virginia Waste Management Authority

The Counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, New Kent, Powhatan, and Prince George, and the Cities of Colonial Heights, Hopewell, Petersburg, and Richmond, and the Town of Ashland provide financial support for the Authority, which is determined annually by the Board, and appoint its governing Board, in which is vested the ability to execute contracts and to budget and expend funds. The County appoints one or more members to the Board. No one locality contributes more than 50% of the Authority's funding or has oversight responsibility over its operations. The County has no equity interest in the Authority. During fiscal year 2013, the County executed and renewed 6 contracts with the CVWMA. The County's contribution for fiscal year 2023 was \$14,560.

Goochland-Powhatan Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization, and therefore, its operations are not included in the County's financial statements. The counties of Goochland and Powhatan provide the financial support for the Board, which is determined annually by the Board, and appoint its governing Board in which is vested the ability to execute contracts and to budget and expend funds. The County has no equity interest in the Board and made operating contributions of \$373,630 to the Board during fiscal year 2023.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Related Organizations (Continued)

Virginia Department of Health - Chesterfield Health District

The Chesterfield Health District includes the localities of Chesterfield, Powhatan, and Colonial Heights. The County makes an annual contribution for operating support, which is based on the needs of the Department and determined annually by the Board of Supervisors. The County's contribution for fiscal year 2023 was \$276,305.

Monacan Soil and Water Conservation District

The County entered into an agreement with the District to work together in the development of effective soil and water conservation programs. The County's contribution during fiscal year 2023 was \$33,000.

Piedmont Court Services

Piedmont Court Services is an agency dedicated to enhancing public safety, reducing crime, reinforcing offender accountability, promoting lawful and productive lifestyles among offenders, and assisting the Courts in managing offenders by utilizing evidence-based practices and principles and establishing collaborative community partnerships in order to promote offender self-efficacy and to reduce recidivism. The agency is jointly governed by the following localities: Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, Powhatan, and Prince Edward. The County made no contribution during fiscal year 2023.

Richmond Regional Planning District

The Richmond Regional Planning District Commission is a regional planning agency with major emphasis in the areas of transportation, local technical assistance and information services including demographic, economic and geographic information systems. The Commission, which was formed by local governments on August 14, 1969 under the authority of the Virginia Area Development Act, which was revised and retitled as the Regional Cooperation Act in 1995, is comprised of elected officials and citizens who address mutual problems and work out solutions for the local governments which benefit from intergovernmental cooperation. Each county within the Richmond region is required to pay annual dues, which is based on estimated population. The County's dues for fiscal year 2023 were \$18,200.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Related Organizations (Continued)

Maggie L. Walker Governor's School for Government and International Studies

The Maggie L. Walker Governor's School for Government and International Studies provides broad-based educational opportunities that develop gifted students' understanding of world cultures and languages, as well as their ability to lead, participate, and contribute in a rapidly changing global society. The Regional School Board is jointly governed by a representative from each of the following localities: the counties of Charles City, Chesterfield, Goochland, Hanover, Henrico, King and Queen, New Kent, Powhatan, and Prince George and the cities of Hopewell, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board's contribution for fiscal year 2023 was \$79,794.

Appomattox Regional Governor's School

The Appomattox Regional Governor's School for the Arts and Technology provides gifted and talented students a differentiated and rigorous education, cultivates a supportive environment that inspires unique artistic and technological visions, promotes cultural tolerance, nurtures community partnerships, and produces active, engaged citizens. This school board is jointly governed by a representative from each of the following localities: the counties of Amelia, Charles City, Chesterfield, Dinwiddie, Powhatan, Prince George, Southampton, Surry and Sussex and the cities of Colonial Heights, Franklin, Hopewell, Petersburg, and Richmond. The County of Powhatan pays the school a set rate for each student that attends. The School Board's contribution for fiscal year 2023 was \$72,000.

CodeRVA Regional School

The CodeRVA Regional School is an alternative program of studies that partners with private industry and institutions of higher education where students will graduate with a high school diploma and more than 400 hours of paid information technology work experience. The Regional School Board is jointly governed by a representative from each of the following localities: the counties of Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, New Kent, Powhatan, Prince George, and Sussex and the cities of Hopewell, Petersburg, and Richmond. The County of Powhatan pays a pro rata portion of operating costs based on the average of the percent of average daily membership (ADM) of the students of the respective school divisions in CodeRVA as of March 30th of the preceding year. The School Board's contribution for fiscal year 2023 was \$43,300.

F. 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, which represent generally accepted accounting principles applicable to governmental units.

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 taxes, 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.

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

The County's fiduciary funds are for assets held by the government as an agent or custodian for individuals, private organizations, other governmental units, or other funds. Fiduciary funds utilize the accrual basis of accounting as described in the proprietary funds presentation. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

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

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

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

G. Fund Financial Statements

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

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

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The *Grants Fund* accounts for financial resources to be used for grants awarded to the County.

The **Proprietary Fund** accounts for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. It distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's major proprietary fund is the water and sewer fund.

The **Special Revenue Funds** account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administration action. Special Revenue Funds consist of the following funds: Cash Proffers, State Asset Forfeiture, Federal Asset Forfeiture, Fire and Rescue, Tourism and CVTA.

The **Fiduciary Funds** (Trust and Custodial Funds) account for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. The custodial funds account for donations and support for welfare clients and bonds held in escrow for construction. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements.

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value which approximates market; no investments are valued at cost.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and are described as follows.

- Level 1 inputs are quoted prices in active markets for identical assets;
- Level 2 inputs are significant other observable inputs;
- Level 3 inputs are significant unobservable inputs.

Interfund 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."

Receivables

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis.

Real and Personal Property Tax Data

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5 / November 5	June 5 / November 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	5-40
Utility plant in service	30-50
Machinery and equipment	3-20

Local governments in Virginia may have a tenancy in common with their school systems whenever the locality incurs a financial obligation, including right-to-use-leased assets, for school property which is payable over more than one fiscal year. The County reports this debt in its financial statements. The capital assets acquired by such debt are reported by the County until such time as the outstanding indebtedness is retired, at which time, the net book value is transferred to and reported by the Schools.

Lease assets are amortized over the shorter of the lease term or useful life of the underlying asset.

Compensated Absences

The County and School Board have policies to allow the accumulation and vesting of limited amounts of paid leave and sick leave until termination or retirement. Amounts of such absences are accrued when earned in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds when the amounts are due for payment.

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring all financial statement elements related to pension and OPEB plans, information about fiduciary net position of the County's Plans and the additions to/deductions from the County's Plan's net fiduciary position have been determined on the same basis as they were reported to 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.

Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period of issuance. The face amounts of debt issued are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Prepaid Items

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

Prepaid expenditures in governmental funds are offset by a nonspendable fund balance.

Fund Net Position

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

The classifications are as follows:

Nonspendable – Amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, if applicable.

Restricted – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed – Amounts constrained to specific purposes by the County, using authority resolution; to be reported as committed, amounts cannot be used for any other purposes unless the same highest level of action is taken to remove or change the constraint.

Assigned – Amounts are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by County management based on governing body direction through adoption or amendment of the budget or through ordinance or resolution.

Unassigned – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The County Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Board of Supervisors through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Supervisors has provided otherwise in its commitment or assignment actions.

The Powhatan County Board of Supervisors adopted a minimum fund balance policy for the General Fund which requires the unassigned fund balance at June 30th to be at least 15 percent of operating revenues of the same fiscal year.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Net Position

Net position is the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets represent capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Deferred Outflows and Inflows of Resources

In addition to assets, the statements which present financial position reports a separate section for deferred outflows of resources. These items represent a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements which present financial position report a separate section for deferred inflows of resources. These items represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

The County has the following items that qualify as deferred inflows or outflows:

- Deferred amount on refunding. A deferred charge on refunding is a deferred outflow which 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.
- Contributions subsequent to the measurement date for pensions and OPEB are always a deferred outflow; this will be applied to the net pension or OPEB liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension or OPEB liability. This difference will be recognized in pension or OPEB expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension and OPEB plan investments. This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in assumptions on pension or OPEB investments. This difference will be recognized in pension or OPEB expense over the closed five year period and may be reported as a deferred outflow or inflow as appropriate.
- Changes in proportion and differences between employer contributions and the proportionate share of employer contributions are reported as a deferred inflow or outflow, as appropriate.
- Unavailable revenue is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenue from property taxes and other receivable not collected within 60 days of year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Unearned revenue related to the prepayment of taxes not due until 2024.
- Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Leases

Lessee: The County is a lessee for noncancellable leases of equipment, buildings, infrastructure and land. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. The lease term should also include options that are likely to be used.

The County monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for a noncancellable lease of tower space. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) discount rate, (2) lease term and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

H. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position (Continued)

Leases (Continued)

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

Subscription Based Information Technology Arrangements (SBITA)

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. The County recognizes a subscription liability and a subscription asset in the government-wide financial statements.

At the commencement of the subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate, (2) subscription term, and (3) subscription payments.

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The term includes the noncancellable period of the subscription. Payments included in the measurement of the subscription liability are composed of fixed payments and initial direct costs incurred. The subscription term should also include options that are likely to be used.

The County monitors changes in circumstances that would require a measurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

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. Actual results could differ from those estimates.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. 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.
4. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The Appropriations Ordinance is adopted at the fund level. Department Directors may transfer appropriations within a department within a fund. The County administrator may approve transfers of appropriations between departments within a fund. The appropriation for each fund can be revised through resolution by the Board of Supervisors.
6. Appropriations lapse on June 30, for all County units.
7. Cash proffers, State Asset Forfeiture, Federal Asset Forfeiture and Tourism funds do not have legally adopted budgets.

Note 3. Deposits and Investments

Deposits:

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

Investments:

At June 30, all investments held by the County were in external investment pools which were considered to be cash and cash equivalents for purposes of presentation in the basic financial statements. 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 Bank (World Bank), the Asian Development bank, the African Development Bank, "prime quality" commercial paper and certain

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3. Deposits and Investments (Continued)

corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

Pursuant to Sec. 2.1-234.7 of the *Code*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings and the carrying value of the position in LGIP and SNAP is the same value of the pool shares (i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB 79).

Credit Risk Debt Securities:

The County's investment limits investments to those allowed by the *Code of Virginia*. The County may however restrict investments beyond the limits imposed by the *Code of Virginia* as such restrictions serve the purpose of further safeguarding County funds or are in the best interest of the County.

<u>County's Rated Debt Investments' Values</u>	
<u>Rated Debt Investments</u>	<u>Fair Quality Ratings</u>
	<u>AAA_m</u>
Local Government Investment Pool	<u>\$ 18,604</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 3. Deposits and Investments (Continued)

Credit Risk Debt Securities: (Continued)

At June 30, the deposit and investment balances were as follows:

Deposits:

Demand deposits	\$	51,280,977
Demand Deposits - School Activity Funds		658,600
Certificates of deposit		2,500,000
Cash on hand		1,050

Investments:

LGIP		18,604
SNAP		1,979,946
Trust		329,468

Total deposits and investments	\$	<u>56,768,645</u>
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The deposits and investments are comprised as follows:

Cash and cash equivalents - Primary Government	\$	51,192,532
Cash and cash equivalents - Component Unit - School Board		2,748,788
Cash and cash equivalents - Component Unit - EDA		56,737
Cash and cash equivalents - restricted - Primary Government		4,851
Cash and cash equivalents - Component Unit - Custodial Funds		456,323
Restricted assets - Primary Government Investments		<u>2,309,414</u>
Total deposits and investments	\$	<u>56,768,645</u>

Restricted cash and cash equivalents is comprised of cash held for capital projects financed with debt proceeds.

Note 4. Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds				
US Treasury Note	\$ 2,309,414	\$ -	\$ -	\$ 2,309,414
	<u>\$ 2,309,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,309,414</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 4. Fair Value Measurement (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

Note 5. Receivables

Receivables consist of the following:

	Governmental Activities	Business-Type Activities	Total Primary Government
Taxes	\$ 30,092,293	\$ -	\$ 30,092,293
Less: allowance for uncollectible accounts	(435,366)	-	(435,366)
Net taxes receivable	29,656,927	-	29,656,927
Accounts Receivable, net of allowance	292,775	125,213	417,988
Total receivables, net	\$ 29,949,702	\$ 125,213	\$ 30,074,915

Taxes receivable represent the current and past four years of uncollected tax levies for personal property taxes and the current and past nineteen years for uncollected tax levies on real property. Governmental activities accounts receivable is comprised of amounts due for EMS billings and other local revenues. The allowances for uncollectible accounts is based on historical collection rates aging of receivable balances, and specific account analysis.

(Continued)

COUNTY OF POWHATAN, VIRGINIA**NOTES TO FINANCIAL STATEMENTS****June 30, 2023**

Note 6. Due from Other Governmental Units

Amounts due from other governments consist of the following:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
State sales tax	\$ -	\$ 956,332
Auto rental	8,314	-
Rolling stock tax	10,690	-
Victim witness grant	4,233	-
E-911 wireless funds	17,154	-
Health department	136	-
Comprehensive services	277,444	-
VPA funds	59,064	-
LEMPG Grant	7,500	-
CVTA Funds	604,899	-
Communication tax	94,873	-
Constitutional officer reimbursements	196,333	-
Moped sales tax	3,911	-
Local sales tax	893,006	-
Federal Government:		
School fund grants	-	575,105
School food	-	7,336
HVAC Grant	639,901	-
Victim witness	9,880	-
TANF funds	7,000	-
CSBG funds	8,953	-
VPA funds	118,957	-
Total due from other governments	\$ <u>2,962,248</u>	\$ <u>1,538,773</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 7. Interfund Transfers

Interfund transfers consist of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ -	\$ 9,011,399
County Capital Projects Fund	12,216,294	-
Grants Fund	-	3,024,000
Other Governmental Funds	-	2,060,000
Proprietary Funds:		
Water and Sewer Fund	<u>1,879,105</u>	<u>-</u>
Total	<u>\$ 14,095,399</u>	<u>\$ 14,095,399</u>

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget required to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. Transfers from the General Fund are to fund capital projects and debt service in the water and sewer fund. The remaining transfers were from grant or special revenue funds to fund capital projects.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Capital asset activity for the year consists of the following:

	Beginning Balance Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 2,448,781	\$ -	\$ -	\$ 2,448,781
Construction in progress	1,051,350	679,242	883,944	846,648
Total capital assets not depreciated	\$ 3,500,131	\$ 679,242	\$ 883,944	\$ 3,295,429
Capital assets depreciated:				
Buildings	\$ 27,138,128	\$ 125,388	\$ -	\$ 27,263,516
Machinery and equipment	30,805,496	2,149,634	88,127	32,867,003
Jointly owned assets	97,752,099	-	3,385,598	94,366,501
Total capital assets depreciated	\$ 155,695,723	\$ 2,275,022	\$ 3,473,725	\$ 154,497,020
Less accumulated depreciation:				
Buildings	\$ 12,353,592	\$ 515,159	\$ -	\$ 12,868,751
Machinery and equipment	11,564,552	2,209,181	88,127	13,685,606
Jointly owned assets	37,204,131	2,634,025	1,379,776	38,458,380
Total accumulated depreciation	\$ 61,122,275	\$ 5,358,365	\$ 1,467,903	\$ 65,012,737
Capital assets depreciated, net	\$ 94,573,448	\$ (3,083,343)	\$ 2,005,822	\$ 89,484,283
Lease assets:				
Land	\$ 665,486	\$ 11,937	\$ -	\$ 677,423
Equipment	9,609	-	-	9,609
Buildings and Improvement	69,958	-	-	69,958
Infrastructure	381,393	-	-	381,393
Total lease assets	\$ 1,126,446	\$ 11,937	\$ -	\$ 1,138,383
Less: accumulated amortization				
Land	\$ 48,389	\$ 49,967	\$ -	\$ 98,356
Equipment	1,826	1,826	-	3,652
Buildings and Improvement	6,996	13,992	-	20,988
Infrastructure	49,774	28,425	-	78,199
Total accumulated amortization	\$ 106,985	\$ 94,210	\$ -	\$ 201,195
Total lease assets being amortized, net	\$ 1,019,461	\$ (82,273)	\$ -	\$ 937,188
Subscription assets:				
Software	\$ 46,230	\$ -	\$ -	\$ 46,230
Total subscription assets	\$ 46,230	\$ -	\$ -	\$ 46,230
Less: accumulated amortization				
Software	\$ -	\$ 10,285	\$ -	\$ 10,285
Total accumulated amortization	\$ -	\$ 10,285	\$ -	\$ 10,285
Total lease assets being amortized, net	\$ 46,230	\$ (10,285)	\$ -	\$ 35,945
Net capital assets	\$ 99,139,270	\$ (2,496,659)	\$ 2,889,766	\$ 93,752,845

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 8. Capital Assets (Continued)

* Amounts have been restated to include items related to the implementation of GASB Statement 96, *Subscription Based Information Technology Arrangements*.

Intangible Right-to-Use Subscription Assets

In 2023, the County implemented the guidance in GASBs No. 96, *Subscription Based Information Technology Arrangements*, and recognized the value of software used.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities:				
Capital assets not depreciated:				
Land	\$ 859,030	\$ -	\$ -	\$ 859,030
Construction in progress	333,290	93,550	163,872	262,968
Total capital assets not depreciated	<u>\$ 1,192,320</u>	<u>\$ 93,550</u>	<u>\$ 163,872</u>	<u>\$ 1,121,998</u>
Capital assets depreciated:				
Utility plant in service	\$ 26,463,720	\$ 110,163	\$ -	\$ 26,573,883
Machinery and equipment	697,292	132,533	20,326	809,499
Total capital assets depreciated	<u>\$ 27,161,012</u>	<u>\$ 242,696</u>	<u>\$ 20,326</u>	<u>\$ 27,383,382</u>
Less accumulated depreciation:				
Utility plant in service	\$ 7,554,323	\$ 542,407	\$ -	\$ 8,096,730
Machinery and equipment	287,665	63,807	20,326	331,146
Total accumulated depreciation	<u>\$ 7,841,988</u>	<u>\$ 606,214</u>	<u>\$ 20,326</u>	<u>\$ 8,427,876</u>
Capital assets depreciated, net	<u>\$ 19,319,024</u>	<u>\$ (363,518)</u>	<u>\$ -</u>	<u>\$ 18,955,506</u>
Net capital assets	<u>\$ 20,511,344</u>	<u>\$ (269,968)</u>	<u>\$ 163,872</u>	<u>\$ 20,077,504</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
General government administration	\$ 49,975	\$ -	\$ 49,975
Judicial administration	115,386	-	115,386
Public safety	2,215,374	-	2,215,374
Public works	135,473	-	135,473
Health and welfare	32,351	-	32,351
Education	2,634,026	-	2,634,026
Parks, recreation, and cultural	276,544	-	276,544
Community Development	3,731	-	3,731
Water and sewer	-	606,214	606,214
Total depreciation expense - primary government	<u>\$ 5,462,860</u>	<u>\$ 606,214</u>	<u>\$ 6,069,074</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 8. Capital Assets (Continued)

Discretely Presented Component Unit - School Board

Capital asset activity for the School Board for the year consists of the following:

	Beginning Balance Restated	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 818,851	\$ -	\$ -	\$ 818,851
Construction in progress	-	1,000,499	-	1,000,499
Total capital assets not depreciated	\$ 818,851	\$ 1,000,499	\$ -	\$ 1,819,350
Capital assets depreciated:				
Jointly owned assets	\$ 31,215,149	\$ 3,385,598	\$ -	\$ 34,600,747
Machinery and equipment	3,929,545	-	-	3,929,545
Total capital assets depreciated	\$ 35,144,694	\$ 3,385,598	\$ -	\$ 38,530,292
Less accumulated depreciation:				
Jointly owned assets	\$ 11,880,384	\$ 2,220,898	\$ -	\$ 14,101,282
Machinery and equipment	1,736,143	305,889	-	2,042,032
Total accumulated depreciation	\$ 13,616,527	\$ 2,526,787	\$ -	\$ 16,143,314
Capital assets depreciated, net	\$ 21,528,167	\$ 858,811	\$ -	\$ 22,386,978
Net capital assets	\$ 22,347,018	\$ 1,859,310	\$ -	\$ 24,206,328
Subscription assets:				
Software	\$ 148,115	\$ -	\$ -	\$ 148,115
Total subscription assets	\$ 148,115	\$ -	\$ -	\$ 148,115
Less: accumulated amortization				
Software	\$ -	\$ 45,943	\$ -	\$ 45,943
Total accumulated amortization	\$ -	\$ 45,943	\$ -	\$ 45,943
Total lease assets being amortized, net	\$ 148,115	\$ (45,943)	\$ -	\$ 102,172
Net capital assets	\$ 22,495,133	\$ 1,813,367	\$ -	\$ 24,308,500

School Board depreciation expense was charged to education in the amount of \$841,123. The remaining \$1,379,775 increase to accumulated depreciation is for depreciation taken on jointly owned assets and transferred to the Component Unit – School Board. The School Board amortization expense for SBITAs was charged to education in the amount of \$45,943.

(Continued)

COUNTY OF POWHATAN, VIRGINIA**NOTES TO FINANCIAL STATEMENTS****June 30, 2023**

Note 8. Capital Assets (Continued)

Discretely Presented Component Unit - Economic Development Authority

Capital asset activity for the EDA for the year consists of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not depreciated	\$ 100,000	\$ -	\$ -	\$ 100,000
Net capital assets	\$ 100,000	\$ -	\$ -	\$ 100,000

Note 9. Unavailable/Unearned Revenue

Governmental funds report unavailable/unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At year end, unavailable and unearned revenue were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Property taxes	\$ 10,513,808	\$ 17,960,831	\$ 28,474,639
Property taxes paid in advance	-	75,727	75,727
Non-Judicial Tax Sales	-	4,838	4,838
VJCCA Grant	-	6,351	6,351
Tourism - ARP Grant	-	10,450	10,450
ARPA Funding	-	5,442,551	5,442,551
Totals	\$ 10,513,808	\$ 23,500,748	\$ 34,014,556

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(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities

Changes in long-term liabilities consist of the following:

	Beginning Balance Restated	Increases	Decreases	Ending Balance	Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences payable	\$ 948,104	\$ 691,338	\$ 564,157	\$ 1,075,285	\$ 107,529
Financed purchases	871,865	-	146,919	724,946	150,874
Lease revenue bonds	26,087,994	-	1,248,641	24,839,353	1,471,159
Lease liability	1,037,710	11,936	76,823	972,823	80,050
Subscription liability	44,230	-	19,325	24,905	18,715
Premium on bonds	1,831,328	-	134,341	1,696,987	132,759
Total incurred by County	\$ 30,821,231	\$ 703,274	\$ 2,190,206	\$ 29,334,299	\$ 1,961,086
Incurred by School Board:					
General obligation bonds	\$ 16,914,314	\$ -	\$ 2,163,184	\$ 14,751,130	\$ 1,814,252
Financed purchases	633,339	-	294,996	338,343	150,704
Lease revenue bonds	43,010,006	-	2,191,359	40,818,647	2,535,841
Premium on bonds	3,905,206	-	280,996	3,624,210	280,996
Total incurred by School Board	\$ 64,462,865	\$ -	\$ 4,930,535	\$ 59,532,330	\$ 4,781,793
Total Governmental Activities	\$ 95,284,096	\$ 703,274	\$ 7,120,741	\$ 88,866,629	\$ 6,742,879
Business-Type Activities:					
Compensated absences payable	\$ 38,695	\$ 21,356	\$ 20,320	\$ 39,731	\$ 3,973
Premium on bonds	716,721	-	56,309	660,412	47,297
Lease revenue bonds	13,960,000	-	805,000	13,155,000	830,000
Total Business-type Activities	\$ 14,715,416	\$ 21,356	\$ 881,629	\$ 13,855,143	\$ 881,270
Component Unit - School Board					
Compensated absences payable	\$ 2,588,992	\$ 142,108	\$ 150,903	\$ 2,580,197	\$ 178,085
Subscription liability	148,115	-	50,442	97,673	48,309
Total Component Unit - School Board	\$ 2,737,107	\$ 142,108	\$ 201,345	\$ 2,677,870	\$ 226,394

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Details of long-term indebtedness are as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding</u>
Governmental Activities:					
Incurred by County:					
Lease revenue bonds					
EDA	3.50	05/2015	09/2031	\$ 8,584,200	\$ 4,491,000
EDA	2.00-5.00	07/2016	10/2037	15,321,750	13,094,400
EDA	3.919	11/2018	04/2035	5,563,000	5,313,953
VRA	1.953-3.047	10/2019	04/2034	2,150,000	1,940,000
					<u>\$ 24,839,353</u>
Financed purchases					
Fire Truck	2.02	08/2016	06/2027	\$ 700,000	\$ 260,677
Fire Truck	3.34	07/2018	07/2028	786,000	464,269
					<u>\$ 724,946</u>
Incurred by School Board:					
General obligation bonds					
VPSA Bond	5.10	05/2004	07/2024	3,770,000	\$ 370,000
VPSA Bond	4.96-5.27	07/2008	07/2028	6,350,705	2,118,130
School improvement bond	1.30	01/2021	01/2032	15,927,000	12,263,000
					<u>\$ 14,751,130</u>
Financed purchases					
School Buses	3.68	02/2019	02/2023	\$ 786,000	\$ 34,125
School Buses	2.20	07/2021	07/2024	599,718	304,218
					<u>\$ 338,343</u>
Lease revenue bonds					
EDA	3.50	05/2015	09/2031	\$ 15,260,800	\$ 7,984,000
EDA	2.00-5.00	07/2016	10/2037	34,103,250	29,145,600
EDA	3.919	11/2018	04/2035	4,000,000	3,689,047
					<u>\$ 40,818,647</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10. Long-Term Liabilities (Continued)

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

Business-Type Activities

Lease revenue bonds

VRA	3.125-5.125	05/2017	10/2037	\$	3,270,000	\$	2,960,000
VRA	4.10	11/2014	10/2036		6,075,000		4,415,000
VRA	1.951-3.047	10/2019	04/2034		6,415,000		<u>5,780,000</u>

Total Business-Type Activities						\$	<u>13,155,000</u>
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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

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

Year Ending June 30,	County		Schools			
	Lease Revenue Bonds		General Obligation Bonds		Lease Revenue and Refunding Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,471,159	\$ 888,231	\$ 1,814,252	\$ 275,195	\$ 2,535,841	\$ 1,470,174
2025	1,551,592	819,604	1,838,121	230,818	2,659,408	1,342,907
2026	1,756,457	746,317	1,676,369	190,560	2,869,543	1,207,845
2027	1,748,547	662,818	1,700,556	154,872	3,140,453	1,059,899
2028	1,771,446	578,705	1,726,672	119,034	3,367,555	899,575
2029-2033	10,758,927	1,932,393	5,995,160	193,505	16,700,073	2,825,922
2034-2038	5,781,225	380,648	-	-	9,545,774	670,880
Total	\$ 24,839,353	\$ 6,008,716	\$ 14,751,130	\$ 1,163,984	\$ 40,818,647	\$ 9,477,202

Business-type Activities

Year Ending June 30,	Lease Revenue and Refunding Bonds	
	Principal	Interest
2024	\$ 830,000	\$ 453,128
2025	875,000	423,323
2026	900,000	391,460
2027	930,000	358,312
2028	960,000	325,003
2029-2033	5,330,000	1,101,895
2034-2038	3,330,000	236,828
Total	\$ 13,155,000	\$ 3,289,949

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Financed Purchases

The assets acquired through finance purchasing are as follows:

	Governmental Activities
School Buses	\$ 2,596,168
Fire Trucks	2,114,587
Less: Accumulated depreciation	<u>(1,969,262)</u>
Total	<u>\$ 2,741,493</u>

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

Year Ending June 30	Governmental Activities	Component Unit- School Board
2024	\$ 170,634	\$ 191,533
2025	170,634	157,408
2026	170,634	-
2027	131,869	-
2028	93,105	-
2029	<u>46,552</u>	<u>-</u>
Total minimum lease payments	\$ 783,428	\$ 348,941
Less: amount representing interest	<u>(58,482)</u>	<u>(10,598)</u>
Present value of minimum lease payments	<u>\$ 724,946</u>	<u>\$ 338,343</u>

Leases

Lease Receivable

On September 1, 1999, the County entered into a 36 month lease as lessor for the use of radio tower space by T-Mobile. An initial lease receivable was recorded in the amount of \$99,683. As of June 30, 2023, the value of the lease receivable is \$33,581. The lessee is required to make monthly fixed payments of \$2,798.41. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2023, was \$33,228 and the County recognized lease revenue of \$33,228 during the fiscal year.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Receivable (Continued)

On September 5, 2014, the County entered into a 279 month lease as lessor for the use of radio tower space by Uniti Fiber. An initial lease receivable was recorded in the amount of \$573,020. As of June 30, 2023, the value of the lease receivable is \$42,787. The lessee is required to make monthly fixed payments of \$1,552.27. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of June 30, 2023, was \$523,781 and the County recognized lease revenue of \$24,620 during the fiscal year. The lessee has 4 extensions option(s), each for 60 months.

On August 4, 2021, the County entered into a 60 month lease as lessor for the use of radio tower space by Verizon Wireless. An initial lease receivable was recorded of \$71,707. As of June 30, 2023, the value of the lease receivable is \$67,443. The lessee is required to make annual fixed payments of \$21,600. The lease has an interest rate of 0.8690%. The value of the deferred inflow of resources as of June 30, 2023, was \$44,299 and the County recognized lease revenue of \$14,341 during the fiscal year. The lessee has 4 extensions option(s), each for 60 months.

Annual lease receipts and amortization of deferred inflows:

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Leases Receivable</u>	<u>Deferred Inflows</u>
2024	\$ 70,815	\$ 72,188
2025	38,276	38,961
2026	39,210	38,961
2027	22,112	25,894
2028	19,314	24,620
2029-2033	109,468	123,097
2034-2038	133,627	123,098
2039-2043	161,882	123,098
2044-2045	48,410	31,390
Total	\$ <u>643,114</u>	\$ <u>601,307</u>

Lease Payable

On January 31, 2020, the County entered into a 463-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$294,926. As of June 30, 2023, the value of the lease liability is \$291,991. The County is required to make monthly fixed payments of \$743. The lease has an interest rate of 2.583%. The value of the right to use asset as of June 30, 2023, of \$279,638 with accumulated amortization of \$7,644. The County has 1 extension option, each for 60 months.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Payable (Continued)

On February 3, 2021, the County entered into a 63-month lease as lessee for the use of a postage meter. An initial lease liability was recorded in the amount of \$9,609. As of June 30, 2023, the value of the lease liability is \$6,006. The County is required to make monthly fixed payments of \$471.00. The lease has an interest rate of 1.059%. The value of the right to use asset as of June 30, 2023, of \$5,956 with accumulated amortization of \$1,826.

On December 5, 2019, the County entered into a 120-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$145,311. As of June 30, 2023, the value of the lease liability is \$120,208. The County is required to make monthly fixed payments of \$1,060.90. The lease has an interest rate of .316%. The value of the right to use asset as of June 30, 2023, of \$116,425 with accumulated amortization of \$14,443. The County has 1 extension option, each for 60 months.

On January 24, 2020, the County entered into a 102-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$225,249. As of June 30, 2023, the value of the lease liability is \$191,207. The County is required to make monthly fixed payments of \$2,060.00. The lease has an interest rate of 1.527%. The value of the right to use asset as of June 30, 2023, of \$183,003 with accumulated amortization of \$27,880. The County has 2 extension option(s), each for 120 months.

On December 1, 2021, the County entered into a 60-month lease as lessee for the use of office space. An initial lease liability was recorded in the amount of \$69,958. As of June 30, 2023, the value of the lease liability is \$49,352. The County is required to make monthly fixed payments of \$1,200.00. The lease has an interest rate of 1.177%. The value of the right to use asset as of June 30, 2023, of \$48,970 with accumulated amortization of \$13,992. The County has 1 extension option, each for 12 months.

On March 1, 2009, the County entered into a 152-month lease as lessee for the use radio tower space. An initial lease liability was recorded in the amount of \$360,043. As of June 30, 2023, the value of the lease liability is \$314,059. The County is required to make monthly fixed payments of \$2,060.02. The lease has an interest rate of .727%. The value of the right to use asset as of June 30, 2023, of \$303,195 with accumulated amortization of \$28,424. The County has 2 extension option(s), each for 60 months.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Leases (Continued)

Lease Payable (Continued)

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

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 80,050	\$ 13,396
2025	83,117	12,553
2026	86,286	11,674
2027	80,925	10,780
2028	76,470	9,990
2029-2033	276,285	40,320
2034-2038	47,498	33,018
2039-2043	33,700	29,254
2044-2048	45,320	24,187
2049-2053	59,265	17,476
2054-2058	75,933	8,795
2059-2060	<u>27,974</u>	<u>611</u>
Total	\$ <u>972,823</u>	\$ <u>212,054</u>

Subscription Based Information Technology Arrangements

Subscription Liability

On August 1, 2022, the County entered into a 36-month lease as lessee for the use of a jury management system. An initial subscription liability was recorded in the amount of \$18,572. As of June 30, 2023, the value of the subscription liability is \$12,247. The County is required to make an annual fixed payment of \$6,325. The lease has an interest rate of 2.184%. The value of the subscription asset as of June 30, 2023, of \$12,897 with accumulated amortization of \$5,675.

On March 1, 2023, the County entered into a 24-month lease as lessee for the use of DebtBook. An initial subscription liability was recorded in the amount of \$25,657. As of June 30, 2023, the value of the subscription liability is \$12,657. The County is required to make an annual fixed payment of \$13,000. The lease has an interest rate of 2.707%. The value of the subscription asset as of June 30, 2023, of \$23,048 with accumulated amortization of \$4,610.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 10. Long-Term Liabilities (Continued)

Subscription Based Information Technology Arrangements (Continued)

Subscription Liability (Continued)

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

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 18,715	\$ 610
2025	<u>6,190</u>	<u>135</u>
Total	\$ <u>24,905</u>	\$ <u>745</u>

On July 26, 2022, the Component Unit-School Board entered into a 36-month lease as lessee for the use of Microsoft. An initial subscription liability was recorded in the amount of \$148,115. As of June 30, 2023, the value of the subscription liability is \$97,673. The County is required to make an annual fixed payment of \$50,442. The lease has an interest rate of 2.184%. The value of the subscription asset as of June 30, 2023, of \$102,172 with accumulated amortization of \$45,943.

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

Year Ending June 30,	<u>Component Unit- School Board</u>	
	<u>Subscriptions</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 48,309	\$ 2,133
2025	<u>49,364</u>	<u>1,078</u>
Total	\$ <u>97,673</u>	\$ <u>3,211</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan

Plan Description

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

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. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</p>	<p>About Plan 2</p> <p>Same as Plan 1.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none">• The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members</p> <p>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election</p> <p>VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <p>*Non-Eligible Members</p> <p>Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Retirement Contributions Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Credit</p> <p>Creditable service includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit</p> <p>Same as Plan 1.</p>	<p>Service Credit</p> <p><u>Defined Benefit Component:</u></p> <p>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u></p> <p>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component:</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Vesting (Continued)</p> <p><u>Defined Contributions Component:</u> (Continued)</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law.</p>
<p>Calculating the Benefit</p> <p>The basic benefit is determined using the average final compensation, service credit and plan multiplier.</p> <p>An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p><u>Defined Benefit Component:</u></p> <p>See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u></p> <p>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier VRS: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Service Retirement Multiplier VRS: Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013. Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.	Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component 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. Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. <u>Defined Contribution Component:</u> Not applicable.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Normal Retirement Age</p> <p>VRS: Age 65.</p> <p>Political subdivisions hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age</p> <p>VRS: Normal Social Security retirement age.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: Same as Plan 2.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of creditable service.</p> <p>Political subdivisions hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p><u>Defined Benefit Component:</u></p> <p>VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u></p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p>Political subdivisions hazardous duty employees: Age 50 with at least five years of service credit.</p>	<p>Earliest Reduced Retirement Eligibility</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility</p> <p>Defined Benefit Component:</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component:</p> <p>Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p>Eligibility:</p> <p>For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility:</p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>Defined Benefit Component:</p> <p>Same as Plan 2.</p> <p>Defined Contribution Component:</p> <p>Not applicable.</p> <p>Eligibility:</p> <p>Same as Plan 1 and Plan 2.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Eligibility:</u> (Continued)</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. 	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1 and Plan 2.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued)</p> <p><u>Exceptions to COLA Effective Dates:</u> (Continued)</p> <ul style="list-style-type: none"> The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased, or granted.</p>	<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.</p>	<p>Disability Coverage</p> <p>Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service <u>Defined Benefit Component:</u> Same as Plan 1, with the following exceptions: <ul style="list-style-type: none">• Hybrid Retirement Plan members are ineligible for ported service. <u>Defined Contribution Component:</u> Not applicable.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

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

	<u>County</u>	<u>School Board Non- Professional</u>
Inactive members or their beneficiaries currently receiving benefits	64	80
Inactive members:		
Vested inactive members	18	20
Non-vested inactive members	21	31
Inactive members active elsewhere in VRS	44	16
Total inactive members	83	67
Active members	166	87
Total covered employees	313	234

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 and School Board Non-Professional Employee Plan's contractually required employer contribution rate for the year ended June 30, 2023 was 13.52% and 4.12% respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,611,743 and \$1,213,447 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the pension plan from the School Board Non-Professional Employee Plan were \$80,196 and \$100,518 for the years ended June 30, 2023 and June 30, 2022, respectively.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Net Pension Liability/Asset

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability/asset determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For Powhatan County, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions – General Employees

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

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees (Continued)

Largest 10 – Non-LEOS:

Mortality rates: 20% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

All Others (Non 10 Largest) – Non-LEOS:

Mortality rates: 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.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – General Employees (Continued)

All Others (Non 10 Largest) – Non-LEOS: (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:

Largest 10 – Non-LEOS:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change on disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change on disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the Political Subdivision 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 expense, including inflation

Largest 10 – LEOS:

Mortality rates: 70% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Largest 10 – LEOS: (Continued)

Mortality Improvement:

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

All Others (Non 10 Largest) – LEOS:

Mortality rates: 45% of deaths are assumed to be service related.

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Largest 10 –Hazardous Duty:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change on disability rates
- No change to salary scale

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Largest 10 –Hazardous Duty: (Continued)

- No change to Line of Duty Disability
- No change to Discount Rate

All Others (Non 10 Largest) – Hazardous Duty:

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No change on disability rates
- No change to salary scale
- No change to Line of Duty Disability
- No change to Discount Rate

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions – Public Safety Employees (Continued)

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit 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; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, on, participating employers 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.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability - County

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at June 30, 2021	\$ 31,826,454	\$ 30,622,658	\$ 1,203,796
Changes for the year:			
Service cost	1,220,652	-	1,220,652
Interest	2,187,325	-	2,187,325
Difference between expected and actual experience	(460,026)	-	(460,026)
Contributions - employer	-	1,153,391	(1,153,391)
Contributions - employee	-	498,530	(498,530)
Net investment income	-	(43,693)	43,693
Benefit payments, including refunds of employee contributions	(1,284,577)	(1,284,577)	-
Administrative expense	-	(18,746)	18,746
Other changes	-	727	(727)
Net changes	<u>1,663,374</u>	<u>305,632</u>	<u>1,357,742</u>
Balances at June 30, 2022	\$ <u>33,489,828</u>	\$ <u>30,928,290</u>	\$ <u>2,561,538</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

Changes in Net Pension Liability (Asset) – School Board Non-Professional Employee Plan

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
Balances at June 30, 2021	\$ 9,568,247	\$ 10,854,598	\$ (1,286,351)
Changes for the year:			
Service cost	171,636	-	171,636
Interest	642,126	-	642,126
Difference between expected and actual experience	(156,681)	-	(156,681)
Contributions - employer	-	91,510	(91,510)
Contributions - employee	-	101,584	(101,584)
Net investment income	-	(9,107)	9,107
Benefit payments, including refunds of employee contributions	(453,812)	(453,812)	-
Administrative expense	-	(6,810)	6,810
Other changes	-	249	(249)
Net changes	203,269	(276,386)	479,655
Balances at June 30, 2022	\$ <u>9,771,516</u>	\$ <u>10,578,212</u>	\$ <u>(806,696)</u>

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

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

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County net pension liability	\$ <u>7,499,310</u>	\$ <u>2,561,538</u>	\$ <u>(1,426,448)</u>
School Board Non-Professional net pension liability (asset)	\$ <u>401,219</u>	\$ <u>(806,696)</u>	\$ <u>(1,803,077)</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2023, the County recognized pension expense of \$944,375. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 443,486	\$ 559,494
Change in assumptions	921,048	-
Net difference between projected and actual earnings on pension plan investments	-	830,098
Employer contributions subsequent to the measurement date	1,611,743	-
Total	\$ <u>2,976,277</u>	\$ <u>1,389,592</u>

For the year ended June 30, 2023, the School Board Non-Professional Employee Plan recognized pension expense of (\$108,137). At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 117,777
Change in assumptions	74,472	-
Net difference between projected and actual earnings on pension plan investments	-	313,394
Employer contributions subsequent to the measurement date	80,196	-
Total	\$ <u>154,668</u>	\$ <u>431,171</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 11. Defined Benefit Pension Plan (Continued)

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

The \$1,609,402 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 year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2024	\$ 103,652
2025	(27,008)
2026	(463,373)
2027	361,671
2028	-
Thereafter	-

The \$80,196 reported as deferred outflows of resources related to pensions resulting from the school non-professional's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Increase (Reduction) to Pension Expense
2024	\$ (136,350)
2025	(154,943)
2026	(211,961)
2027	146,555
2028	-
Thereafter	-

Pension Plan Data

Information about the VRS political subdivision retirement plan is also available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-22500.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool

General Information about the Teacher Cost Sharing Pool

Plan Description

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and, Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1</p> <p>Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</p>	<p>About Plan 2</p> <p>Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.</p>	<p>About the Hybrid Retirement Plan</p> <p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none">• The defined benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>About the Hybrid Retirement Plan (Continued)</p> <ul style="list-style-type: none"> In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
<p>Eligible Members</p> <p>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election</p> <p>VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members</p> <p>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Eligible Members</p> <p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> School division employees. Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Retirement Contributions Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Service Credit</p> <p>Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Service Credit</p> <p>Same as Plan 1.</p>	<p>Service Credit</p> <p><u>Defined Benefit Component:</u></p> <p>Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contributions Component:</u></p> <p>Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component:</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Vesting (Continued)</p> <p><u>Defined Contributions Component:</u> (Continued)</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required, except as governed by law.</p>
<p>Calculating the Benefit</p> <p>The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement plan, an option factor specific to the option chosen is then applied.</p>	<p>Calculating the Benefit</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p><u>Defined Benefit Component:</u></p> <p>See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u></p> <p>The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.	Service Retirement Multiplier Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.	Service Retirement Multiplier <u>Defined Benefit Component:</u> The retirement multiplier for the defined benefit component 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. <u>Defined Contribution Component:</u> Not applicable.
Normal Retirement Age Age 65.	Normal Retirement Age Normal Social Security retirement age.	Normal Retirement Age <u>Defined Benefit Component:</u> Same as Plan 2. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	Earliest Unreduced Retirement Eligibility Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.	Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of service credit.	Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of service credit. <u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u></p> <p>For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 2.</p> <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p> <p><u>Eligibility:</u></p> <p>Same as Plan 1 and Plan 2.</p> <p><u>Exceptions to COLA Effective Dates:</u></p> <p>Same as Plan 1 and Plan 2.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continue)</p> <p><u>Exceptions to COLA Effective Dates: (Continued)</u></p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 		
<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage</p> <p>Employees of school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Plan Description (Continued)

RETIREMENT PLAN PROVISIONS BY PLAN STRUCTURE		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
		<p>Disability Coverage (Continued)</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service</p> <p>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service</p> <p>Same as Plan 1.</p>	<p>Purchase of Prior Service</p> <p><u>Defined Benefit Component:</u></p> <p>Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <p><u>Defined Contribution Component:</u></p> <p>Not applicable.</p>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$4,632,378 and \$4,450,003 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

At June 30, 2023, the school division reported a liability of \$27,670,668 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.29064% as compared to 0.2867% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$1,110,610. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,908,002
Change in assumptions	2,608,787	-
Net difference between projected and actual earnings on pension plan investments	-	3,607,676
Changes in proportion and differences between Employer contributions and proportionate share of contributions	391,824	636,631
Employer contributions subsequent to the measurement date	<u>4,632,378</u>	<u>-</u>
Total	\$ <u><u>7,632,989</u></u>	\$ <u><u>6,152,309</u></u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

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

\$4,632,378 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Increase (Reduction) to Pension Expense</u>
2024	\$ (1,135,777)
2025	(1,330,464)
2026	(2,403,288)
2027	1,717,831
2028	-
Thereafter	-

Actuarial Assumptions

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

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

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Actuarial Assumptions (Continued)

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally.

Mortality Improvement:

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

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

- Update mortality rates to a more current mortality table – PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
- 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.
- Adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service
- No changes to disability rates
- No changes to salary scale
- No changes to discount rate

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (Continued)

Long-Term Expected Rate of Return

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

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

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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 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. Through the fiscal year ending June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022, on, 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.

Net Pension Liability

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

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

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 12. Defined Benefit Pension Plan – Teacher Cost Sharing Pool (Continued)

General Information about the Teacher Cost Sharing Pool (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:

	<u>1.00% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1.00% Increase (7.75%)</u>
School Board division's proportionate share of the VRS teacher employee retirement plan net pension liability	\$ <u>17,004,518</u>	\$ <u>9,520,598</u>	\$ <u>3,427,043</u>

Pension Plan Fiduciary Net Position

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

Note 13. Other Postemployment Benefits Liability – Local Plan

Plan Provisions and Benefits

In addition to providing the benefits described in Note 14, the County and School Board administers a single-employer defined healthcare plan for qualifying retired employees, their spouses and dependents. The plan's benefit levels and employer contributions are governed by the County and School Board and can be amended by the County and School Board. The Plan provides for healthcare insurance coverage for eligible retirees, their spouses and dependents.

Plan Description

Covered full-time active employees who retire directly from the County with at least 5 years of service and attain the age of 50 prior to retirement are eligible to receive postretirement health care benefits. Retirees not eligible for Medicare may elect one of the following medical options which include medical, dental, and vision coverage: Key

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Plan Description (Continued)

Advantage Expanded (PPO), Key Advantage 500 (PPO), or TLC High Deductible (PPO). Retirees who are eligible for Medicare may only elect the Medicare supplement provided by Key Advantage 65 and must pay 100% of the supplement less the health insurance credit. Retirees may elect to cover a spouse and dependents.

County retirees who have at least 15 years of service with the County receive a health insurance credit with the County. Retirees receive \$4 per year of County service per month, up to a maximum of \$120 per month for their elected medical coverage from the County. The retiree must pay the remainder of the premium. This benefit ended 12/31/2015. Those that are receiving this benefit are grandfathered in. All others get HIC of \$45 per month upon retirement. County retirees who have less than 15 years of service with the County must pay 100% of the premium cost. County membership in the plan at the time of the actuarial study consisted of 186 active members with total active covered payroll of \$10,549,000 and 4 retirees.

The Powhatan County Schools retirees who attain the age of 50 with at least 5 years of service are eligible to participate in the retiree medical plan. Retirees who are age 65 and older may only participate in the Medicare Supplement and must pay 100% of the cost. The School Board pays 100% of the premium cost for retirees' single coverage. Retirees pay 100% of any additional premium for spouse and dependent coverage. Schools membership in the plan at the time of the actuarial study consisted of 625 active members with total active covered payroll of \$29,543,000 and 36 retirees. There are no financial statements issued for the OPEB plan.

Employees Covered by Benefit Terms

As of the July 1, 2022 actuarial valuation, the following employees were covered by the benefit terms of the plan:

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries:		
Currently receiving benefits	4	36
Entitled to but not yet receiving benefits	-	-
	<u>4</u>	<u>36</u>
Total inactive members		
	<u>4</u>	<u>36</u>
Active members	<u>186</u>	<u>625</u>
Total	<u>190</u>	<u>661</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Total OPEB Liability

The County’s total OPEB liability of \$2,531,000 was measured as of July 1, 2022 and was determined based on an actuarial valuation performed as of July 1, 2022. The School Non-Professional employee’s total OPEB liability of \$19,241,000 was measured as of July 1, 2022 and was determined based on an actuarial valuation performed as of July 1, 2022.

Actuarial Assumptions and other inputs

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

	<u>County</u>	<u>School Board</u>
Inflation	3.69%	3.69%
Salary increases, including inflation	3.75%	3.75%
Healthcare cost trends rates*	19.10%	19.10%
* 6.75% for FY2023 and then decreasing .25% per year to an ultimate rate of 5.00%		

Mortality rates: RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021. For county employees and non-teachers, a four year set forward in age for males and a two year setback in age for females is applied. For law enforcement officers, a two year setback in age for both males and females applied. For teachers a three year setback in age applied to males and a five year set back in age is applied to females.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2021 through July 30, 2022. The actuarial cost method discount rate has been set equal to 3.69% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

Changes in the Total OPEB Liability

	<u>County</u>	<u>School Board</u>
Balances at July 1, 2022	\$ 2,390,000	\$ 17,469,000
Changes for the year:		
Service cost	147,000	1,021,000
Interest	48,000	345,000
Difference between expected and actual experience	832,000	3,839,000
Assumption or other input changes	(812,000)	(2,345,000)
Contributions - employer	(74,000)	(1,088,000)
Net changes	<u>141,000</u>	<u>1,772,000</u>
Balances at June 30, 2023	\$ <u>2,531,000</u>	\$ <u>19,241,000</u>

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

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

	<u>County</u>			<u>School Board</u>		
	<u>1.00% Decrease (2.69%)</u>	<u>Current Discount Rate (3.69%)</u>	<u>1.00% Increase (4.69%)</u>	<u>1.00% Decrease (2.69%)</u>	<u>Current Discount Rate (3.69%)</u>	<u>1.00% Increase (4.69%)</u>
Total OPEB Liability	\$ <u>2,834,000</u>	\$ <u>2,531,000</u>	\$ <u>2,264,000</u>	\$ <u>20,743,000</u>	\$ <u>19,241,000</u>	\$ <u>17,816,000</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

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

The following presents the total OPEB liability of County and School Board, as well as what the County and School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (18.10%) or one percentage point higher (20.10%) than the current healthcare cost trend rates:

	<u>County</u>			<u>School Board</u>		
	<u>Current Healthcare Cost Trend Rates</u>			<u>Current Healthcare Cost Trend Rates</u>		
	<u>1.00% Decrease (18.10%)</u>	<u>Rate (19.10%)</u>	<u>1.00% Increase (20.10%)</u>	<u>1.00% Decrease (18.10%)</u>	<u>Rate (19.10%)</u>	<u>1.00% Increase (20.10%)</u>
Total OPEB Liability	\$ 2,273,000	\$ 2,531,000	\$ 2,833,000	\$ 17,152,000	\$ 19,241,000	\$ 21,658,000

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

For the year ended June 30, 2023, the County and School Board employees recognized OPEB expense of \$206,000 and \$2,048,000, respectively. At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>County</u>		<u>School Board</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 786,000	\$ 390,000	\$ 3,696,000	\$ 646,000
Change in assumptions	403,000	729,000	1,842,000	2,035,000
Employer contributions subsequent to the measurement date	11,808	-	428,451	-
Total	\$ 1,200,808	\$ 1,119,000	\$ 5,966,451	\$ 2,681,000

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 13. Other Postemployment Benefits Liability – Local Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The \$11,808 and \$428,451 reported as deferred outflows of resources related to OPEB resulting from the County and School Board's contributions, respectively subsequent to the measurement date will be recognized as a reduction of the OPEB Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>County</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>	<u>School Board</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>
2024	\$ 4,000	\$ 708,000
2025	4,000	809,000
2026	4,000	651,000
2027	10,000	421,000
2028	11,000	268,000
Therafter	37,000	-

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County and Schools also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

Plan Descriptions

Group Life Insurance Program

The Virginia Retirement System (VRS) Group Life Insurance Program is a multi-employer, cost-sharing plan. All full-time, salaried permanent teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Plan Descriptions (Continued)

Teacher Employee Health Insurance Credit Program

The Virginia Retirement System (VRS) Teacher Health Insurance Credit Program is a multi-employer, cost-sharing plan. All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. This plan is 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 health insurance credit 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.

Specific information about the Teacher HIC is available at
<https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

Health Insurance Credit Program

The County Health Insurance Credit Program is a multi-employer, agent defined benefit plan. The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than Teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2021, actuarial valuation, the following employees were covered by the benefit terms of the Health Insurance Credit Program:

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries receiving benefits	<u>8</u>	<u>34</u>
Inactive members:		
Vested inactive members	3	6
Non-vested inactive members	-	-
Inactive members	<u>-</u>	<u>-</u>
Total inactive members	<u>11</u>	<u>40</u>
Active members	<u>75</u>	<u>87</u>
Total covered employees	<u>86</u>	<u>127</u>

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021 (General Employee HIC program) and June 30, 2020 (GLI and Teacher HIC Program). The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

General Employee Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee compensation
June 30, 2023 Contribution	\$63,898
June 30, 2022 Contribution	\$56,070

Teacher Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee compensation.
June 30, 2023 Contribution	\$150,121
June 30, 2022 Contribution	\$143,876

(Continued)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

School Board Group Life Insurance Program

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee compensation.
June 30, 2023 Contribution	\$11,915
June 30, 2022 Contribution	\$11,955

Teacher Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2023 Contribution	\$336,486
June 30, 2022 Contribution	\$323,421

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Contributions (Continued)

General Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.26% of covered employee compensation.
June 30, 2023 Contribution	\$14,101
June 30, 2022 Contribution	\$12,524

School Board Non-Professional Employee Health Insurance Credit Program

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	1.06% of covered employee compensation.
June 30, 2023 Contribution	\$23,364
June 30, 2022 Contribution	\$23,350

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the net OPEB liabilities, except for LODA, were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

Group Life Insurance Program

	County	School Board	Teachers
June 30, 2023 proportionate share of liability	\$579,291	\$123,420	\$1,485,855
June 30, 2022 proportion	0.04811%	0.01025%	0.12340%
June 30, 2021 proportion	0.04405%	0.00879%	0.12183%
June 30, 2023 expense	\$36,071	\$5,250	\$34,444

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

Teacher Health Insurance Credit Program

June 30, 2023 proportionate share of liability	\$3,582,016
June 30, 2022 proportion	0.28678%
June 30, 2021 proportion	0.28305%
June 30, 2023 expense	\$257,607

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	\$ 80,561	\$ 58,571	\$ 21,990
Changes for the year:			
Service cost	5,393	-	5,393
Interest	5,708	-	5,708
Difference between expected and actual experience	7,037	-	7,037
Assumption changes	18,305	-	18,305
Contributions - employer	-	12,524	(12,524)
Net investment income	-	(98)	98
Benefit payments	(2,784)	(2,784)	-
Administrative expenses	-	(130)	130
Other changes	-	2,087	(2,087)
Net changes	33,659	11,599	22,060
Balances at June 30, 2022	\$ 114,220	\$ 70,170	\$ 44,050

In addition, for the year ended June 30, 2023, the County recognized OPEB expense of \$4,884 related to the General Employee Health Insurance Credit Program.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

School Board Non-Professional Employee Health Insurance Credit Program

Changes in net OPEB liability of the School Board Non-Professional Employee Health Insurance Credit Program were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	\$ 240,433	\$ 21,742	\$ 218,691
Changes for the year:			
Service cost	2,807	-	2,807
Interest	16,250	-	16,250
Difference between expected and actual experience	(8,126)	-	(8,126)
Assumption changes	8,425	-	8,425
Contributions - employer	-	23,350	(23,350)
Net investment income	-	(418)	418
Benefit payments	(5,009)	(5,009)	-
Administrative expenses	-	(82)	82
Other changes	-	380	(380)
Net changes	14,347	18,221	(3,874)
Balances at June 30, 2022	\$ <u>254,780</u>	\$ <u>39,963</u>	\$ <u>214,817</u>

In addition, for the year ended June 30, 2023, the School Board recognized OPEB expense of \$18,322 related to the School Board Non-Professional Employee Health Insurance Credit Program.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

At June 30, 2023, the County and Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

Group Life Insurance Program

	County		Teachers		Schools Non-professional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,873	\$ 23,240	\$ 117,661	\$ 59,609	\$ 9,773	\$ 4,951
Change in assumptions	21,607	56,425	55,420	144,728	4,603	12,022
Net difference between projected and actual earnings on OPEB plan investments	-	36,197	-	92,844	-	7,712
Changes in proportion	63,021	1,876	25,795	48,553	22,304	6,595
Employer contributions subsequent to the measurement date	63,898	-	150,121	-	11,915	-
Total	\$ 194,399	\$ 117,738	\$ 348,997	\$ 345,734	\$ 48,595	\$ 31,280

Teacher Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 146,009
Change in assumptions	104,649	9,147
Net difference between projected and actual earnings on OPEB plan investments	-	3,595
Changes in proportion	45,415	124,161
Employer contributions subsequent to the measurement date	336,486	-
Total	\$ 486,550	\$ 282,912

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,599	\$ 12,262
Change in assumptions	17,608	225
Net difference between projected and actual earnings on OPEB plan investments	-	876
Employer contributions subsequent to the measurement date	14,101	-
Total	\$ <u>38,308</u>	\$ <u>13,363</u>

School Board Non-Professional Employee Health Insurance Credit Program

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,283
Change in assumptions	10,401	-
Net difference between projected and actual earnings on OPEB plan investments	760	-
Employer contributions subsequent to the measurement date	23,364	-
Total	\$ <u>34,525</u>	\$ <u>6,283</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Group Life Insurance Program

The deferred outflows of resources related to OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>County</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>	<u>Teachers</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>	<u>Schools</u> <u>Non-professional</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>
2024	\$ 5,317	\$ (39,790)	\$ (485)
2025	4,680	(31,276)	568
2026	(16,690)	(78,747)	(2,582)
2027	14,382	10,422	5,439
2028	5,074	(7,467)	2,460
Thereafter	-	-	-

Teacher Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>
2024	\$ (39,593)
2025	(37,507)
2026	(27,878)
2027	(7,160)
2028	(14,579)
Thereafter	(6,131)

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

General and School Board Non-Professional Employee Health Insurance Credit Program

<u>Year Ending June 30,</u>	<u>County</u>	<u>School Board</u>
	<u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>	<u>Non-Professional</u> <u>Increase</u> <u>(Reduction) to</u> <u>OPEB Expense</u>
2024	\$ 392	1,660
2025	350	1,660
2026	182	1,024
2027	2,640	534
2028	2,605	-
Thereafter	4,675	-

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

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

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Inflation	2.50%
Salary Increases, including inflation:	
Locality - general employees	3.50-5.35%
Locality - hazardous duty employees	3.50-4.75%
Teachers	3.50-5.95%
Healthcare cost trend rates:	
Under age 65	7.00-4.75%
Ages 65 and older	5.375-4.75%
Investment rate of return, net of expenses, including inflation	6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 11.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Net OPEB Liabilities

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	Group Life Insurance Program	Teacher Employee HIC OPEB Plan
Total OPEB liability	\$ 3,672,085	\$ 1,470,891
Plan fiduciary net position	2,467,989	221,845
Employers' net OPEB liability (asset)	<u>\$ 1,204,096</u>	<u>\$ 1,249,046</u>
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

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

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Long-Term Expected Rate of Return

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS 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 OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- * The above allocation provides for a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected rate of 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 6.72%, including expected inflation of 2.5%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 14. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)

Discount Rate

The discount rate used to measure the GLI and HIC OPEB liabilities 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 Guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022, on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

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

The following presents the net OPEB liabilities of the County and School Board, as well as what the County and School Board's net OPEB liabilities 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 discount rate:

	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
GLI Net OPEB liability - County	\$ 842,936	\$ 579,291	\$ 366,229
GLI Net OPEB liability - Teachers	2,162,093	1,485,855	939,362
GLI Net OPEB liability - Schools Non-professional	179,590	123,420	78,026
Teacher HIC Net OPEB liability	4,036,973	3,582,016	3,196,360
HIC Net OPEB liability - Schools Non-professional	239,766	214,817	193,480
General Employee HIC Net OPEB liability	56,670	44,050	33,392

OPEB Plan Fiduciary Net Position

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 Annual Report. A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 15. Summary of Pension and Other Post-Employment Benefits Elements

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred outflows of resources - pensions:				
Difference between expected and actual experience - VRS	\$ 433,231	\$ 10,255	\$ 443,486	\$ -
Changes in assumptions - VRS	899,753	21,295	921,048	2,683,259
Changes in proportions - VRS	-	-	-	391,824
Employer contributions subsequent to the measurement date - VRS	1,574,532	37,211	1,611,743	4,712,574
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred outflows of resources - pensions	\$ <u>2,907,516</u>	\$ <u>68,761</u>	\$ <u>2,976,277</u>	\$ <u>7,787,657</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred outflows of resources - OPEB:				
Difference between expected and actual experience:				
Local plan	\$ 762,799	\$ 23,201	\$ 786,000	\$ 3,696,000
VRS GLI	44,619	1,254	45,873	127,434
VRS HIC	6,445	154	6,599	104,649
Changes in assumptions				
Local plan	391,313	11,687	403,000	1,842,000
VRS GLI	21,016	591	21,607	60,023
VRS HIC	17,197	411	17,608	-
Changes in proportional share				
VRS GLI	61,298	1,723	63,021	48,099
VRS HIC	-	-	-	45,415
Employer contributions subsequent to the measurement date				
Local plan	11,466	342	11,808	428,451
VRS GLI	62,151	1,747	63,898	162,036
VRS HIC	13,772	329	14,101	336,486
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred outflows of resources - OPEB	\$ <u>1,392,076</u>	\$ <u>41,439</u>	\$ <u>1,433,515</u>	\$ <u>6,850,593</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 15. Summary of Pension and Other Post-Employment Benefits Elements (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
VRS Pension Asset				
VRS	\$ -	\$ -	\$ -	\$ 806,696
Total net pension asset	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 806,696</u>
Net Pension Liability				
VRS	\$ 2,502,312	\$ 59,226	\$ 2,561,538	\$ 9,520,598
Total net pension liability	<u>\$ 2,502,312</u>	<u>\$ 59,226</u>	<u>\$ 2,561,538</u>	<u>\$ 9,520,598</u>
Net OPEB Liability				
Local plan	\$ 2,456,741	\$ 74,259	\$ 2,531,000	\$ 19,241,000
VRS GLI	563,454	15,837	579,291	1,609,275
VRS HIC	43,023	1,027	44,050	3,796,833
LODA	579,330	-	579,330	-
Total net OPEB liability	<u>\$ 3,642,548</u>	<u>\$ 91,123</u>	<u>\$ 3,733,671</u>	<u>\$ 24,647,108</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred inflows of resources - pensions:				
Difference between expected and actual experience - VRS	\$ 546,558	\$ 12,936	\$ 559,494	\$ 2,025,779
Changes in proportion - VRS	-	-	-	636,631
Net difference between projected and actual earnings on plan investments - VRS	<u>810,905</u>	<u>19,193</u>	<u>830,098</u>	<u>3,921,070</u>
Total deferred inflows of resources - pensions	<u>\$ 1,357,463</u>	<u>\$ 32,129</u>	<u>\$ 1,389,592</u>	<u>\$ 6,583,480</u>

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 15. Summary of Pension and Other Post-Employment Benefits Elements (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Deferred inflows of resources - OPEB:				
Difference between expected and actual experience:				
Local plan	\$ 378,557	\$ 11,443	\$ 390,000	\$ 646,000
VRS GLI	22,605	635	23,240	64,560
VRS HIC	11,976	286	12,262	146,009
Changes in assumptions				
Local plan	707,611	21,389	729,000	2,035,000
VRS GLI	54,882	1,543	56,425	156,750
VRS HIC	220	5	225	9,147
Net difference between projected and actual earnings on OPEB plan investments				
VRS GLI	35,207	990	36,197	100,556
VRS HIC	856	20	876	3,595
Changes in proportional share				
VRS GLI	1,825	51	1,876	55,148
VRS HIC	-	-	-	124,161
Total deferred inflows of resources - OPEB	\$ <u>1,213,739</u>	\$ <u>36,362</u>	\$ <u>1,250,101</u>	\$ <u>3,340,926</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Pension expense				
VRS	\$ <u>922,560</u>	\$ <u>21,815</u>	\$ <u>944,375</u>	\$ <u>1,002,473</u>
Total pension expense	\$ <u>922,560</u>	\$ <u>21,815</u>	\$ <u>944,375</u>	\$ <u>1,002,473</u>
OPEB expense				
Local plan	\$ 199,956	\$ 6,044	\$ 206,000	\$ 2,048,000
VRS GLI	35,085	986	36,071	39,694
VRS HIC	4,770	114	4,884	275,929
LODA	7,924	-	7,924	-
Total OPEB expense	\$ <u>2,092,855</u>	\$ <u>50,774</u>	\$ <u>2,143,629</u>	\$ <u>3,366,096</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 16. Commitments and Contingencies

Federal programs

Federal programs in which the County and discretely presented component unit participate may be subject to audit by the Federal Government, which may result in disallowed expenditures. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

Construction Contracts Outstanding

The following construction contracts were outstanding at June 30, 2023:

<u>Fund</u>	<u>Project</u>	<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Remaining</u>
Capital Projects Fund	Fire Station 1 Expansion	DJG, Inc	\$ 272,118	\$ 69,519
Capital Projects Fund	Village Building Roof and RTU	eTEC Mechanical Corp.	267,716	46,816
Capital Projects Fund	Powhatan Elem HVAC	EMC Mechanical Services	1,397,347	600,469
Capital Projects Fund	PLC HVAC	Thompson Consulting	102,000	62,050
Capital Projects Fund	Turner Field Concessions	Timmons Group	143,450	69,302

Note 17. Line of Duty Act Liability (LODA)

The County covers LODA through insurance with VACorp. They do not have an OPEB liability for current safety employees. However, prior to starting coverage with VACorp, an officer died in the line of duty and his spouse and child were grandfathered into the original State LODA plan. The County pays approximately \$8,000/year currently for health insurance for the two individuals. The spouse's insurance will be paid until she dies while the child is covered until he reaches age 26 (unless he meets the requirements as an incapacitated dependent child). The following is the calculated liability for the County at June 30, 2023:

Annual premiums paid by County for spouse:	\$ 13,398
Annual premiums paid by County for child:	9,186
Years remaining for spouse: Approximately	35
Years remaining for child: Born July 2003	6
Annual increase in health insurance costs:	<u>6.0%</u>
Present value of total estimated liability at 6/30/23	<u>\$ 579,330</u>

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 18. Risk Management

The County and 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 for which the government carries insurances.

The County and School Board are members of the Virginia Municipal Group Self Insurance Association for workers' compensation. Each Association member jointly and severally agrees to assume, pay, and discharge any liability. Virginia Municipal Group contributions and assessments are based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County and School Board carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

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COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 19. Fund Balances

Fund Balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds.

	General Fund	County Capital Projects	Grants Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 205,448	\$ -	\$ -	\$ -	\$ 205,448
Total nonspendable	\$ 205,448	\$ -	\$ -	\$ -	\$ 205,448
Restricted for:					
Cash proffers	\$ -	\$ -	\$ -	\$ 1,621,630	\$ 1,621,630
State asset forfeiture	-	-	-	55,731	55,731
Federal asset forfeiture	-	-	-	1,184	1,184
Tourism	-	-	-	128,907	128,907
Fire and rescue	-	-	-	157,679	157,679
CVTA	-	-	-	2,972,274	2,972,274
Capital projects	-	2,304,516	-	-	2,304,516
Total restricted	\$ -	\$ 2,304,516	\$ -	\$ 4,937,405	\$ 7,241,921
Committed for:					
Fire and rescue	\$ -	\$ -	\$ -	\$ 969,943	\$ 969,943
Total committed	\$ -	\$ -	\$ -	\$ 969,943	\$ 969,943
Assigned for:					
Capital maintenance reserve	\$ 7,571,829	\$ -	\$ -	\$ -	\$ 7,571,829
Capital maintenance reserve - Schools	1,150,793	-	-	-	1,150,793
Road Construction	1,100,000	-	-	-	1,100,000
PCAA	32,935	-	-	-	32,935
PEG	109,515	-	-	-	109,515
FY24 Carryforwards	80,890	-	-	-	80,890
Capital projects	-	17,448,484	-	-	17,448,484
Total assigned	\$ 10,045,962	\$ 17,448,484	\$ -	\$ -	\$ 27,494,446
Unassigned	16,163,376	-	(3,436,615)	-	12,726,761
Total fund balance	\$ 26,414,786	\$ 19,753,000	\$ (3,436,615)	\$ 5,907,348	\$ 48,638,519

Note 20. Local Choice Insurance Plan

The County's employees are covered by a professionally administered risk sharing program which provides health coverage for employees of the County on a cost-reimbursement basis. Dependents are covered by the program provided they pay a premium to the County. Under the program, the County's health insurance claims are separately rated from other groups, and the County's claims experience is factored into the premiums assessed in subsequent periods. However, gains and losses resulting from the County's claims experience are not settled directly with the County, but instead are shared by the pool. If the County were to exit the risk pool, it could be assessed a settlement charge that would not exceed any net loss resulting from the County's most recent claims experience. The County has no plans to exit the pool.

COUNTY OF POWHATAN, VIRGINIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

Note 21. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following Statements which are not yet effective.

In April 2022, the GASB issued **Statement No. 99, *Omnibus 2022***. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100, *Accounting Changes and Error Corrections***. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 52,430,105	\$ 52,430,105	\$ 53,215,804	\$ 785,699
Other local taxes	6,944,419	6,911,118	7,140,781	229,663
Permits, privilege fees, and regulatory licenses	900,481	900,481	1,042,408	141,927
Fines and forfeitures	130,227	130,227	94,859	(35,368)
Revenue from the use of money and property	179,501	179,501	378,159	198,658
Charges for services	254,713	254,713	260,877	6,164
Miscellaneous	146,784	305,749	347,904	42,155
Intergovernmental revenues:				
Commonwealth	8,045,458	8,080,342	8,021,707	(58,635)
Federal	1,223,461	1,223,461	1,186,677	(36,784)
Total revenues	<u>\$ 70,255,149</u>	<u>\$ 70,415,697</u>	<u>\$ 71,689,176</u>	<u>\$ 1,273,479</u>
EXPENDITURES				
Departmental:				
General government administration	\$ 4,845,732	\$ 4,909,700	\$ 4,623,036	\$ 286,664
Judicial administration	1,385,550	1,392,737	1,360,817	31,920
Public safety	12,374,673	12,245,310	11,821,624	423,686
Public works	2,609,085	2,871,635	2,803,926	67,709
Health and welfare	5,893,308	5,893,308	5,878,939	14,369
Education	26,026,607	26,026,607	25,357,586	669,021
Parks, recreation, and cultural	917,494	917,736	838,268	79,468
Community development	1,747,881	1,717,785	1,371,647	346,138
Capital projects	-	33,301	1,509	31,792
Debt service:				
Principal retirement	6,062,162	6,143,901	6,141,502	2,399
Interest and other fiscal charges	2,900,629	2,914,089	2,916,488	(2,399)
Total expenditures	<u>\$ 64,763,121</u>	<u>\$ 65,066,109</u>	<u>\$ 63,115,342</u>	<u>\$ 1,950,767</u>
Excess of revenues over expenditures	<u>\$ 5,492,028</u>	<u>\$ 5,349,588</u>	<u>\$ 8,573,834</u>	<u>\$ 3,224,246</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (9,111,105)	\$ (9,011,399)	\$ (9,011,399)	\$ -
Proceeds of subscription financing	-	-	44,230	44,230
Payment for subscriptions	-	-	(44,230)	(44,230)
Total other financing uses	<u>\$ (9,111,105)</u>	<u>\$ (9,011,399)</u>	<u>\$ (9,011,399)</u>	<u>\$ -</u>
Net change in fund balances	\$ (3,619,077)	\$ (3,661,811)	\$ (437,565)	\$ 3,224,246
Fund balances - beginning	3,685,679	3,661,811	26,852,351	23,190,540
Fund balances - ending	<u>\$ 66,602</u>	<u>\$ -</u>	<u>\$ 26,414,786</u>	<u>\$ 26,414,786</u>

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

	Grants Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Miscellaneous	\$ 7,000	\$ 238,667	\$ 236,667	\$ (2,000)
Intergovernmental revenues:				
Commonwealth	-	116,465	91,476	(24,989)
Federal	351,903	6,856,438	805,409	(6,051,029)
Total revenues	<u>\$ 358,903</u>	<u>\$ 7,211,570</u>	<u>\$ 1,133,552</u>	<u>\$ (6,078,018)</u>
EXPENDITURES				
General government administration	\$ -	\$ 5,018,978	\$ 34	\$ 5,018,944
Judicial administration	-	70,221	44,694	25,527
Public safety	7,000	929,509	361,368	568,141
Health and welfare	351,903	388,304	360,948	27,356
Parks, recreation, and cultural	-	23,624	(434)	24,058
Community development	-	14,335	12,958	1,377
Total expenditures	<u>\$ 358,903</u>	<u>\$ 6,444,971</u>	<u>\$ 779,568</u>	<u>\$ 5,665,403</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 766,599</u>	<u>\$ 353,984</u>	<u>\$ (412,615)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>\$ (3,024,000)</u>	<u>\$ (3,024,000)</u>	<u>\$ (3,024,000)</u>	<u>\$ -</u>
Total other financing sources and (uses)	<u>\$ (3,024,000)</u>	<u>\$ (3,024,000)</u>	<u>\$ (3,024,000)</u>	<u>\$ -</u>
Net change in fund balances	\$ (3,024,000)	\$ (2,257,401)	\$ (2,670,016)	\$ (412,615)
Fund balances - beginning	3,024,000	2,257,401	(766,599)	(3,024,000)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,436,615)</u>	<u>\$ (3,436,615)</u>

COUNTY OF POWHATAN, VIRGINIA

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Primary Government

For the Year Ended June 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability			
Service Cost	\$ 1,220,652	\$ 1,160,493	\$ 1,106,645
Interest on total pension liability	2,187,325	1,909,425	1,714,336
Changes of assumptions	-	1,269,622	-
Difference between expected and actual experience	(460,026)	(240,822)	1,136,432
Benefit payments, including refunds of employee contributions	(1,284,577)	(1,120,077)	(1,014,350)
Net change in total pension liability	1,663,374	2,978,641	2,943,063
Total pension liability - beginning	<u>31,826,454</u>	<u>28,847,813</u>	<u>25,904,750</u>
Total pension liability - ending	<u>\$ 33,489,828</u>	<u>\$ 31,826,454</u>	<u>\$ 28,847,813</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,153,391	\$ 1,007,475	\$ 963,905
Contributions - employee	498,530	433,964	437,004
Net investment income	(43,693)	6,585,873	440,244
Benefit payments, including refunds of employee contributions	(1,284,577)	(1,120,077)	(1,014,350)
Administrative expenses	(18,746)	(15,630)	(14,436)
Other changes	727	629	(535)
Net change in plan fiduciary net position	305,632	6,892,234	811,832
Plan fiduciary net position - beginning	<u>30,622,658</u>	<u>23,730,424</u>	<u>22,918,592</u>
Plan fiduciary net position - ending	<u>\$ 30,928,290</u>	<u>\$ 30,622,658</u>	<u>\$ 23,730,424</u>
Net pension liability (asset) - ending	<u>\$ 2,561,538</u>	<u>\$ 1,203,796</u>	<u>\$ 5,117,389</u>
Plan fiduciary net position as a percentage of total pension liability	<u>92%</u>	<u>96%</u>	<u>82%</u>
Covered payroll	<u>\$ 10,460,754</u>	<u>\$ 9,090,483</u>	<u>\$ 9,048,217</u>
Net pension liability (asset) as a percentage of covered payroll	<u>24%</u>	<u>13%</u>	<u>57%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 was presented in the entity's fiscal year 2015 financial report.

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, only nine years of data is available. However, additional years will be included as they become available.

Primary Government					
Plan Year					
2019	2018	2017	2016	2015	2014
\$ 1,003,655	\$ 1,052,239	\$ 1,077,603	\$ 1,011,102	\$ 1,009,871	\$ 936,336
1,620,934	1,521,621	1,330,100	1,254,963	1,149,909	1,042,365
845,212	-	(204,552)	-	-	-
(222,879)	(339,577)	1,129,320	(475,334)	30,886	-
(996,748)	(634,313)	(558,600)	(876,075)	(503,722)	(380,988)
2,250,174	1,599,970	2,773,871	914,656	1,686,944	1,597,713
23,654,576	22,054,606	19,280,735	18,366,079	16,679,135	15,081,422
<u>\$ 25,904,750</u>	<u>\$ 23,654,576</u>	<u>\$ 22,054,606</u>	<u>\$ 19,280,735</u>	<u>\$ 18,366,079</u>	<u>\$ 16,679,135</u>
\$ 909,590	\$ 854,608	\$ 849,179	\$ 935,300	\$ 873,339	\$ 895,888
405,242	386,863	416,611	470,695	344,134	335,782
1,450,135	1,440,147	2,058,465	288,843	672,630	1,891,730
(996,748)	(634,313)	(558,600)	(876,075)	(503,722)	(380,988)
(13,553)	(11,708)	(10,985)	(9,363)	(8,366)	(9,399)
(915)	(1,314)	(1,870)	(120)	(144)	99
1,753,751	2,034,283	2,752,800	809,280	1,377,871	2,733,112
21,164,841	19,130,558	16,377,758	15,568,478	14,190,607	11,457,495
<u>\$ 22,918,592</u>	<u>\$ 21,164,841</u>	<u>\$ 19,130,558</u>	<u>\$ 16,377,758</u>	<u>\$ 15,568,478</u>	<u>\$ 14,190,607</u>
<u>\$ 2,986,158</u>	<u>\$ 2,489,735</u>	<u>\$ 2,924,048</u>	<u>\$ 2,902,977</u>	<u>\$ 2,797,601</u>	<u>\$ 2,488,528</u>
<u>88%</u>	<u>89%</u>	<u>87%</u>	<u>85%</u>	<u>85%</u>	<u>85%</u>
<u>\$ 8,484,602</u>	<u>\$ 7,984,093</u>	<u>\$ 7,834,118</u>	<u>\$ 7,376,776</u>	<u>\$ 6,919,350</u>	<u>\$ 6,640,706</u>
<u>35%</u>	<u>31%</u>	<u>37%</u>	<u>39%</u>	<u>40%</u>	<u>37%</u>

COUNTY OF POWHATAN, VIRGINIA

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios - Component Unit School Board

For the Year Ended June 30, 2023

	2022	2021	2020
Total Pension Liability			
Service Cost	\$ 171,636	\$ 162,871	\$ 165,072
Interest on total pension liability	642,126	594,860	577,057
Changes of assumptions	-	350,298	-
Difference between expected and actual experience	(156,681)	(120,292)	(8,079)
Benefit payments, Including refunds of employee contributions	(453,812)	(464,464)	(476,125)
Net change in total pension liability	203,269	523,273	257,925
Total pension liability - beginning	9,568,247	9,044,974	8,787,049
Total pension liability - ending	<u>\$ 9,771,516</u>	<u>\$ 9,568,247</u>	<u>\$ 9,044,974</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 91,510	\$ 76,319	\$ 64,753
Contributions - employee	101,584	83,764	79,919
Net investment income	(9,107)	2,375,399	169,504
Benefit payments, including refunds of employee contributions	(453,812)	(464,464)	(476,125)
Administrative expenses	(6,810)	(6,045)	(5,941)
Other changes	249	223	(198)
Net change in plan fiduciary net position	(276,386)	2,065,196	(168,088)
Plan fiduciary net position - beginning	10,854,598	8,789,402	8,957,490
Plan fiduciary net position - ending	<u>\$ 10,578,212</u>	<u>\$ 10,854,598</u>	<u>\$ 8,789,402</u>
Net pension liability (asset) - ending	<u>\$ (806,696)</u>	<u>\$ (1,286,351)</u>	<u>\$ 255,572</u>
Plan fiduciary net position as a percentage of total pension liability	<u>108%</u>	<u>113%</u>	<u>97%</u>
Covered payroll	<u>\$ 1,264,377</u>	<u>\$ 1,044,605</u>	<u>\$ 1,074,136</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-64%</u>	<u>-123%</u>	<u>24%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2014 was presented in the entity's fiscal year 2015 financial report.

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, only nine years of data is available. However, additional years will be included as they become available.

PCPS Nonprofessional Employees					
Plan Year					
2019	2018	2017	2016	2015	2014
\$ 166,505	\$ 164,926	\$ 168,494	\$ 182,662	\$ 183,962	\$ 189,319
572,581	557,441	546,388	528,752	509,997	486,990
238,399	-	36,426	-	-	-
(98,308)	(18,469)	(146,382)	(41,345)	(65,172)	-
(543,705)	(431,522)	(462,531)	(373,734)	(347,988)	(347,270)
335,472	272,376	142,395	296,335	280,799	329,039
8,451,577	8,179,201	8,036,806	7,740,471	7,459,672	7,130,633
\$ 8,787,049	\$ 8,451,577	\$ 8,179,201	\$ 8,036,806	\$ 7,740,471	\$ 7,459,672
\$ 65,899	\$ 73,999	\$ 76,154	\$ 117,830	\$ 124,813	\$ 163,738
79,570	82,097	83,622	85,763	90,842	91,767
569,118	618,226	938,490	134,511	348,309	1,053,684
(543,705)	(431,522)	(462,531)	(373,734)	(347,988)	(347,270)
(5,938)	(5,459)	(5,606)	(4,931)	(4,833)	(5,699)
(358)	(546)	(826)	(57)	(75)	56
164,586	336,795	629,303	(40,618)	211,068	956,276
8,792,904	8,456,109	7,826,806	7,867,424	7,656,356	6,700,080
\$ 8,957,490	\$ 8,792,904	\$ 8,456,109	\$ 7,826,806	\$ 7,867,424	\$ 7,656,356
\$ (170,441)	\$ (341,327)	\$ (276,908)	\$ 210,000	\$ (126,953)	\$ (196,684)
102%	104%	103%	97%	102%	103%
\$ 1,243,923	\$ 1,398,335	\$ 1,519,194	\$ 1,620,015	\$ 1,733,491	\$ 1,846,701
-14%	-24%	-18%	13%	-7%	-11%

Schedule of Pension Contributions
For the Year Ended June 30, 2023

<u>Year Ended June 30</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Primary Government					
2023	\$ 1,611,743	\$ 1,611,743	- \$	11,921,178	13.52%
2022	1,213,447	1,213,447	-	10,460,754	11.60%
2021	1,054,496	1,054,496	-	9,090,483	11.60%
2020	1,014,305	1,014,305	-	9,048,217	11.21%
2019	951,124	951,124	-	8,484,602	11.21%
2018	882,086	882,086	-	7,984,093	11.05%
2017	864,102	864,102	-	7,834,118	11.03%
2016	942,707	942,707	-	7,376,776	12.78%
2015	878,750	878,750	-	6,919,350	12.70%
PCPS - Nonprofessional Employees					
2023	\$ 80,196	\$ 80,196	- \$	1,946,505	4.12%
2022	100,518	100,518	-	1,264,377	7.95%
2021	83,052	83,052	-	1,044,605	7.95%
2020	69,547	69,547	-	1,074,136	6.47%
2019	65,938	65,938	-	1,243,923	5.30%
2018	78,457	78,457	-	1,398,335	5.61%
2017	80,743	80,743	-	1,519,194	5.31%
2016	122,674	122,674	-	1,620,015	7.57%
2015	163,966	163,966	-	1,733,491	9.46%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, there are only nine years available. However, additional years will be included as they become available.

The covered payroll amounts above are for the fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

Schedule of Employer's Share of Net Pension Liability
VRS Teacher Retirement Plan
For the Year Ended June 30, 2023

Year Ended June 30	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.291% \$	27,670,668 \$	26,774,988	103.35%	82.61%
2022	0.287%	22,259,129	24,975,511	89.12%	85.46%
2021	0.290%	42,218,623	25,214,305	167.44%	71.47%
2020	0.294%	38,721,024	24,561,677	157.65%	73.51%
2019	0.294%	34,534,000	23,585,619	146.42%	74.81%
2018	0.304%	37,423,000	23,588,547	158.65%	72.92%
2017	0.303%	42,437,000	23,418,848	181.21%	68.28%
2016	0.307%	38,762,000	23,305,103	166.32%	70.68%
2015	0.307%	37,098,000	22,897,138	162.02%	51.73%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, there are only nine years available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the school division's fiscal year.

Schedule of Pension Contributions
VRS Teacher Retirement Plan
For the Year Ended June 30, 2023

Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 4,632,378	\$ 4,632,378	-	\$ 27,872,310	16.62%
2022	4,450,003	4,450,003	-	26,774,988	16.62%
2021	4,150,930	4,150,930	-	24,975,511	16.62%
2020	3,953,603	3,953,603	-	25,214,305	15.68%
2019	3,851,271	3,851,271	-	24,561,677	15.68%
2018	3,852,280	3,852,280	-	23,585,619	16.33%
2017	3,458,081	3,458,081	-	23,588,547	14.66%
2016	3,292,690	3,292,690	-	23,418,848	14.06%
2015	3,379,240	3,379,240	-	23,305,103	14.50%

Schedule is intended to show information for 10 years. Since 2015 was the first year for this presentation, there are only nine years available. However, additional years will be included as they become available.

The covered payroll amounts above are for the school division's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

Required Supplementary Information

Schedule of Employer's Share of Net OPEB Liability

For the Year Ended June 30, 2023

Entity Fiscal Year Ended June 30	Employer's Proportion of the Net OPEB Liability (Asset)	Employer's Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
Virginia Retirement System - Health Insurance Credit - Teachers					
2023	0.2868%	\$3,582,016	26,774,988	13.38%	15.08%
2022	0.2831%	3,633,142	24,975,511	14.55%	13.15%
2021	0.2873%	3,747,484	25,214,305	14.86%	9.95%
2020	0.2919%	3,820,600	24,561,677	15.56%	8.97%
2019	0.2912%	3,697,000	23,585,619	15.67%	8.08%
2018	0.3021%	3,833,000	23,588,547	16.25%	7.04%
Virginia Retirement System - Group Life Insurance - General Employees					
2023	0.0481%	\$579,291	\$10,460,754	5.54%	67.21%
2022	0.0441%	512,862	9,090,483	5.64%	67.45%
2021	0.0440%	733,788	9,048,217	8.11%	52.64%
2020	0.0433%	704,281	8,484,602	8.30%	52.00%
2019	0.0420%	639,000	7,984,093	8.00%	51.22%
2018	0.0425%	639,000	7,834,118	8.16%	48.86%
Virginia Retirement System - Group Life Insurance - Teachers					
2023	0.1234%	\$1,485,855	26,774,988	5.55%	67.21%
2022	0.1218%	1,418,432	24,975,511	5.68%	67.45%
2021	0.1230%	2,051,834	25,214,305	8.14%	52.64%
2020	0.1253%	2,039,127	24,561,677	8.30%	52.00%
2019	0.1242%	1,886,000	23,585,619	8.00%	51.22%
2018	0.1293%	1,946,000	23,588,547	8.25%	48.86%
Virginia Retirement System - Group Life Insurance - Schools					
2023	0.0103%	\$123,420	\$1,264,377	9.76%	67.21%
2022	0.0088%	102,340	1,044,605	9.80%	67.45%
2021	0.0083%	138,013	1,074,136	12.85%	52.64%
2020	0.0086%	139,782	1,243,923	11.24%	52.00%
2019	0.0090%	136,000	1,398,335	9.73%	51.22%
2018	0.0094%	140,000	1,519,194	9.22%	48.86%

Schedule is intended to show information for 10 years. Since 2018 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

Required Supplementary Information
Schedule of OPEB Contributions
For the Year Ended June 30, 2023

Entity Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Virginia Retirement System - Health Insurance Credit - Teachers					
2023	\$336,486	\$336,486	\$ -	27,872,310	1.21%
2022	323,421	323,421	-	26,774,988	1.21%
2021	301,816	301,816	-	24,975,511	1.21%
2020	302,269	302,269	-	25,214,305	1.20%
2019	294,152	294,152	-	24,561,677	1.20%
2018	289,819	289,819	-	23,585,619	1.23%
Virginia Retirement System - Health Insurance Credit - School Board					
2023	\$23,364	\$23,364	\$ -	1,946,505	1.20%
2022	23,350	23,350	-	1,264,377	1.85%
2021	19,073	19,073	-	1,044,605	1.83%
Virginia Retirement System - Health Insurance Credit - General Employees					
2023	\$14,101	\$14,101	\$ -	11,921,178	0.12%
2022	12,524	12,524	-	10,460,754	0.12%
2021	10,715	10,715	-	9,090,483	0.12%
2020	8,968	8,968	-	9,048,217	0.10%
2019	8,411	8,411	-	8,484,602	0.10%
2018	8,381	8,381	-	7,984,093	0.10%
Virginia Retirement System - Group Life Insurance - General Employees					
2023	\$63,898	\$63,898	\$ -	11,921,178	0.54%
2022	56,070	56,070	-	10,460,754	0.54%
2021	48,752	48,752	-	9,090,483	0.54%
2020	47,418	47,418	-	9,048,217	0.52%
2019	44,461	44,461	-	8,484,602	0.52%
2018	41,901	41,901	-	7,984,093	0.52%
Virginia Retirement System - Group Life Insurance - Teachers					
2023	\$150,121	\$150,121	\$ -	27,872,310	0.54%
2022	143,876	143,876	-	26,774,988	0.54%
2021	134,342	134,342	-	24,975,511	0.54%
2020	132,632	131,577	1,055	25,214,305	0.52%
2019	128,858	128,377	481	24,561,677	0.52%
2018	123,755	123,755	-	23,585,619	0.52%
Virginia Retirement System - Group Life Insurance - Schools					
2023	\$11,915	\$11,915	\$ -	1,946,505	0.61%
2022	11,955	11,955	-	1,264,377	0.95%
2021	9,733	9,733	-	1,044,605	0.93%
2020	8,923	8,923	-	1,107,431	0.81%
2019	8,798	9,279	(481)	1,243,923	0.75%
2018	9,068	9,068	-	1,398,335	0.65%
Local Plan - Schools					
2023	\$1,088,000	\$1,088,000	\$ -	\$29,543,000	3.68%
2022	576,000	576,000	-	29,543,000	1.95%
2021	533,000	533,000	-	24,503,000	2.18%
2020	311,000	311,000	-	24,503,000	1.27%
2019	655,000	655,000	-	23,245,000	2.82%
2018	655,000	655,000	-	23,053,000	2.84%
Local Plan - General Employees					
2023	\$74,000	\$74,000	\$ -	\$10,549,000	0.70%
2022	89,000	89,000	-	10,549,000	0.84%
2021	21,000	21,000	-	8,566,000	0.25%
2020	4,000	4,000	-	8,566,000	0.05%
2019	15,000	15,000	-	7,523,000	0.20%
2018	15,000	15,000	-	7,468,000	0.20%

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, therefore only six years are available.

The covered payroll amounts above are for the entity's fiscal year - i.e. the covered payroll on which required contributions were based for the same year.

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County of Powhatan, Virginia

Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

	Plan Year 2022				Plan Year 2021			
	Primary Government		Schools		Primary Government		Schools	
	Local Plan	VRS Health Insurance Credit General Employees	Schools Local Plan	VRS Health Insurance Credit School Board Employees	Local Plan	VRS Health Insurance Credit General Employees	Schools Local Plan	VRS Health Insurance Credit School Board Employees
Total OPEB Liability								
Service cost	\$ 147,000	\$ 5,393	\$ 1,021,000	\$ 2,807	\$ 132,000	\$ 3,691	\$ 747,000	\$ 3,280
Interest on total OPEB liability	48,000	5,708	345,000	16,250	57,000	5,316	400,000	14,560
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	832,000	7,037	3,839,000	(8,126)	(243,000)	(7,120)	(910,000)	-
Changes in assumptions	(812,000)	18,305	(2,345,000)	8,425	287,000	1,300	1,959,000	6,900
Other changes	-	-	-	-	-	-	-	-
Benefit payments	(74,000)	(2,784)	(1,088,000)	(5,009)	(89,000)	(2,751)	(576,000)	-
Net change in total OPEB liability	141,000	33,659	1,772,000	14,347	144,000	436	1,620,000	24,740
Total OPEB liability - beginning	\$ 2,390,000	\$ 80,561	\$ 17,469,000	\$ 240,433	\$ 2,246,000	\$ 80,125	\$ 15,849,000	\$ 215,693
Total OPEB liability - ending	\$ 2,531,000	\$ 114,220	\$ 19,241,000	\$ 254,780	\$ 2,390,000	\$ 80,561	\$ 17,469,000	\$ 240,433
Plan Fiduciary Net Position								
Contributions - employer	\$ 74,000	\$ 12,524	\$ 1,088,000	\$ 23,350	\$ 89,000	\$ 10,715	\$ 576,000	\$ 19,099
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	-	(98)	-	(418)	-	11,442	-	2,728
Benefit payments	(74,000)	(2,784)	(1,088,000)	(5,009)	(89,000)	(2,751)	(576,000)	-
Administrative expenses	-	(130)	-	(82)	-	(158)	-	(85)
Other	-	2,087	-	380	-	-	-	-
Net change in plan fiduciary net position	-	11,599	-	18,221	-	19,248	-	21,742
Plan fiduciary net position - beginning	\$ -	\$ 58,571	\$ -	\$ 21,742	\$ -	\$ 39,323	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ 70,170	\$ -	\$ 39,963	\$ -	\$ 58,571	\$ -	\$ 21,742
Net OPEB liability - ending	\$ 2,531,000	\$ 44,050	\$ 19,241,000	\$ 214,817	\$ 2,390,000	\$ 21,990	\$ 17,469,000	\$ 218,691
Plan fiduciary net position as a percentage of total OPEB liability	0%	61%	0%	16%	0%	73%	0%	9%
Covered payroll	\$ 10,549,000	10,460,754	\$ 29,543,000	1,264,377	\$ 10,549,000	\$ 9,090,483	\$ 29,543,000	\$ 1,044,605
Net OPEB liability as a percentage of covered payroll	24%	0%	65%	17%	23%	0%	59%	21%

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2017 information was presented in the entity's fiscal year 2018 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) is the first year for this presentation, therefore only six years available.

Plan Year 2020				Plan Year 2019				Plan Year 2018				Plan Year 2017			
Primary Government		Schools		Primary Government		Schools		Primary Government		Schools		Primary Government		Schools	
	VRS Health Insurance Credit General Employees		VRS Health Insurance Credit School Board Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit School Board Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit School Board Employees		VRS Health Insurance Credit General Employees		VRS Health Insurance Credit School Board Employees
Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan		Local Plan	
\$ 107,000	\$ 3,109	\$ 605,000	\$ -	\$ 119,000	\$ 2,923	\$ 688,000	\$ 131,000	\$ 3,018	\$ 703,000	\$ 126,000	\$ 3,968	\$ 678,000			
61,000	5,451	442,000	-	71,000	5,553	458,000	67,000	4,962	458,000	61,000	4,684	441,000			
-	-	-	215,693	-	-	-	-	-	-	-	-	-	-	-	-
74,000	(7,978)	711,000	-	(303,000)	(6,717)	483,000	(84,000)	2,428	(247,000)	-	-	-	-	-	-
178,000	-	829,000	-	118,000	2,036	353,000	-	-	-	-	(3,405)	-	-	-	-
-	-	-	-	-	-	-	(18,000)	-	(635,000)	-	-	-	-	-	-
(21,000)	(2,430)	(533,000)	-	(4,000)	(2,308)	(311,000)	(15,000)	(1,604)	(655,000)	(15,000)	(985)	(655,000)			
399,000	(1,848)	2,054,000	215,693	1,000	1,487	1,671,000	81,000	8,804	(376,000)	172,000	4,262	464,000			
\$ 1,847,000	\$ 81,973	\$ 13,795,000	\$ -	\$ 1,846,000	\$ 80,486	\$ 12,124,000	\$ 1,765,000	\$ 71,682	\$ 12,500,000	\$ 1,593,000	\$ 67,420	\$ 12,036,000			
\$ 2,246,000	\$ 80,125	\$ 15,849,000	\$ 215,693	\$ 1,847,000	\$ 81,973	\$ 13,795,000	\$ 1,846,000	\$ 80,486	\$ 12,124,000	\$ 1,765,000	\$ 71,682	\$ 12,500,000			
\$ 21,000	\$ 8,967	\$ 533,000	\$ -	\$ 4,000	\$ 8,411	\$ 311,000	\$ 15,000	\$ 8,381	\$ 655,000	\$ 15,000	\$ 8,147	\$ 655,000			
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	697	-	-	-	1,897	-	-	1,355	-	-	1,341	-	-	-	-
(21,000)	(2,430)	(533,000)	-	(4,000)	(2,308)	(311,000)	(15,000)	(1,604)	(655,000)	(15,000)	(985)	(655,000)			
-	(76)	-	-	-	(44)	-	-	(40)	-	-	(32)	-	-	-	-
-	-	-	-	-	(2)	-	-	(42)	-	-	42	-	-	-	-
-	7,158	-	-	-	7,954	-	-	8,050	-	-	8,513	-	-	-	-
\$ -	\$ 32,165	\$ -	\$ -	\$ -	\$ 24,211	\$ -	\$ -	\$ 16,161	\$ -	\$ -	\$ 7,648	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 39,323	\$ -	\$ -	\$ -	\$ 32,165	\$ -	\$ -	\$ 24,211	\$ -	\$ -	\$ 16,161	\$ -	\$ -	\$ -	\$ -
\$ 2,246,000	\$ 40,802	\$ 15,849,000	\$ 215,693	\$ 1,847,000	\$ 49,808	\$ 13,795,000	\$ 1,846,000	\$ 56,275	\$ 12,124,000	\$ 1,765,000	\$ 55,521	\$ 12,500,000			
0%	49%	0%	0%	0%	39%	0%	0%	30%	0%	0%	23%	0%			
\$ 8,566,000	\$ 9,048,217	\$ 24,503,000	\$ 1,074,136	\$ 8,566,000	\$ 3,449,198	\$ 24,503,000	\$ 7,523,000	\$ 3,235,075	\$ 23,245,000	\$ 7,468,000	\$ 2,993,264	\$ 23,053,000			
26%	0%	65%	20%	22%	1%	56%	25%	2%	52%	24%	2%	54%			

COUNTY OF POWHATAN, VIRGINIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION June 30, 2023

Note 1. Changes of Benefit Terms

Pension

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

Other Postemployment Benefits (OPEB)

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

Note 2. Changes of Assumptions

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

Largest 10 – Non-Hazardous Duty:

- Update mortality table to Pub-2010
- Lowered rates at older ages and extended final retirement age from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered in rates of disability retirement
- No changes to salary rates
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Largest 10 –Hazardous Duty/Public Safety Employees:

- Update mortality table to Pub-2010
- Lowered rates of retirement at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Increased disability rates
- No changes to salary rates
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

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

- Update mortality table to Pub-2010
- Lowered rates of retirement at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each age and service year
- Lowered disability rates
- No changes to salary rates
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

COUNTY OF POWHATAN, VIRGINIA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

Note 2. Changes of Assumptions (Continued)

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to Pub-2010
- Increased retirement rate at age 50 and lowered rates at older ages
- Update withdrawal rates to better fit experience at each age and service year
- Update disability rates to better fit experience
- No changes to salary rates
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Teacher cost-sharing pool

- Update mortality table to Pub-2010
- Lowered retirement rates at older ages and changed final retirement from 70 to 75
- Update withdrawal rates to better fit experience at each year age and service through 9 years of service
- Update disability rates to better fit experience
- No changes to salary rates
- Decrease discount rate from 7.00% to 6.75%
- Applicable to: Pension, GLI OPEB, and HIC OPEB

Note 3. Budgetary Statements

The State of Virginia requires all local governments prepare, approve, adopt and execute an annual budget. The budgeting process is based on estimates of revenues and expenditures. The County budgets are prepared on a modified-accrual basis of accounting in accordance with generally accepted accounting principles.

The County maintains budgetary controls to ensure compliance with legal provisions in the appropriated budget approved by the Board of Supervisors. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the fund level and thus the budget to actual comparison is presented at this level. Amounts that do not fall under function control are categorized as nondepartmental even though they may relate to a particular function.

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OTHER SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 92,625	\$ 92,625
Miscellaneous	-	5,250	52,353	47,103
Intergovernmental revenues:				
Commonwealth	859,000	2,225,013	1,944,013	(281,000)
Federal	-	1,200,173	750,000	(450,173)
Total revenues	<u>\$ 859,000</u>	<u>\$ 3,430,436</u>	<u>\$ 2,838,991</u>	<u>\$ (591,445)</u>
EXPENDITURES				
General government administration	\$ 13,280,000	\$ 5,790,123	\$ 763,325	\$ 5,026,798
Judicial administration	-	214,453	1,781	212,672
Public safety	-	4,475,033	1,071,818	3,403,215
Public works	-	2,775,558	531,600	2,243,958
Education	-	5,463,558	1,415,303	4,048,255
Parks, recreation, and cultural	-	2,689,181	120,444	2,568,737
Community development	-	3,460,000	634,643	2,825,357
Total expenditures	<u>\$ 13,280,000</u>	<u>\$ 24,867,906</u>	<u>\$ 4,538,914</u>	<u>\$ 20,328,992</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (12,421,000)</u>	<u>\$ (21,437,470)</u>	<u>\$ (1,699,923)</u>	<u>\$ 19,737,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 12,421,000</u>	<u>\$ 12,216,294</u>	<u>\$ 12,216,294</u>	<u>\$ -</u>
Total other financing sources and (uses)	<u>\$ 12,421,000</u>	<u>\$ 12,216,294</u>	<u>\$ 12,216,294</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (9,221,176)	\$ 10,516,371	\$ 19,737,547
Fund balances - beginning	-	9,221,176	9,236,629	15,453
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,753,000</u>	<u>\$ 19,753,000</u>

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 5,282,820
Receivables, net:	
Accounts	81,935
Due from other governmental units	604,899
Total assets	<u>\$ 5,969,654</u>
	<hr/>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 51,856
Deferred revenue	10,450
Total liabilities	<u>\$ 62,306</u>
	<hr/>
Fund balances:	
Restricted	\$ 4,937,405
Committed	969,943
Total fund balances	<u>\$ 5,907,348</u>
Total liabilities and fund balances	<u>\$ 5,969,654</u>

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

	Special Revenue Funds
REVENUES	
Other local taxes	\$ 2,315,339
Permits, privilege fees, and regulatory licenses	264,540
Revenue from the use of money and property	772
Charges for services	649,977
Miscellaneous	86,611
Intergovernmental revenues:	
Commonwealth	157,470
Total revenues	\$ <u>3,479,259</u>
EXPENDITURES	
Public safety	\$ <u>725,545</u>
Total expenditures	\$ <u>730,095</u>
Excess (deficiency) of revenues over expenditures	\$ <u>2,749,164</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	\$ (2,060,000)
Total other financing sources and (uses)	\$ <u>(2,060,000)</u>
Net change in fund balances	\$ 689,164
Fund balances - beginning	<u>5,218,184</u>
Fund balances - ending	<u><u>5,907,348</u></u>

COUNTY OF POWHATAN, VIRGINIA

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Cash Proffers Fund	State Asset Forfeiture Fund	Federal Asset Forfeiture Fund
ASSETS			
Cash and cash equivalents	\$ 1,621,630	\$ 63,959	\$ 1,184
Receivables, net:			
Accounts	-	-	-
Due from other governmental units	-	-	-
Total assets	<u>\$ 1,621,630</u>	<u>\$ 63,959</u>	<u>\$ 1,184</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 8,228	\$ -
Deferred revenue	-	-	-
Total liabilities	<u>\$ -</u>	<u>\$ 8,228</u>	<u>\$ -</u>
Fund balances:			
Restricted	\$ 1,621,630	\$ 55,731	\$ 1,184
Committed	-	-	-
Total fund balances	<u>\$ 1,621,630</u>	<u>\$ 55,731</u>	<u>\$ 1,184</u>
Total liabilities and fund balances	<u>\$ 1,621,630</u>	<u>\$ 63,959</u>	<u>\$ 1,184</u>

Exhibit 25

<u>Tourism Fund</u>	<u>Fire and Rescue Fund</u>	<u>CVTA Fund</u>	<u>Total</u>
\$ 136,278	\$ 1,092,394	\$ 2,367,375	\$ 5,282,820
3,079	78,856	-	81,935
-	-	604,899	604,899
<u>\$ 139,357</u>	<u>\$ 1,171,250</u>	<u>\$ 2,972,274</u>	<u>\$ 5,969,654</u>
\$ -	\$ 43,628	\$ -	\$ 51,856
10,450	-	-	10,450
<u>\$ 10,450</u>	<u>\$ 43,628</u>	<u>\$ -</u>	<u>\$ 62,306</u>
\$ 128,907	\$ 157,679	\$ 2,972,274	\$ 4,937,405
-	969,943	-	969,943
<u>\$ 128,907</u>	<u>\$ 1,127,622</u>	<u>\$ 2,972,274</u>	<u>\$ 5,907,348</u>
<u>\$ 139,357</u>	<u>\$ 1,171,250</u>	<u>\$ 2,972,274</u>	<u>\$ 5,969,654</u>

COUNTY OF POWHATAN, VIRGINIA

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

	Cash Proffers Fund	State Asset Forfeiture Fund	Federal Asset Forfeiture Fund
REVENUES			
Other local taxes	\$ -	\$ -	\$ -
Permits, privilege fees, and regulatory licenses	264,540	-	-
Revenue from the use of money and property	-	-	57
Charges for services	-	-	-
Miscellaneous	-	86,611	-
Intergovernmental revenues:			
Commonwealth	-	-	-
Federal	-	-	-
Total revenues	<u>\$ 264,540</u>	<u>\$ 86,611</u>	<u>\$ 57</u>
EXPENDITURES			
Public safety	\$ -	\$ 67,266	\$ 14,510
Community development	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 67,266</u>	<u>\$ 14,510</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 264,540</u>	<u>\$ 19,345</u>	<u>\$ (14,453)</u>
OTHER FINANCING USES			
Transfers out	\$ -	\$ -	\$ -
Total other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 264,540	\$ 19,345	\$ (14,453)
Fund balances - beginning	1,357,090	36,386	15,637
Fund balances - ending	<u><u>\$ 1,621,630</u></u>	<u><u>\$ 55,731</u></u>	<u><u>\$ 1,184</u></u>

Exhibit 26

<u>Tourism Fund</u>	<u>Fire and Rescue Fund</u>	<u>CVTA Fund</u>	<u>Total</u>
\$ 36,505	\$ -	\$ 2,278,834	\$ 2,315,339
-	-	-	264,540
-	715	-	772
-	649,977	-	649,977
-	-	-	86,611
-	157,470	-	157,470
4,550	-	-	4,550
<u>\$ 41,055</u>	<u>\$ 808,162</u>	<u>\$ 2,278,834</u>	<u>\$ 3,479,259</u>
\$ -	\$ 643,769	-	\$ 725,545
4,550	-	-	4,550
<u>\$ 4,550</u>	<u>\$ 643,769</u>	<u>\$ -</u>	<u>\$ 730,095</u>
<u>\$ 36,505</u>	<u>\$ 164,393</u>	<u>\$ 2,278,834</u>	<u>\$ 2,749,164</u>
\$ -	\$ -	\$ (2,060,000)	\$ (2,060,000)
\$ -	\$ -	\$ (2,060,000)	\$ (2,060,000)
\$ 36,505	\$ 164,393	\$ 218,834	\$ 689,164
92,402	963,229	2,753,440	5,218,184
<u>\$ 128,907</u>	<u>\$ 1,127,622</u>	<u>\$ 2,972,274</u>	<u>\$ 5,907,348</u>

COUNTY OF POWHATAN, VIRGINIA

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

	Fire and Rescue Fund				CVTA Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Other local taxes	\$ -	\$ -	\$ -	\$ -	2,060,000	2,060,000	2,278,834	\$ 218,834
Revenue from the use of money and property	-	-	715	715	-	-	-	-
Charges for services	500,000	500,000	649,977	149,977	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Intergovernmental revenues:								
Commonwealth	147,516	157,470	157,470	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ 647,516	\$ 657,470	\$ 808,162	\$ 150,692	\$ 2,060,000	\$ 2,060,000	\$ 2,278,834	\$ 218,834
EXPENDITURES								
Judicial administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	647,516	758,012	643,769	114,243	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Total expenditures	\$ 647,516	\$ 758,012	\$ 643,769	\$ 114,243	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ (100,542)	\$ 164,393	\$ 264,935	\$ 2,060,000	\$ 2,060,000	\$ 2,278,834	\$ 218,834
OTHER FINANCING USES								
Transfers out	\$ -	\$ -	\$ -	\$ -	(2,060,000)	(2,060,000)	(2,060,000)	\$ -
Total other financing uses	\$ -	\$ -	\$ -	\$ -	(2,060,000)	(2,060,000)	(2,060,000)	\$ -
Net change in fund balances	\$ -	\$ (100,542)	\$ 164,393	\$ 264,935	\$ -	\$ -	\$ 218,834	\$ 218,834
Fund balances - beginning	-	100,542	963,229	862,687	-	-	2,753,440	2,753,440
Fund balances - ending	\$ -	\$ -	\$ 1,127,622	\$ 1,127,622	\$ -	\$ -	\$ 2,972,274	\$ 2,972,274

State Asset Forfeiture				Tourism Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	\$ 24,000	\$ 24,000	\$ 36,505	\$ 12,505
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	86,611	86,611	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	15,000	4,550	(10,450)
-	86,611	86,611	-	\$ 24,000	\$ 39,000	\$ 41,055	\$ 2,055
\$ -	\$ 82,852	\$ 62,864	\$ 19,988	\$ -	\$ -	\$ -	\$ -
-	3,759	4,402	(643)	-	-	-	-
-	-	-	-	24,000	39,000	4,550	34,450
\$ -	\$ 86,611	\$ 67,266	\$ 19,345	\$ 24,000	\$ 39,000	\$ 4,550	\$ 34,450
\$ -	\$ -	\$ 19,345	\$ (19,345)	\$ -	\$ -	\$ 36,505	\$ 36,505
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 19,345	\$ (19,345)	\$ -	\$ -	\$ 36,505	\$ 36,505
-	-	-	-	-	-	92,402	92,402
\$ -	\$ -	\$ 19,345	\$ (19,345)	\$ -	\$ -	\$ 128,907	\$ 128,907

Combining Statement of Fiduciary Net Position
 Custodial Funds
 June 30, 2023

	Custodial Funds		
	Special Welfare	Bond Escrow	Total
ASSETS			
Cash and cash equivalents	\$ 22,521	\$ 433,802	\$ 456,323
Total assets	<u>\$ 22,521</u>	<u>\$ 433,802</u>	<u>\$ 456,323</u>
NET POSITION			
Restricted for:			
Social Services clients	\$ 22,521	\$ -	\$ 22,521
Bond escrow	-	433,802	433,802
Total net position	<u>\$ 22,521</u>	<u>\$ 433,802</u>	<u>\$ 456,323</u>

Combining Statement of Changes in Fiduciary Net Position - Custodial
Year Ended June 30, 2023

	Special Welfare	Bond Escrow	Total
Additions:			
Member contributions	\$ 35,221	\$ -	\$ 35,221
Performance bonds	-	44,333	44,333
Total additions	<u>\$ 35,221</u>	<u>\$ 44,333</u>	<u>\$ 79,554</u>
Deductions:			
Payments made to welfare recipients	\$ 33,536	\$ -	\$ 33,536
Repayment of performance bonds	-	188,260	188,260
Total deductions	<u>\$ 33,536</u>	<u>\$ 188,260</u>	<u>\$ 221,796</u>
Change in fiduciary net position	\$ 1,685	\$ (143,927)	\$ (142,242)
Total net position, beginning	<u>20,836</u>	<u>577,729</u>	<u>598,565</u>
Total net position, ending	<u><u>\$ 22,521</u></u>	<u><u>\$ 433,802</u></u>	<u><u>\$ 456,323</u></u>

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**DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD**

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

	<u>School Operating Fund</u>	<u>School Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,612,456	\$ 1,321,908	\$ 2,934,364
Receivables (net of allowance for uncollectibles):			
Accounts receivable	107,468	4,884	112,352
Due from other governmental units	1,254,758	284,015	1,538,773
Inventories	71,205	32,537	103,742
Total assets	<u>\$ 3,045,887</u>	<u>\$ 1,643,344</u>	<u>\$ 4,689,231</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 367,283	\$ 70,448	\$ 437,731
Accrued liabilities	2,607,399	3,672	2,611,071
Reconciled overdraft payable	-	185,576	185,576
Total liabilities	<u>\$ 2,974,682</u>	<u>\$ 259,696</u>	<u>\$ 3,234,378</u>
Fund balances:			
Nonspendable:			
Inventories	\$ 71,205	\$ 32,537	\$ 103,742
Committed	-	721,695	721,695
Assigned	-	629,416	629,416
Total fund balances	<u>\$ 71,205</u>	<u>\$ 1,383,648</u>	<u>\$ 1,454,853</u>
Total liabilities and fund balances	<u>\$ 3,045,887</u>	<u>\$ 1,643,344</u>	<u>\$ 4,689,231</u>

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

Total fund balances per above \$ 1,454,853

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 24,308,500

Financial statement elements related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources for 2023 employer contributions - pension	\$ 4,712,574	
Deferred outflows of resources due to changes in proportion and differences between employer contributions and proportionate share of contributions pension	391,824	
Deferred inflows of resources for the difference between expected and actual experience on pension	(2,025,779)	
Deferred outflows for change in assumptions - pension	2,683,259	
Deferred inflows - projected and actual earnings - pension	(3,921,070)	
Deferred inflows of resources due to changes in proportion and differences between employer contributions and proportionate share of contributions - teacher cost sharing pension plan	(636,631)	
Deferred Inflows - OPEB	(3,340,926)	
Deferred outflows - OPEB	6,850,593	
Net other postemployment benefits liability	(24,647,108)	
Net pension liability	<u>(8,713,902)</u>	(28,647,166)

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

Compensated absences (2,677,870)

Net position of governmental activities \$ (5,561,683)

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

	School Operating Fund	School Special Revenue Funds	Total Governmental Funds
REVENUES			
Revenue from the use of money and property	\$ 38,215	\$ 1,179	\$ 39,394
Charges for services	205,587	2,125,273	2,330,860
Miscellaneous	256,037	575,501	831,538
Intergovernmental revenues:			
Local government	25,357,586	-	25,357,586
Commonwealth	24,862,943	15,576	24,878,519
Federal	2,021,340	2,428,605	4,449,945
Total revenues	<u>\$ 52,741,708</u>	<u>\$ 5,146,134</u>	<u>\$ 57,887,842</u>
EXPENDITURES			
Current:			
Education	\$ 52,689,300	\$ 5,156,268	\$ 57,845,568
Debt service:			
Principal retirement	50,442	-	50,442
Total expenditures	<u>\$ 52,739,742</u>	<u>\$ 5,156,268</u>	<u>\$ 57,896,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,966</u>	<u>\$ (10,134)</u>	<u>\$ (8,168)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of SBITA financing	\$ 148,115	\$ -	\$ 148,115
Payment for SBITAs	<u>(148,115)</u>	<u>-</u>	<u>(148,115)</u>
Total other financing sources and uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 1,966	\$ (10,134)	\$ (8,168)
Fund balances - beginning	69,239	1,393,782	1,463,021
Fund balances - ending	<u><u>\$ 71,205</u></u>	<u><u>\$ 1,383,648</u></u>	<u><u>\$ 1,454,853</u></u>

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds - per above \$ (8,168)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 1,000,499	
Depreciation expense	(305,889)	
Allocation of jointly owned assets, net	<u>1,164,700</u>	1,859,310

Governmental funds report employer pension and OPEB contributions as expenditures. However, in the Statement of Activities the cost of pension benefits earned net of employee contributions is reported as pension/OPEB expense.

Employer pension contributions	\$ 4,712,574	
Pension expense	22,408,632	
Employer OPEB contributions	926,973	
OPEB expense	<u>(2,168,644)</u>	21,767,409

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.

Decrease in compensated absences 8,795

Change in net position of governmental activities \$ 23,627,346

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

School Operating Fund				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 14,500	\$ 25,000	\$ 38,215	\$ 13,215
Charges for services	186,106	226,000	205,587	(20,413)
Miscellaneous	324,395	274,000	256,037	(17,963)
Intergovernmental revenues:				
Local government	26,026,607	26,026,607	25,357,586	(669,021)
Commonwealth	24,586,775	25,025,920	24,862,943	(162,977)
Federal	1,530,685	2,018,091	2,021,340	3,249
Total revenues	<u>\$ 52,669,068</u>	<u>\$ 53,595,618</u>	<u>\$ 52,741,708</u>	<u>\$ (853,910)</u>
EXPENDITURES				
Current:				
Education	\$ 52,669,068	\$ 53,545,176	\$ 52,689,300	\$ 855,876
Debt service:				
Principal retirement	-	50,442	50,442	-
Total expenditures	<u>\$ 52,669,068</u>	<u>\$ 53,595,618</u>	<u>\$ 52,739,742</u>	<u>\$ 855,876</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,966</u>	<u>\$ 1,966</u>
OTHER FINANCING USES				
Issuance of SBITA financing	\$ -	\$ -	\$ 148,115	\$ 148,115
Payment for SBITAs	-	-	(148,115)	(148,115)
Total other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 1,966	\$ 1,966
Fund balances - beginning	-	-	69,239	69,239
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,205</u>	<u>\$ 71,205</u>

Combining Balance Sheet
Nonmajor Special Revenue Funds - Discretely Presented Component Unit
June 30, 2023

	School Food Fund	School Grant Fund	School Activity Fund	Total
ASSETS				
Cash and cash equivalents	\$ 663,307	\$ -	\$ 658,601	\$ 1,321,908
Receivables, net:				
Accounts	4,884	-	-	4,884
Due from other governmental units	7,336	276,679	-	284,015
Inventories	32,537	-	-	32,537
Total assets	<u>\$ 708,064</u>	<u>\$ 276,679</u>	<u>\$ 658,601</u>	<u>\$ 1,643,344</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 42,439	\$ 28,009	\$ -	\$ 70,448
Accrued liabilities	3,672	-	-	3,672
Reconciled overdraft payable	-	185,576	-	185,576
Total liabilities	<u>\$ 46,111</u>	<u>\$ 213,585</u>	<u>\$ -</u>	<u>\$ 259,696</u>
Fund balances:				
Nonspendable:				
Inventories	\$ 32,537	\$ -	\$ -	\$ 32,537
Committed	-	63,094	658,601	721,695
Assigned	629,416	-	-	629,416
Total fund balances	<u>\$ 661,953</u>	<u>\$ 63,094</u>	<u>\$ 658,601</u>	<u>\$ 1,383,648</u>
Total liabilities and fund balances	<u>\$ 708,064</u>	<u>\$ 276,679</u>	<u>\$ 658,601</u>	<u>\$ 1,643,344</u>

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

	School Cafeteria Fund	School Grants Fund	School Activity Fund	Total
REVENUES				
Revenue from the use of money and property	\$ 1,179	\$ -	\$ -	\$ 1,179
Charges for services	817,129	-	1,308,144	2,125,273
Miscellaneous	-	-	575,501	575,501
Intergovernmental revenues:				
Local government	-	-	-	-
Commonwealth	15,576	-	-	15,576
Federal	934,120	1,494,485	-	2,428,605
Total revenues	<u>\$ 1,768,004</u>	<u>\$ 1,494,485</u>	<u>\$ 1,883,645</u>	<u>\$ 5,146,134</u>
EXPENDITURES				
Education	\$ 1,752,590	\$ 1,431,391	\$ 1,972,287	\$ 5,156,268
Total expenditures	<u>\$ 1,752,590</u>	<u>\$ 1,431,391</u>	<u>\$ 1,972,287</u>	<u>\$ 5,156,268</u>
Excess (deficiency) of revenues over expenditures	\$ 15,414	\$ 63,094	\$ (88,642)	\$ (10,134)
Net change in fund balances	\$ 15,414	\$ 63,094	\$ (88,642)	\$ (10,134)
Fund balances - beginning	646,539	-	747,243	1,393,782
Fund balances - ending	<u>\$ 661,953</u>	<u>\$ 63,094</u>	<u>\$ 658,601</u>	<u>\$ 1,383,648</u>

COUNTY OF POWHATAN, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,179	\$ 1,179
Charges for services	224,341	224,341	817,129	592,788
Intergovernmental revenues:				
Commonwealth	43,519	43,519	15,576	(27,943)
Federal	1,490,000	1,490,000	934,120	(555,880)
Total revenues	<u>\$ 1,757,860</u>	<u>\$ 1,757,860</u>	<u>\$ 1,768,004</u>	<u>\$ 10,144</u>
EXPENDITURES				
Current:				
Education	<u>\$ 1,757,860</u>	<u>\$ 1,757,860</u>	<u>\$ 1,752,590</u>	<u>\$ 5,270</u>
Total expenditures	<u>\$ 1,757,860</u>	<u>\$ 1,757,860</u>	<u>\$ 1,752,590</u>	<u>\$ 5,270</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,414</u>	<u>\$ 15,414</u>
Net change in fund balances	\$ -	\$ -	\$ 15,414	\$ 15,414
Fund balances - beginning	-	-	646,539	646,539
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 661,953</u>	<u>\$ 661,953</u>

School Grants Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final			
\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-
-	-	-	-	-
-	2,392,723	1,494,485	-	-
\$ -	\$ 2,392,723	\$ 1,494,485	\$ -	-
\$ -	\$ 2,392,723	\$ 1,431,391	\$ -	-
\$ -	\$ 2,392,723	\$ 1,431,391	\$ -	-
\$ -	\$ -	\$ 63,094	\$ -	-
\$ -	\$ -	\$ 63,094	\$ -	-
\$ -	\$ -	\$ 63,094	\$ -	-
\$ -	\$ -	\$ 63,094	\$ -	-

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**DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY**

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Statement of Net Position
Discretely Presented Component Unit - Economic Development Authority
June 30, 2023

ASSETS

Current assets:	
Cash and cash equivalents	\$ 56,737
Total current assets	<u>\$ 56,737</u>
Noncurrent assets:	
Capital assets:	
Land	\$ 100,000
Total noncurrent assets	<u>\$ 100,000</u>
Total assets	<u><u>\$ 156,737</u></u>

NET POSITION

Net investment in capital assets	\$ 100,000
Unrestricted	<u>56,737</u>
Total net position	<u><u>\$ 156,737</u></u>

Statement of Revenues, Expenses, and Changes in Fund Net Position
Discretely Presented Component Unit - Economic Development Authority
For the Year Ended June 30, 2023

OPERATING REVENUES

Miscellaneous	\$	437
Total operating revenues	\$	<u>437</u>

OPERATING EXPENSES

Other charges	\$	4,129
Total operating expenses	\$	<u>4,129</u>

Operating income (loss)	\$	<u>(3,692)</u>
-------------------------	----	----------------

NONOPERATING REVENUES (EXPENSES)

Interest earnings	\$	<u>138</u>
-------------------	----	------------

Change in net position	\$	<u>(3,554)</u>
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Total net position - beginning		<u>160,291</u>
Total net position - ending	\$	<u><u>156,737</u></u>

Statement of Cash Flows
Discretely Presented Component Unit - Economic Development Authority
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$	437
Payments for operating activities		<u>(4,129)</u>
Net cash used in operating activities	\$	<u>(3,692)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends received	\$	<u>138</u>
Net cash provided by investing activities	\$	<u>138</u>

Net decrease in cash and cash equivalents	\$	(3,554)
---	----	---------

Cash and cash equivalents - beginning		<u>60,291</u>
Cash and cash equivalents - ending	\$	<u><u>56,737</u></u>

**Reconciliation of operating loss to net cash
used by operating activities:**

Operating loss	\$	<u>(3,692)</u>
Net cash used in operating activities	\$	<u><u>(3,692)</u></u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the County of Powhatan, Virginia's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Table

Financial Trends

1-4

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

Revenue Capacity

5-8

These tables contain information to help the reader assess the factors affecting the County's ability to generate revenues through property, sales taxes, and other means.

Debt Capacity

9-11

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

Demographic and Economic Information

12-14

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

Operating Information

15-16

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The County implemented Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

County of Powhatan, Virginia
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

Table 1

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 9,269,806	\$ 8,198,560	\$ 7,482,537	\$ 4,791,306	\$ 390,493	\$ 8,923,387	\$ 4,734,695	\$ 973,723	\$ (1,310,668)	\$ (2,085,394)
Restricted	-	2,211,309	-	-	-	81,367	158,598	321,055	327,708	29,239
Unrestricted	50,695,831	39,985,592	27,879,687	18,286,063	15,681,310	10,541,242	13,425,357	15,376,342	15,013,626	16,540,825
Total governmental activities net position	\$ 59,965,637	\$ 50,395,461	\$ 35,362,224	\$ 23,077,369	\$ 16,071,803	\$ 19,545,996	\$ 18,318,650	\$ 16,671,120	\$ 14,030,666	\$ 14,484,670
Business-type activities										
Net investment in capital assets	\$ 6,878,162	\$ 6,521,718	\$ 5,809,458	\$ 5,600,088	\$ 5,927,158	\$ 3,707,241	\$ 2,745,687	\$ 2,364,754	\$ 1,004,989	\$ 1,044,804
Unrestricted	1,947,972	2,015,562	1,804,858	1,610,471	1,169,052	905,237	973,944	975,370	462,308	(324,475)
Total business-type activities net position	\$ 8,826,134	\$ 8,537,280	\$ 7,614,316	\$ 7,210,559	\$ 7,096,210	\$ 4,612,478	\$ 3,719,631	\$ 3,340,124	\$ 1,467,297	\$ 720,329
Primary Government										
Net investment in capital assets	\$ 16,147,968	\$ 14,720,278	\$ 13,291,995	\$ 10,391,394	\$ 6,317,651	\$ 12,630,628	\$ 7,480,382	\$ 3,338,477	\$ (305,679)	\$ (1,040,590)
Restricted	-	2,211,309	-	-	-	81,367	158,598	321,055	327,708	29,239
Unrestricted	52,643,803	42,001,154	29,684,545	19,896,534	16,850,362	11,446,479	14,399,301	16,351,712	15,475,934	16,216,350
Total Primary government net position	\$ 68,791,771	\$ 58,932,741	\$ 42,976,540	\$ 30,287,928	\$ 23,168,013	\$ 24,158,474	\$ 22,038,281	\$ 20,011,244	\$ 15,497,963	\$ 15,204,999

Note: GASB Statement No. 75 as adopted in fiscal year 2018. Information for previous years is unavailable.

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities										
General government administration	\$ 5,318,059	\$ 4,482,953	\$ 7,738,202	\$ 4,048,390	\$ 3,443,815	\$ 3,138,027	\$ 3,387,951	\$ 3,328,472	\$ 2,904,327	\$ 2,913,719
Judicial administration	1,485,251	1,356,321	1,360,939	1,266,314	1,142,211	1,106,339	875,808	1,003,570	882,082	915,308
Public safety	14,828,899	13,574,246	11,289,757	10,940,144	10,372,753	9,340,671	8,623,661	7,886,373	7,614,265	7,386,351
Public works	2,807,458	2,582,620	2,616,404	2,245,378	4,351,097	2,437,663	2,444,844	2,063,389	1,905,609	1,715,947
Health and welfare	6,267,296	5,578,307	5,174,537	4,785,157	4,553,531	4,630,373	4,250,646	4,645,176	4,254,575	4,079,149
Education	31,412,737	29,820,818	26,778,187	25,649,391	31,265,269	26,750,913	25,587,129	24,668,341	23,858,180	24,091,342
Parks, Recreation and cultural	1,095,549	1,019,595	741,691	781,264	748,581	724,464	1,430,798	896,021	672,746	881,707
Community development	1,966,462	1,235,356	1,082,578	1,077,207	1,042,770	839,715	975,494	888,803	952,532	784,157
Interest and other fiscal charges	2,416,724	2,537,193	2,186,672	2,902,678	3,651,825	3,457,468	4,479,930	2,279,924	2,490,147	2,664,241
Total governmental activities	\$ 67,598,435	\$ 62,187,409	\$ 58,968,967	\$ 53,695,923	\$ 60,571,852	\$ 52,425,633	\$ 52,056,261	\$ 47,660,069	\$ 45,534,463	\$ 45,431,921
Business-type activities										
Water and Sewer	\$ 2,374,677	\$ 2,105,052	\$ 2,204,421	\$ 2,839,736	\$ 2,500,998	\$ 2,409,265	\$ 2,584,881	\$ 2,381,909	\$ 2,564,546	\$ 2,439,900
Total business-type activities	\$ 2,374,677	\$ 2,105,052	\$ 2,204,421	\$ 2,839,736	\$ 2,500,998	\$ 2,409,265	\$ 2,584,881	\$ 2,381,909	\$ 2,564,546	\$ 2,439,900
Total primary government expenses	\$ 69,973,112	\$ 64,292,461	\$ 61,173,388	\$ 56,535,659	\$ 63,072,850	\$ 54,834,898	\$ 54,641,142	\$ 50,041,978	\$ 48,099,009	\$ 47,871,821
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 75,168	\$ 176,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial administration	238,171	160,599	208,154	211,306	246,764	223,978	228,999	171,772	145,738	188,666
Public safety	1,698,586	1,655,142	1,715,285	1,696,250	1,482,363	1,417,962	1,239,297	1,111,495	563,314	520,637
Public works	84,923	107,328	75,391	46,513	81,171	65,587	55,006	47,508	54,674	54,264
Parks, recreation and cultural	26,441	21,526	2,081	17,751	20,354	21,787	19,165	17,658	24,394	30,176
Community development	264,540	289,664	192,934	250,090	203,708	165,573	192,732	461,414	939,943	828,425
Operating grants and contributions	6,464,118	4,251,534	10,676,544	6,030,863	5,058,728	4,961,763	4,723,745	4,761,155	4,377,081	4,374,567
Capital Grants and contributions	2,694,013	1,591,227	70,000	-	101,639	636,597	-	32,161	212,050	-
Total governmental activities	\$ 11,545,960	\$ 8,253,334	\$ 12,940,389	\$ 8,252,773	\$ 7,194,727	\$ 7,493,247	\$ 6,458,944	\$ 6,603,163	\$ 6,317,194	\$ 5,996,735
Business-type activities										
Charges for services:										
Water and Sewer	\$ 781,483	\$ 862,259	\$ 585,590	\$ 608,843	\$ 640,352	\$ 595,446	\$ 465,893	\$ 329,569	\$ 514,988	\$ 272,633
Capital grants and contributions	-	440,000	-	88,000	1,999,558	333,797	-	300,000	-	-
Total business-type activities	\$ 781,483	\$ 1,302,259	\$ 585,590	\$ 696,843	\$ 2,639,910	\$ 929,243	\$ 465,893	\$ 629,569	\$ 514,988	\$ 272,633
Total primary government revenues	\$ 12,327,443	\$ 9,555,593	\$ 13,525,979	\$ 8,949,616	\$ 9,834,637	\$ 8,422,490	\$ 6,924,837	\$ 7,232,732	\$ 6,832,182	\$ 6,269,368

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue										
Governmental activities	\$ (56,052,475)	\$ (53,934,075)	\$ (46,028,578)	\$ (45,443,150)	\$ (53,377,125)	\$ (44,932,386)	\$ (45,597,317)	\$ (41,056,906)	\$ (39,217,269)	\$ (39,435,186)
Business-type activities	(1,593,194)	(802,793)	(1,618,831)	(2,142,893)	138,912	(1,480,022)	(2,093,988)	(1,601,743)	(2,049,548)	(2,167,267)
Total primary government net expense	<u>\$ (57,645,669)</u>	<u>\$ (54,736,868)</u>	<u>\$ (47,647,409)</u>	<u>\$ (47,586,043)</u>	<u>\$ (53,238,213)</u>	<u>\$ (46,412,408)</u>	<u>\$ (47,691,305)</u>	<u>\$ (42,658,649)</u>	<u>\$ (41,266,817)</u>	<u>\$ (41,602,453)</u>

General Revenues and Other Changes in Net Position

Governmental Activities:										
Taxes										
Property taxes	\$ 53,122,542	\$ 56,676,166	\$ 46,528,921	\$ 42,858,105	\$ 41,283,660	\$ 39,678,897	\$ 39,416,185	\$ 36,470,425	\$ 35,172,302	\$ 35,253,633
Other local taxes	9,380,952	9,467,027	9,381,449	6,785,681	5,961,295	5,746,070	5,527,619	5,049,536	4,702,903	4,250,661
Investment earnings	471,556	338,283	194,869	464,783	567,025	482,100	282,759	241,763	405,979	283,313
Miscellaneous	723,535	291,814	384,983	547,535	354,793	323,649	346,297	359,404	212,904	356,148
Non-categorical aid from the Commonwealth	3,803,171	3,899,906	3,839,879	4,041,223	4,077,493	4,090,925	4,117,081	4,176,115	4,087,845	4,147,231
Gain (Loss) on disposal of capital assets	-	-	-	-	-	-	-	-	-	(390,698)
Transfers	(1,879,105)	(1,712,286)	(2,016,668)	(2,253,109)	(2,341,334)	(2,422,675)	(2,445,094)	(2,599,883)	(2,871,782)	(2,321,178)
Special item	-	-	-	-	-	-	-	-	(305,880)	-
Total governmental activities	<u>\$ 65,622,651</u>	<u>\$ 68,960,910</u>	<u>\$ 58,313,433</u>	<u>\$ 52,444,218</u>	<u>\$ 49,902,932</u>	<u>\$ 47,898,966</u>	<u>\$ 47,244,847</u>	<u>\$ 43,697,360</u>	<u>\$ 41,404,271</u>	<u>\$ 41,579,110</u>

Business-type activities										
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51
Miscellaneous	2,943	13,471	5,920	3,843	3,486	2,397	28,399	5,210	11,765	-
Transfers	1,879,105	1,712,286	2,016,668	2,253,109	2,341,334	2,422,675	2,445,094	2,599,883	2,871,782	2,321,178
Total business-type activities	<u>\$ 1,882,048</u>	<u>\$ 1,725,757</u>	<u>\$ 2,022,588</u>	<u>\$ 2,257,242</u>	<u>\$ 2,344,820</u>	<u>\$ 2,425,138</u>	<u>\$ 2,473,495</u>	<u>\$ 2,605,093</u>	<u>\$ 2,883,547</u>	<u>\$ 2,321,229</u>
Total primary government	<u>\$ 67,504,699</u>	<u>\$ 70,686,667</u>	<u>\$ 60,336,021</u>	<u>\$ 54,701,460</u>	<u>\$ 52,247,752</u>	<u>\$ 50,324,104</u>	<u>\$ 49,718,342</u>	<u>\$ 46,302,453</u>	<u>\$ 44,287,818</u>	<u>\$ 43,900,339</u>

Changes in Net Position

Governmental activities	\$ 9,570,176	\$ 15,026,835	\$ 12,284,855	\$ 7,001,068	\$ (3,474,193)	\$ 2,966,580	\$ 1,647,530	\$ 2,640,454	\$ 2,187,002	\$ 2,143,924
Business-type activities	288,854	922,964	403,757	114,349	2,483,732	945,116	379,507	1,003,350	833,999	153,962
Total primary government	<u>\$ 9,859,030</u>	<u>\$ 15,949,799</u>	<u>\$ 12,688,612</u>	<u>\$ 7,115,417</u>	<u>\$ (990,461)</u>	<u>\$ 3,911,696</u>	<u>\$ 2,027,037</u>	<u>\$ 3,643,804</u>	<u>\$ 3,021,001</u>	<u>\$ 2,297,886</u>

County of Powhatan, Virginia
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

Table 3

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Nonspendable	\$ 205,448	\$ 4,537	\$ 1,349	\$ 3,739	\$ 1,533	\$ 81,688	\$ 1,969	\$ 3,532	\$ 3,048	\$ 4,048
Assigned	10,045,962	12,362,084	14,876,340	6,850,502	4,295,622	3,590,713	4,476,293	3,570,902	3,698,649	-
Unassigned	16,163,376	14,485,730	13,950,906	13,037,130	12,450,049	12,031,431	11,767,232	11,370,950	11,043,610	13,877,646
Total general fund	\$26,414,786	\$26,852,351	\$28,828,595	\$19,891,371	\$16,747,204	\$15,703,832	\$16,245,494	\$14,945,384	\$14,745,307	\$13,881,694
All other governmental funds										
Restricted, reported in:										
Capital projects funds	\$ 2,304,516	\$ 2,211,309	\$ 8,795,524	\$13,957,819	\$17,930,464	\$17,752,884	\$42,809,069	\$ -	\$ -	\$ 29,239
Grants funds	-	-	83,654	-	-	-	-	-	-	-
Special revenue funds	4,937,405	4,355,497	2,941,382	959,143	778,276	622,264	609,938	1,154,183	1,886,597	1,856,589
Committed for:										
Special revenue funds	969,943	862,687	621,988	493,552	346,094	292,691	73,812	174,737	-	-
Assigned for:										
Capital projects	17,448,484	7,025,320	434,343	1,979,397	-	-	-	2,099,137	1,610,407	883,385
Unassigned, reported in:										
Capital projects funds	-	-	-	-	2,836,404	(1,395,958)	(352,397)	-	-	-
Grants funds	(3,436,615)	(766,599)	-	-	-	-	-	-	-	-
Total all other governmental funds	\$22,223,733	\$13,688,214	\$12,876,891	\$17,389,911	\$21,891,238	\$17,271,881	\$43,140,422	\$3,428,057	\$3,497,004	\$2,769,213
Total fund balances	\$48,638,519	\$40,540,565	\$41,705,486	\$37,281,282	\$38,638,442	\$32,975,713	\$59,385,916	\$18,373,441	\$18,242,311	\$16,650,907

County of Powhatan, Virginia
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Table 4

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
General property taxes	\$ 53,215,804	\$ 48,154,889	\$ 46,429,541	\$ 42,741,454	\$ 41,583,636	\$ 39,648,166	\$ 39,177,351	\$ 36,848,788	\$ 35,326,867	\$ 34,940,715
Other local taxes	9,456,120	9,643,341	9,381,449	6,785,681	5,961,295	5,746,071	5,527,619	5,049,536	4,702,903	4,250,661
Permits, privilege fees and licenses	1,306,948	1,226,595	1,311,869	1,306,569	1,056,937	966,725	806,460	1,014,230	937,270	842,474
Fines and Forfeitures	94,859	91,716	119,160	122,886	151,244	144,612	163,083	102,778	102,410	111,173
Revenue from use of money & property	471,556	207,095	194,869	464,783	567,025	482,100	282,759	241,763	405,979	283,313
Charges for services	910,854	915,948	762,816	792,455	826,179	783,550	765,656	692,839	688,383	668,521
Miscellaneous	723,535	291,814	384,983	547,535	354,793	323,649	346,297	359,404	212,904	356,148
Intergovernmental:										
Commonwealth of Virginia	10,214,666	8,138,598	7,797,274	7,733,325	7,805,434	8,277,653	7,518,564	7,685,397	7,790,247	7,497,107
Federal Government	2,746,636	1,604,069	6,789,149	2,338,761	1,432,426	1,411,632	1,322,262	1,284,034	886,729	1,024,691
Total revenues	\$ 79,140,978	\$ 70,274,065	\$ 73,171,110	\$ 62,833,449	\$ 59,738,969	\$ 57,784,158	\$ 55,910,051	\$ 53,278,769	\$ 51,053,692	\$ 49,974,803
Expenditures										
General government administration	\$ 5,386,395	\$ 4,691,701	\$ 8,272,557	\$ 4,125,429	\$ 3,513,818	\$ 3,337,273	\$ 3,487,696	\$ 3,202,111	\$ 2,881,108	\$ 2,706,558
Judicial administration	1,407,292	1,366,357	1,218,811	1,173,748	1,050,052	3,215,046	922,934	921,530	886,834	842,973
Public Safety	13,980,355	17,503,735	15,732,560	13,017,867	12,309,044	10,602,508	9,009,393	8,048,386	7,561,393	6,934,689
Public works	3,335,526	3,477,035	2,996,961	2,731,401	2,690,480	3,864,509	2,867,888	2,196,038	2,136,239	1,646,877
Health and welfare	6,239,887	5,571,246	5,228,724	4,766,253	4,527,283	4,603,678	4,491,257	4,773,276	4,285,753	4,069,400
Education	26,772,889	25,249,328	23,419,578	23,560,273	27,898,229	45,667,822	36,076,976	22,857,727	21,269,134	20,708,851
Community development	2,023,798	1,524,592	592,626	1,990,759	1,040,054	637,865	1,240,664	884,335	852,728	767,675
Parks, recreation and cultural	958,278	1,262,532	1,023,841	1,077,634	586,062	831,338	987,254	718,560	543,079	659,704
Capital projects	1,509	19,328	-	-	-	549	617	939,474	123,070	920,622
Debt service										
Principal	6,141,502	5,962,468	5,433,060	5,616,782	5,231,381	4,949,677	4,756,685	4,184,966	4,046,946	3,861,164
Interest and other fiscal charges	2,916,486	3,104,780	3,416,638	4,469,463	4,029,854	4,061,420	4,675,569	2,405,523	3,434,942	3,025,485
Total Expenditures	\$ 69,163,919	\$ 69,733,102	\$ 67,335,356	\$ 62,529,609	\$ 62,876,257	\$ 81,771,685	\$ 68,516,933	\$ 51,131,926	\$ 48,021,226	\$ 46,143,998
Revenues over (under) expenditures	\$ 9,977,059	\$ 540,963	\$ 5,835,754	\$ 303,840	\$ (3,137,288)	\$ (23,987,527)	\$ (12,606,882)	\$ 2,146,843	\$ 3,032,466	\$ 3,830,805
Other financing sources (uses)										
Transfers in	\$ 12,216,294	\$ 9,733,449	\$ 1,418,196	\$ 2,609,338	\$ 1,944,338	\$ 2,684,130	\$ 2,545,726	\$ 4,169,095	\$ 3,864,804	\$ 7,616,992
Transfers out	(14,095,399)	(11,445,735)	(3,434,864)	(4,862,447)	(4,285,672)	(5,106,805)	(4,990,820)	(6,768,978)	(6,736,586)	(9,938,170)
Proceeds from financed purchases	-	-	599,718	-	1,578,350	-	700,000	584,170	47,942	481,210
Issuance of bonds	-	-	15,927,000	597,510	9,563,000	-	49,425,000	-	26,162,052	-
Bond issuance premium	-	-	(178,000)	-	-	-	5,939,451	-	-	-
Payments to refunding escrow agent	-	-	(15,749,000)	-	-	-	-	-	(25,586,845)	-
Issuance of lease financing	-	838,473	-	-	-	-	-	-	-	-
Payment on leases	-	(838,473)	-	-	-	-	-	-	-	-
Issuance of SBITA financing	44,230	-	-	-	-	-	-	-	-	-
Payment on SBITAs	(44,230)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (1,879,105)	\$ (1,712,286)	\$ (1,416,950)	\$ (1,655,599)	\$ 8,800,016	\$ (2,422,675)	\$ 53,619,357	\$ (2,015,713)	\$ (2,248,633)	\$ (1,839,968)
Special Item	-	-	-	-	-	-	-	-	807,571	-
Net change in fund balances	\$ 8,097,954	\$ (1,171,323)	\$ 4,418,804	\$ (1,351,759)	\$ 5,662,728	\$ (26,410,202)	\$ 41,012,475	\$ 131,130	\$ 1,591,404	\$ 1,990,837
Debt service as a percentage of noncapital expenditures	13.50%	14.71%	14.90%	18.20%	17.15%	17.17%	18.13%	13.83%	15.95%	15.23%

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Percentage of			Percentage of		
	Taxable	Taxable	Rank	Taxable	Taxable	Rank
	Assessed	Assessed		Assessed	Assessed	
	Value	Value		Value	Value	
Artistry At Winterfield	\$109,838,900	2.83%	1	\$ -	0.00%	
Walmart	12,600,500	0.32%	2	-	0.00%	
Berk and Alp LLC	11,428,800	0.29%	3	-	0.00%	
Knight Nelson G	9,177,500	0.24%	4	-	0.00%	
Scott Liberland Co LP	8,873,100	0.23%	5	-	0.00%	
Riverton Associates LLC	8,005,600	0.21%	6	-	0.00%	
Blue & Gray Self Storage	7,575,500	0.20%	7	-	0.00%	
Powhatan Shoppes at South Creek	7,407,200	0.19%	8	6,625,600	0.18%	5
Goddard LLC	7,164,000	0.18%	9	-	0.00%	
AWN Union Street LLC	6,098,600	0.16%	10	-	0.00%	
Carnes, W.S. et al	-	0.00%		10,446,800	0.28%	1
Ranson, R.F. et al	-	0.00%		7,640,300	0.20%	2
Anderson, Tamara & Delores Ranson	-	0.00%		7,094,900	0.19%	3
South Creek Properties	-	0.00%		6,960,600	0.18%	4
Milhaus Corporation	-	0.00%		6,070,000	0.16%	6
Central Virginia Bank	-	0.00%		6,029,600	0.16%	7
Reeds Landing Corp.	-	0.00%		5,776,200	0.15%	8
Oakbridge Corp.	-	0.00%		5,689,200	0.15%	9
American Timberlands	-	0.00%		5,594,700	0.15%	10
	\$			\$		
	188,169,700	4.85%		67,927,900	1.80%	

Source: Powhatan County Commissioner of Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes levied for the fiscal year (original levy) Adjustments		Total adjusted levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2023	\$ 51,239,590	\$ (270,157)	\$ 50,969,433	\$ 24,275,475	47.38%	\$ -	\$24,275,475	47.63%
2022 (2)	65,176,473	2,821,347	67,997,820	39,916,123	61.24%	25,845,356	65,761,479	96.71%
2021	46,397,758	(284,310)	46,113,448	39,090,337	84.25%	6,388,589	45,478,926	98.62%
2020	39,465,437	1,458,690	40,924,127	33,535,555	84.97%	7,052,574	40,588,129	99.18%
2019	38,841,290	1,363,199	40,204,489	33,885,007	87.24%	6,191,724	40,076,731	99.68%
2018	40,262,459	250,272	40,512,731	34,046,398	84.56%	6,391,952	40,438,350	99.82%
2017	37,761,947	736,611	38,498,558	32,985,684	87.35%	5,454,141	38,439,825	99.85%
2016	35,202,596	694,015	35,896,611	30,591,755	86.90%	5,239,786	35,831,541	99.82%
2015	34,387,967	428,392	34,816,359	29,585,924	86.04%	5,222,244	34,808,168	99.98%
2014 (1)	20,444,760	(213,807)	20,230,953	16,173,898	79.11%	4,052,960	20,226,858	99.98%

Source: Treasurer's Office and Commissioner of the Revenue

(1) In FY2014, the County did a short year for real estate and therefore the levy was half of a normal levy in order for the real estate levies to agree to the budget cycle.

(2) In FY2022, the County did a short year for real estate and therefore the levy had an extra 6 months of a normal levy in order for the real estate levies to revert back to a calendar year tax year

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

Fiscal Year	Real Estate	Less: Tax-Exempt Property (2)	Total Taxable Assessed Value Real Estate	Direct Tax Rate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (3)	Total
2023	\$ 6,144,545,473	\$358,929,500	\$5,785,615,973	0.69	\$419,179,112	\$ 18,497,711	\$ -	\$ 6,223,292,796
2022	4,864,307,400	329,154,800	4,535,152,600	0.77	490,464,480	19,745,090	104,192,167	5,149,554,337
2021	4,379,883,500	328,274,425	4,051,609,075	0.85	377,504,062	31,432,110	105,153,403	4,565,698,650
2020	3,854,983,400	334,508,375	3,520,475,025	0.88	319,259,251	12,452,345	111,818,049	3,964,004,670
2019	3,770,803,200	332,508,550	3,438,294,650	0.88	325,965,234	11,078,665	105,919,123	3,881,257,672
2018	3,648,382,900	328,081,450	3,320,301,450	0.885	311,016,713	29,452,658	99,314,822	3,760,085,643
2017	3,608,906,400	328,439,700	3,280,466,700	0.90	293,254,816	10,716,720	100,109,095	3,684,547,331
2016	3,358,068,300	310,856,450	3,047,211,850	0.90	284,396,673	9,111,300	97,808,766	3,438,528,589
2015	3,300,165,350	308,499,100	2,991,666,250	0.90	262,062,264	9,428,908	97,811,452	3,360,968,874
2014	3,337,208,023	309,617,800	3,027,590,223	0.90	248,273,253	10,543,520	93,715,317	3,380,122,313

Source: Commissioner of Revenue Department

Notes:

Real property is the County's primary local source revenue. Assessment information also included above for other property taxes.

(1) Tax rate per \$100 of assessed value of real property. See Table 6 for other tax rates.

(2) Source, Real Estate Assessments from Commissioner of Revenue.

(3) Public Service Corporation property assessments performed by the State Corporation Commission.

Direct Property Tax Rates
Last Ten Fiscal Years

Tax Year	Public Service		Machinery & Tools	Personal Property
	Real Estate	Personal Property		
2023	0.69/0.77	3.60	3.60	3.60
2022	0.77/0.79	3.60	3.60	3.60
2021	0.79/0.85	3.60	3.60	3.60
2020	0.88	3.60	3.60	3.60
2019	0.88	3.60	3.60	3.60
2018	0.885	3.60	3.60	3.60
2017	0.90	3.60	3.60	3.60
2016	0.90	3.60	3.60	3.60
2015	0.90	3.60	3.60	3.60
2014	0.90	3.60	3.60	3.60

Notes: Per \$100 assessed value. There are no overlapping property tax rates with other governments.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	State Literary Loans	Financed Purchases	Leases	SBITAs	Revenue Bonds	Revenue Bonds			
2023	\$ 14,751,130	\$ -	\$ 1,063,289	\$ 972,823	\$ 24,905	\$ 70,979,197	\$ 13,815,412	101,606,756	*	3,239
2022	16,914,314	-	1,505,204	1,037,710	-	74,834,534	14,676,721	108,968,483	0.062%	3,579
2021	19,054,287	-	1,937,959	-	-	78,810,054	15,512,536	115,314,836	0.056%	3,802
2020	20,871,963	-	1,630,626	-	-	82,596,056	16,329,043	121,427,688	0.050%	4,066
2019	22,931,149	-	2,065,820	-	-	85,752,035	17,145,426	127,894,430	0.046%	4,313
2018	24,773,645	250,000	912,548	-	-	79,428,022	18,014,546	123,378,761	0.046%	4,230
2017	26,583,521	500,000	1,230,787	-	-	82,525,574	16,853,248	127,693,130	0.043%	4,465
2016	28,386,157	750,000	810,956	-	-	30,111,820	17,403,438	77,462,371	0.065%	2,724
2015	30,168,352	1,000,000	331,795	-	-	32,001,274	18,029,553	81,530,974	0.060%	2,867
2014	32,384,741	1,250,000	397,123	-	-	33,550,334	18,387,924	85,970,122	0.053%	3,022

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

* 2023 information not yet available.

**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Population	General Bonded Debt Outstanding Governmental Activities		Net Bonded Debt to Assessed Value	Per Capita
		Assessed	Gross		
		Taxable Value (1)	Bonded Debt (2)		
2023	31,365	\$ 6,223,292,796	\$ 14,751,130	0.24%	\$ 470
2022	30,445	5,149,554,337	16,914,314	0.33%	556
2021	30,333	4,565,698,650	19,054,287	0.42%	628
2020	29,867	3,964,004,670	20,871,963	0.53%	699
2019	29,652	3,881,257,672	22,931,149	0.59%	773
2018	29,166	3,760,085,643	25,023,645	0.67%	858
2017	28,601	3,684,547,331	27,083,521	0.74%	947
2016	28,442	3,438,528,589	29,136,157	0.85%	1,024
2015	28,442	3,360,968,874	31,168,352	0.93%	1,096
2014	28,451	3,380,122,313	33,634,741	1.00%	1,182

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) Assessed taxable value is combination of real and other personal property per Table 7.

(2) Includes all long-term general obligation debt, bonded anticipation notes and literary fund loans. Excludes revenue bonds, financed purchases, and compensated absences.

**Debt Management Ratios
Last Ten Fiscal Years**

Policy (1)	15.00%	4.00%
Fiscal Year	Debt Service To Expenditures (2)	Net Tax Supported Debt To Assessed Value (3)
2023	10.61%	1.52%
2022	11.19%	1.97%
2021	11.23%	2.37%
2020	13.25%	2.86%
2019	13.17%	3.06%
2018	13.20%	3.02%
2017	13.11%	3.23%
2016	11.17%	2.16%
2015	11.39%	2.34%
2014	12.06%	2.47%

(1) Policy was 12% and 4.50% prior to FY 2016

(2) Expenditures are made up of the General fund, Other Governmental funds, School Operating fund, School Cafeteria fund, Water and Sewer fund less transfers to the School Fund. Includes all debt from Table 9 less premiums.

(3) Assessed taxable value is combination of real and other personal property per Table 7.

Demographic and Economic Statistics
Last Ten Years

Fiscal Year	Population	Total Personal Income*	Per Capita Personal Income*	Unemployment Rate %	School Enrollment
2023	31,365	*	*	2.60%	4,307
2022	30,445	2,067,459,060	67,908	2.50%**	4,230
2021	30,333	1,968,005,040	64,880	3.00%	4,076
2020	29,867	1,820,154,714	60,942	4.80%	4,247
2019	29,652	1,739,149,104	58,652	2.60%	4,227
2018	29,166	1,669,666,002	57,247	2.90%	4,222
2017	28,601	1,573,369,611	55,011	3.50%	4,208
2016	28,442	1,436,036,580	50,490	3.50%	4,312
2015	28,442	1,396,644,410	49,105	4.30%	4,157
2014	28,451	1,292,984,146	45,446	4.60%	4,205

n/a - information is not yet available

Source: Bureau of Economic Analysis, Department of Labor Statistics, Weldon Cooper Center

* 2023 information not yet available.

** 2022 Unemployment Rate % is as of 07/01/2022

Principal Employers

Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	% of Total Employment**	Employees	Rank	% of Total Employment**
Powhatan County School Board	500-999	1	N/A	500-999	1	N/A
County of Powhatan	250-499	2	N/A	100-249	6	N/A
Walmart	250-499	3	N/A	100-249	5	N/A
Deep Meadow Correctional Center	250-499	4	N/A	250-499	4	N/A
Mid Atlantic Steel Erecto Inc	100-249	5	N/A			N/A
Food Lion	100-249	6	N/A	100-249	7	N/A
Colony Construction	100-249	7	N/A			N/A
2150 Management Co.	100-249	8	N/A			N/A
Independence Golf Club	50-99	9	N/A			N/A
Eagle Tele Services Inc	50-99	10	N/A			N/A
Virginia Department of Juvenile Justice	-		N/A	250-499	2	N/A
Powhatan Correctional Center	-		N/A	250-499	3	N/A
Virginia Department of Correctional Education	-		N/A	N/A	8	N/A
Anderson Merchandisers, LLC	-		N/A	50-99	9	N/A
Layman & Son Enterprises, Inc	-		N/A	50-99	10	N/A
	-		N/A			N/A
	-		N/A			N/A

Source: Virginia Employment Commission

* Quarterly Census of Employment and Wages (QCEW)

Data for 2023: Community Profile

Data for 2014: 1st Quarter 2014

**The Virginia Employment Commission is precluded from disclosing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act - Title V of Public Law 107-347.

**Full-Time County Employees by Position
Last Ten Fiscal Years**

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County Administration										
County Administrator	1	1	1	1	1	1	1	1	1	1
Deputy County Administrator/Comm Dev Dir	2	2	-	-	-	-	-	1	1	-
Sr. Executive Assistant	1	1	1	1	1	1	1	1	-	-
Executive Associate	-	-	-	-	-	-	1	1	1	1
Total County Administrator	4	4	2	2	2	2	3	4	3	2
Finance										
Director of Finance	1	1	1	1	1	1	1	1	1	1
HR Benefits and Training Coordinator	-	-	-	-	-	-	-	-	-	-
HR and Accounting Analyst	-	-	-	-	-	1	1	1	1	1
Accounting Manager	-	-	-	-	-	-	-	-	-	1
Budget Manager	1	1	1	-	-	-	-	-	-	-
Budget Accountant	-	-	-	1	1	-	-	-	-	-
Accountant	1	1	1	1	1	1	1	1	1	-
Accounting Analyst	1	1	1	1	1	1	1	1	1	1
Purchasing Agent	1	-	-	-	-	-	-	-	-	-
Total Finance	5	4	4	4	4	4	4	4	4	4
Human Resources										
HR Manager	1	1	1	1	1	1	1	1	1	1
HR Analyst	1	1	1	1	1	-	-	-	-	-
Total Human Resources	2	2	2	2	2	1	1	1	1	1
Information Technology										
Director of IT	1	1	1	1	1	1	1	1	1	-
IT Network Manager	1	1	1	1	1	-	-	-	-	-
IT Systems Administrator	-	-	-	-	-	1	1	1	-	-
IT Specialist	-	-	-	-	-	-	-	-	2	2
Communications and IT Specialist	1	1	1	1	1	1	1	-	-	-
IT Technician	1	1	-	-	-	-	-	1	-	-
Total Information Technology	4	4	3	3	3	3	3	3	3	2
County Attorney										
County Attorney	-	-	-	-	-	-	-	-	-	1
Paralegal	-	-	-	-	-	1	1	1	1	1
Total County Attorney	-	-	-	-	-	1	1	1	1	2
Facilities Management										
Facilities Assistant	-	-	-	-	-	-	-	-	-	-
Facilities/Groundskeeper	-	-	-	-	-	-	-	-	-	-
General Services Supervisor	-	-	-	-	-	-	-	-	-	-
Maintenance Worker	-	-	-	-	-	-	-	-	-	-
Total Facilities Management	-	-	-	-	-	-	-	-	-	-
Public Works										
Director of Public Works	-	1	1	1	1	1	1	1	1	1
Administrative Associate Public Works	1	1	1	1	1	1	1	1	1	1
Recreation Program Coordinator	-	-	-	1	1	1	1	1	1	-
Facilities Manager	-	-	-	-	-	-	-	-	1	1

Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Works										
Facilities and Grounds Manager	1	1	1	1	1	1	1	1	-	-
Administrative Assistant Facilities	-	-	-	-	-	-	-	-	1	1
Administrative Assistant Public Works	1	1	1	1	1	1	1	1	-	-
Building Supervisor - HVAC	-	-	-	-	-	-	-	-	1	1
Facilities Supervisor	1	1	1	1	1	1	1	1	-	-
Grounds Supervisor	1	1	1	1	1	1	1	1	1	1
Maintenance Worker III	3	3	3	2	2	2	2	2	2	2
Maintenance Worker II	5	5	5	5	4	4	4	4	4	3
Maintenance Worker I	1	-	-	-	-	-	-	-	-	1
Utilities Manager	1	1	1	1	1	1	1	1	1	1
Utilities Operations Supervisor	-	-	-	-	-	-	-	-	1	1
Utilities Operations Superintendent	1	1	1	1	1	1	1	1	-	-
Utilities Operator	3	3	3	3	3	3	3	3	3	1
Utilities Maintenance Technician	-	-	-	-	-	1	1	1	-	-
Convenience Center Supervisor	1	1	1	1	1	1	1	1	1	1
Convenience Center Operator III	-	-	-	-	-	-	-	-	1	1
Convenience Center Lead Operator	1	1	1	1	1	1	1	1	-	-
Convenience Center Operator	1	1	1	2	2	2	2	2	-	-
Convenience Center Operator II	-	-	-	-	-	-	-	-	1	1
Convenience Center Operator I	-	-	-	-	-	-	-	-	1	1
Floater	1	-	-	-	-	-	-	-	-	-
Total Public Works	23	22	22	23	22	23	23	23	22	19
Building Inspections										
Building Official	-	-	-	-	-	-	-	-	-	-
Building Inspector	-	-	-	-	-	-	-	-	-	-
Secretary	-	-	-	-	-	-	-	-	-	-
Plans Reviewer	-	-	-	-	-	-	-	-	-	-
Total Building Inspections	-	-	-	-	-	-	-	-	-	-
Commonwealth's Attorney										
Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Deputy Commonwealth's Attorney	1	1	1	1	1	1	1	1	1	1
Assistant Commonwealth's Attorney	1	1	1	1	1	1	-	-	-	-
Administrative Assistant	1	1	1	1	1	1	1	1	1	1
Total Commonwealth's Attorney	4	4	4	4	4	4	3	3	3	3
Commissioner of the Revenue										
Commissioner of the Revenue	1	1	1	1	1	1	1	1	1	1
Chief Deputy Commissioner	1	1	1	1	1	1	1	1	1	1
Deputy COR II	1	2	2	3	3	3	3	3	2	2
Deputy COR III	3	3	3	2	2	2	2	2	3	3
Total Commissioner of Revenue	6	7	7	7	7	7	7	7	7	7
Economic Development										
Economic Development Director	-	-	-	-	-	-	1	-	-	-
Assistant County Administrator	-	1	1	1	1	1	-	-	-	-
Economic Development Program Manager	1	1	1	1	1	1	-	-	-	-
Total Economic Development	1	2	2	2	2	2	1	-	-	-

Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fire Administration										
Chief of Fire and Emergency Medical Services	1	1	1	1	1	1	1	1	1	1
Deputy Fire Chief	1	1	-	-	-	-	-	-	-	-
Administrative Associate	-	-	-	-	-	-	-	-	1	1
Administrative Associate - Fire and Rescue	-	-	-	1	1	1	1	1	-	-
Administrative Assistant	-	-	-	-	-	-	-	-	-	-
Lieutenant	3	3	2	2	2	-	-	-	-	-
Firefighter/EMT	16	13	10	10	6	6	6	-	-	-
Total Fire Administration	21	18	13	14	10	8	8	2	2	2
Library										
Library Director	1	1	1	1	1	1	1	1	1	1
Librarian	1	1	1	1	1	1	1	-	-	-
Library Systems Technician	1	1	1	1	1	1	1	1	-	-
Library Clerk II	-	-	-	-	-	-	-	-	1	1
Library Administrative Coordinator	1	1	1	1	1	1	1	1	-	-
Library Assistant	-	-	-	-	-	-	-	-	1	1
Total Library	4	4	4	4	4	4	4	3	3	3
Planning										
Planner II	-	-	-	-	-	-	-	-	-	-
Planner I	-	-	-	-	-	-	-	-	-	-
Office Manager	-	-	-	-	-	-	-	-	-	-
Zoning Administrator	-	-	-	-	-	-	-	-	-	-
GIS Coordinator	-	-	-	-	-	-	-	-	-	-
Erosion and Sediment Control Inspector	-	-	-	-	-	-	-	-	-	-
Total Planning	-	-	-	-	-	-	-	-	-	-
Planning and Community Development										
Director of Community Development	-	-	-	-	-	-	1	-	-	1
Planning Director	1	1	1	1	1	1	-	-	-	-
Community Development Technician	2	2	2	2	2	1	1	-	-	-
Administrative Associate Community Dev.	-	-	-	-	-	-	-	-	1	1
Planning Manager	-	-	-	-	-	-	-	-	1	1
Principal Planner	1	1	1	1	1	1	1	-	-	-
Planning and Zoning Manager	-	-	-	-	-	-	-	1	-	-
Environmental Coordinator	1	1	1	1	1	1	1	1	1	1
Zoning Administrator	-	-	-	-	-	-	-	1	1	1
Planner I/Code Enforcement Inspector	1	1	1	1	1	1	1	1	1	1
Planner II	1	1	1	1	1	1	1	-	-	-
Erosion and Sediment Technician	-	-	-	-	-	-	-	-	1	1
Erosion and Sediment Inspector	-	-	-	-	-	-	-	1	-	-
Planning/Zoning Specialist	-	-	-	-	-	-	-	-	1	1
Planning/Zoning Technician	-	-	-	-	-	-	-	1	-	-
GIS Coordinator	-	-	-	-	-	-	-	1	1	1
Building Official	1	1	1	1	1	1	1	1	1	1
Building Inspector	2	2	2	2	2	2	2	2	1	1
Building Plan Reviewer	1	1	1	1	1	1	1	1	1	1
Permit Center Manager	1	1	-	-	-	-	-	-	-	-
Building Permit Technician	-	-	-	-	-	-	-	1	-	-
Building Inspections Permit Specialist	-	-	-	-	-	-	-	-	1	1
Commercial Inspector/Reviewer	1	1	-	-	-	-	-	-	-	-
Total Planning and Community Development	13	13	11	11	11	10	10	12	12	13

Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Registrar										
Director of Elections	1	1	1	1	1	1	1	1	1	1
Assistant Registrar	1	1	1	1	-	-	-	-	-	-
Total Registrar	2	2	2	2	1	1	1	1	1	1
Treasurer										
Treasurer	1	1	1	1	1	1	1	1	1	1
Deputy Treasurer II	1	1	1	1	1	1	1	3	3	3
Deputy Treasurer III	4	4	4	4	4	4	4	2	2	2
Chief Deputy Treasurer	1	1	1	1	1	1	1	1	1	1
Total Treasurer	7	7	7	7	7	7	7	7	7	7
Comprehensive Services										
Children's Service Act Coordinator	1	1	1	1	1	1	1	1	-	-
Coordinator	-	-	-	-	-	-	-	-	1	1
Total Comprehensive Services	1	1	1	1	1	1	1	1	1	1
Clerk of the Circuit Court										
Clerk of the Circuit Court	1	1	1	1	1	1	1	1	1	1
Chief Deputy Clerk	1	1	1	1	1	1	1	1	-	-
Deputy Clerk IV	-	-	-	-	-	-	-	-	1	1
Deputy Clerk II	3	3	3	3	3	3	3	3	-	-
Deputy Clerk	-	-	-	-	-	-	-	-	3	2
Total Clerk of the Circuit Court	5	5	5	5	5	5	5	5	5	4
Utilities										
Utilities/General Services Director	-	-	-	-	-	-	-	-	-	-
Utilities Engineer	-	-	-	-	-	-	-	-	-	-
WWTP Operator	-	-	-	-	-	-	-	-	-	-
Total Utilities	-	-	-	-	-	-	-	-	-	-
Parks and Recreation										
Parks and Recreation Director	1	-	-	-	-	-	-	-	-	1
Sheriff										
Office Manager	-	-	-	-	-	-	-	-	1	1
Administrative Associate - Sheriff	1	1	1	1	1	1	1	1	-	-
Administrative Assistant Court Services	-	-	-	-	-	-	-	-	1	1
Civil Clerk II	1	1	1	1	1	1	1	1	-	-
Sergeant	11	11	10	8	10	7	7	8	4	4
Lieutenant	2	2	2	2	2	1	1	1	2	2
First Sergeant	-	-	-	-	-	-	1	-	-	-
Deputy	20	20	18	17	13	23	22	22	20	20
Corporal	5	5	5	6	6	-	-	-	6	6
Victim Witness	-	-	-	-	-	-	-	-	-	-
Chief Deputy	1	1	1	1	1	1	1	1	1	1
Undersheriff	-	-	-	-	-	-	-	-	1	1
Captain	1	1	1	1	1	1	1	1	-	-
IT Technician	-	-	-	-	-	-	-	-	1	1
Sheriff Systems Technician	1	1	1	1	1	1	1	1	-	-
Crime Analyst	1	1	1	1	1	1	1	1	1	1
Senior Detective	-	-	-	1	1	1	-	-	-	-
Detective	2	2	2	2	3	4	4	4	2	2
Sheriff	1	1	1	1	1	1	1	1	1	1
Total Sheriff	47	47	44	43	42	43	42	42	41	41

Full-Time County Employees by Position (Continued)
Last Ten Fiscal Years

Department	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Safety Communications										
Director of Public Safety Communications	1	1	1	1	1	1	1	-	-	-
Public Safety Communications Operations Mgr	1	1	1	1	1	1	1	-	-	-
Dispatcher	-	-	-	-	-	-	-	-	8	8
Public Safety Communications Officers	10	9	9	9	9	12	11	11	-	-
Dispatch Manager	-	-	-	-	-	-	-	-	1	1
Communications Supervisor	4	4	4	2	2	-	-	1	-	-
Dispatch Supervisor	-	-	-	-	-	-	-	-	1	1
Audit & Compliance Supervisor	1	1	-	-	-	-	-	-	-	-
Total Communications	17	16	15	13	13	14	13	12	10	10
Victim Witness										
Victim Witness Coordinator	1	1	1	1	1	1	1	1	1	1
Total Victim Witness Coordinator	1	1	1	1	1	1	1	1	1	1
Convenience Center										
Supervisor	-	-	-	-	-	-	-	-	-	-
Attendant	-	-	-	-	-	-	-	-	-	-
Total Convenience Center	-	-	-	-	-	-	-	-	-	-
Animal Control										
Sergeant-Animal Control	1	1	1	1	1	1	1	1	1	1
Corporal - Animal Control	1	1	1	1	-	-	-	-	-	-
Deputy-Animal Control	1	1	1	1	2	2	3	3	2	2
Animal Control Technician II	1	1	1	1	1	1	1	1	-	-
Secretary	-	-	-	-	-	-	-	-	1	1
Total Animal Control	4	4	4	4	4	4	5	5	4	4
Total full-time positions	172	167	153	152	145	145	143	137	131	128

Source: Powhatan County Human Resources Department

Operating Indicators by Function
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriffs Office (1)										
Traffic citations	1,404	1,408	1,548	2,227	2,322	2,236	2,712	2,076	1,092	1,456
Criminal arrests	413	394	325	432	729	933	961	825	858	816
Calls for service	24,114	22,451	21,077	23,725	24,343	23,762	24,568	17,610	16,416	17,452
Calls dispatched	24,114	22,451	21,077	23,725	24,343	23,762	24,568	17,610	16,416	17,452
Calls dispatched for traffic	679	747	833	715	806	979	888	842	700	703
Criminal warrants served	972	877	875	1,128	1,030	1,146	1,022	1,035	1,009	996
Civil warrants and traffic notices	5,785	5,987	7,329	8,096	10,009	12,046	13,358	13,062	8,146	8,037
Fire and Rescue (2)										
Calls dispatched for fire/rescue	3,460	3,528	3,069	3,030	3,186	3,366	3,569	3,280	2,935	1,419
Community Development (3)										
Site plans reviewed	8	14	9	9	13	13	8	6	6	14
Rezoning Cases	16	13	10	6	10	10	13	24	6	3
CUP's	4	10	7	7	10	9	6	10	13	9
Subdivisions	3	6	7	7	8	9	7	3	3	2
Inspections	8,682	8,560	8,406	9,095	8,261	7,266	7,432	6,226	5,172	6,031
Refuse Collection (4)										
Refuse collected (tons per year)	6,166	6,457	6,807	6,495	6,682	6,611	6,673	6,562	6,390	6,514
Number of refuse sites	1	1	1	1	1	1	1	1	1	1
Recyclables Collected (tons per year)	1,666	1,472	1,394	1,099	1,088	1,068	1,051	1,027	1,249.17	926.16
Parks, recreation and cultural (5)										
Tournaments - Baseball	-	-	-	-	1	-	1	2	4	-
Tournaments - Softball	3	3	2	8	8	7	5	6	4	2
Tournaments - Disc Golf	0	1	1	1	-	1	1	2	2	-
Special Olympics Tournaments	2	2	-	1	2	2	2	2	2	-
Benefit Tournaments	-	-	-	-	2	2	2	2	2	2
School Tournaments	1	-	-	-	-	1	1	1	1	1
School Camps	-	-	-	-	1	1	1	1	1	1
League Tournaments	2	3	5	3	3	4	4	2	1	-
League Camps	3	3	4	5	7	8	7	6	3	1
Trail Runs	1	1	-	1	2	1	1	1	1	1
Leagues/Organizations	11	12	12	12	12	12	12	10	10	10
League Players	2,616	3,732	3,472	3,490	3,502	3,510	3,340	2,290	2,235	2,120
Library (6)										
Materials circulated	137,557	121,813	83,777	87,296	105,029	100,741	104,288	104,262	102,758	101,264
Library patrons - registered borrowers	18,005	17,036	15,959	15,508	14,930	13,980	13,372	21,067	20,716	19,710
Education (7)										
Total employees	637	622	616	613	606	633	634	637	632	634
Teachers	335	337	318	318	316	318	317	313	316	320
Students	4,307	4,230	4,076	4,247	4,227	4,222	4,208	4,312	4,157	4,205
Finance/Administration (8)										
Checks processed	5,755	3,656	5,106	5,068	4,980	5,211	5,260	5,761	5,394	5,519

* Information not available

Sources

- (1) Sheriff's Office
- (2) Fire and Rescue Department
- (3) Building Inspections and Planning Department
- (4) Department of Public Works
- (5) Recreation Department
- (6) Library
- (7) Powhatan County Public Schools
- (8) Department of Finance

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriff's Office (1)										
Patrol vehicles	69	57	56	52	52	52	48	47	50	50
Fire and Rescue (2)										
Companies	6	6	6	6	6	6	6	6	6	6
Stations	8	8	8	8	8	8	8	8	8	8
Rescue Vehicles	9	9	9	8	10	10	10	11	11	11
Fire Apparatus	39	39	36	35	35	36	37	32	29	28
Parks and recreation (3)										
Parks maintained	1	1	1	1	1	1	1	1	1	1
Sports complexes maintained	3	3	3	3	3	3	-	-	-	-
Park/Complex acreage	233	233	233	233	233	233	212	212	212	212
Trails (miles)	2	2	2	2	2	2	2	2	1.8	1.8
Fields Maintained	27	27	27	27	27	27	27	25	*	*
Library (4)										
Facilities	1	1	1	1	1	1	1	1	1	1
Public Utilities (5)										
Water										
Daily average consumption (gallons)	160,901	151,575	158,145	165,003	207,002	188,586	206,510	171,224	167,400	193,942
Connections		136	127	121	113	107	103	96	93	80
Sewer										
Average daily sewage treatment Dutoy	57	43	48	43	44	46	43	48	46	344
Average daily sewage treatment Fighting Creek	35	35	42	30	40	34	31	39	32	29
(thousands of gallons)										
Connections	305	310	242	235	207	194	180	164	157	145
Education - Number of Schools (6)										
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Jr High Schools	-	-	-	-	-	-	-	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
Public Works (7)										
Buildings	25	25	25	25	24	24	24	23	23	23
Parking lots	21	21	21	21	20	19	19	18	18	18
Pump Stations/Cell Towers	3	3	8	8	8	8	8	8	8	8
Water Tank	2	2	2	2	2	2	1	1	1	1

* Information not available

Sources

- (1) Sheriff's Office
- (2) Fire and Rescue Department
- (3) Recreation Department
- (4) Library
- (5) Department of Public Works
- (6) Powhatan County Public Schools
- (7) Department of Public Works

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COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S 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 Powhatan, Virginia

We have audited, 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*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Powhatan, Virginia (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 28, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 have not been identified. **Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2023-001 that we consider to be significant deficiencies.**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.**

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 28, 2023

**INDEPENDENT AUDITOR'S 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 Powhatan, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited the County of Powhatan, Virginia (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and responses.

In our opinion, County of Powhatan, 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 documentation of the County's compliance with the compliance requirements referred to above.

Report on Compliance for Each Major Federal Program (Continued)

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 the County's federal programs.

Auditor's 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 the County'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 the County'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 risk 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 the County'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 the County'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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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 have not been 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.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia
November 28, 2023

COUNTY OF POWHATAN, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS

June 30, 2023

As more fully described in the Independent Auditor's 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*, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants as shown below:

STATE COMPLIANCE MATTERS

Code of Virginia:

Budget and Appropriation Laws
Cash and Investment Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Sheriff Internal Controls
Comprehensive Services Act
Uniform Disposition of Unclaimed Property Act

State Agency Requirements:

Education
Social Services
Fire Programs Aid to Localities

FEDERAL COMPLIANCE MATTERS

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

COUNTY OF POWHATAN, VIRGINIA

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Thru to Sub-recipients	Cluster Amounts	Federal Expenditures
Department of Health and Human Services:					
Pass Through Payments:					
Department of Social Services:					
Community services block grant	93.569	N/A			202,352
COVID - 19 - Community services block grant	93.569	N/A			11,973
Promoting safe and stable families	93.556	0950115/0950116			18,269
Temporary Assistance for Needy Families	93.558	0400115/0400116			239,093
Refugee and entrant assistance - state administered programs	93.566	0500115/0500116			4,147
Low-Income Home Energy Assistance	93.568	0600415/0600416			17,586
Title VI-E Prevention Program	93.472	N/A			3,701
Guardianship Assistance	93.090	N/A			96
Child care mandatory and matching funds of the child care development fund	93.596	0760115/0760116			23,083
Child welfare services - state grants	93.645	0900115/0900116			107
Foster Care - Title IV-E	93.658	1100115/1100116			139,717
Adoption assistance	93.659	1120115/1120116			91,680
Social services block grant	93.667	1000115/1000116			89,242
Chafee foster care independence program	93.674	9150115/9150116			4,552
Elder Abuse Prevention Interventions Program	93.747	N/A			4,696
Children's health insurance program	93.767	0540115/0540116			1,918
Medical assistance program	93.778	1200115/1200116		\$ 220,719	
Total Medicaid Cluster					220,719
Pass Through Payments:					
Department of Education:					
Public Health Emergency: Cooperative Agreement for Emergency Response	93.354	APE40297			48,875
Total Department of Health and Human Services					\$ 1,121,806
Department of Agriculture:					
Pass Through Payments:					
Department of Agriculture:					
Food Distribution--School	10.555	N/A		\$ 88,628	
Department of Education:					
School breakfast program	10.553	APE40253/41110/40588/60164		154,181	
National school lunch program	10.555	APE40254/41106/41108/60049		688,176	
COVID - 19 - Summer Food Service Program	10.559	APE60302			
Pandemic Electronic Benefit Transfer Administrative Costs	10.649	DOE86556		3,135	
Total Child Nutrition Cluster					\$ 934,120
Department of Social Services:					
State administrative matching grants for the supplemental nutrition assistance program	10.561	0010115/001011/ 0040115/0040116		\$ 426,935	
Total SNAP Cluster					\$ 426,935
Total Department of Agriculture					\$ 1,361,055
Department of Justice:					
Pass Through Payments:					
Department of Criminal Justice Service:					
Edward Byrne memorial justice assistance grant	16.738	N/A		\$ 1,213	
Crime victims assistance	16.575	CJS7601601			38,509
Total Department of Justice					\$ 39,722
Department of Treasury:					
Pass Through Payments:					
Office of the Attorney General:					
COVID-19 - American Rescue Plan Act	21.027	N/A		\$ 268,560	
Department of Education:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	APE60054/APE45277		\$ 1,179,534	

COUNTY OF POWHATAN, VIRGINIA

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Amounts Passed Thru to Sub-recipients	Cluster Amounts	Federal Expenditures
Department of Treasury (continued):					
Pass Through Payments (continued):					
Library of Virginia:					
COVID-19 - Library	45.310	N/A			6,762
Pass Through Payments:					
Virginia Tourism Corporation:					
COVID-19 - American Rescue Plan -Tourism Recovery	21.027	N/A			4,550
Total Department of Treasury				\$	1,459,406
U.S. Department of Homeland Security					
Pass Through Payments:					
Federal Emergency Management Agency					
2020 Assistance to firefighters grant	97.044	N/A		\$	141,320
Total U.S. Department of Homeland Security				\$	141,320
Department of Transportation:					
Pass Through Payments:					
Department of Motor Vehicles:					
National Priority Safety Program	20.616	M6OT-20-50134		\$ 5,670	
State and highway safety	20.600	FSC-20-50135		25,891	
Total Highway Safety Cluster				\$	31,561
Total Department of Transportation				\$	31,561
Department of Defense:					
Direct Payments:					
ROTC	12.401	N/A		\$	63,105
Federal Communications Commission					
Direct Payments:					
Emergency Connectivity Fund Program - Library	32.009	N/A		\$	4,295
Emergency Connectivity Fund Program - Schools	32.009	N/A			134,132
Total Federal Communications Commission				\$	138,427
Department of Education:					
Pass Through Payments:					
Department of Education:					
Title I grants to local educational agencies	84.010	APE42901		\$	292,492
Special education-grants to states	84.027	APE43071		\$1,135,019	
Special education - preschool grants	84.173	APE62521		33,350	
Total Special Education Cluster					1,168,369
Title II: Eisenhower Professional Development	84.281				199,856
Career and technical education -- basic grants to states	84.048	APE60031			66,701
Title IV Part A	84.424	APE60281			46,950
Education Stabilization Fund	84.425	DOE86529/APE50195			141,646
Elementary and Secondary Relief Fund	84.425D	APE50185			148,598
American Rescue Plan - Elementary and Secondary Emergency Relief Fund	84.425U	APE50175/50193			775,567
Total Department of Education				\$	2,840,179
Total Expenditure of Federal Awards				\$	7,196,581

See accompanying notes to schedule of expenditure of federal awards.

COUNTY OF POWHATAN, VIRGINIA

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

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting consistent with the basis of accounting used by County of Powhatan, Virginia. The schedule includes all known federal funds expended by the County for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

(a) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Note 3 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 1,186,677
Special Revenue Funds:	
Grants fund	809,959
County Project Fund	750,000
Total primary government	<u>\$ 2,746,636</u>

Component Unit Public Schools:

School Operating Fund	\$ 2,021,340
School Cafeteria Fund	934,120
School Grants Fund	1,494,485
Total component unit public schools	<u>\$ 4,449,945</u>

Total federal expenditures per basic financial
statements

\$ 7,196,581

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 7,196,581

Note 4 - De Minimis Indirect Cost Rate

The County did not elect to use the 10% de minimis indirect cost rate.

Note 5 - Outstanding Loan Balances

At June 30, 2023, the County had no outstanding loan balances requiring disclosure.

COUNTY OF POWHATAN, VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **One significant deficiency and no material weaknesses** relating to the audit of the financial statements were reported in the Independent Auditor's 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **no audit findings relating to the major programs**.
7. The program(s) tested as major were:

Name of Program	Assistance Listing Number
Education Stabilization Fund	84.425
Coronavirus State and Local Fiscal Recovery Fund	21.027

8. The threshold for distinguishing Type A and B programs was **\$750,000**.
9. The County was determined to be a **low-risk auditee**.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001: Journal Entries – Schools (Significant Deficiency)

Condition:

During our review of journal entries, we noted journal entries lacked documented approval by an individual other than the preparer.

Criteria:

All entries should be initialed by the preparer and the individual approving them.

Cause:

Failure to document review and approval of manual journal entries.

COUNTY OF POWHATAN, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)

2023-001: Journal Entries – Schools (Significant Deficiency) (Continued)

Effect:

Increase in risk of unauthorized journal entries occurring.

Recommendation:

We recommend the Schools document the review and approval process going forward for all manual journal entries.

Views of Responsible Officials and Planned Corrective Action:

Management agreed with the recommendation and implemented a journal entry form that is to be completed for every manual journal entry. The form shows the amount of the journal entry, which accounts the entry affects, who prepared the journal entry, and who approved the journal entry prior to posting.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

D. FINDINGS – COMMONWEALTH OF VIRGINIA

None

COUNTY OF POWHATAN

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