

COUNTY OF PRINCE GEORGE, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

COUNTY OF PRINCE GEORGE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared By:

Prince George County Finance Department

TABLE OF CONTENTS

3

COUNTY OF PRINCE GEORGE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
FINANCIAL SECTION: (CONTINUED)	
<u>Required Supplementary Information:</u>	
Exhibit 12	Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–General Fund 121-124
Exhibit 13	Schedule of Changes in Net Pension Liability and Related Ratios–Primary Government–Pension Plans 125-126
Exhibit 14	Schedule of Changes in Net Pension Liability and Related Ratios–Component Unit School Board (nonprofessional) –Pension Plans 127-128
Exhibit 15	Schedule of Employer’s Share of Net Pension Liability VRS Teacher Retirement Plan–Pension Plans 129-130
Exhibit 16	Schedule of Employer Contributions–Pension Plans 131
Exhibit 17	Notes to Required Supplementary Information–Pension Plans 132
Exhibit 18	Schedule of Changes in Net Pension Liability and Related Ratios–Pension Trust Fund 133
Exhibit 19	Schedule of Employer Contributions–Pension Trust Fund 134
Exhibit 20	Schedule of Changes in Net OPEB Liability and Related Ratios–Component Unit School Board (nonprofessional)–Health Insurance Credit Plan (HIC) 135
Exhibit 21	Schedule of Employer Contributions–Component Unit School Board (nonprofessional)–Health Insurance Credit (HIC) Plan 136
Exhibit 22	Notes to Required Supplementary Information–Component Unit School Board (nonprofessional)–Health Insurance Credit (HIC) Plan 137
Exhibit 23	Schedule of School Board's Share of Net OPEB Liability–Teacher Employee Health Insurance Credit (HIC) Plan 138
Exhibit 24	Schedule of Employer Contributions–Teacher Employee Health Insurance Credit (HIC) Plan 139
Exhibit 25	Notes to Required Supplementary Information–Teacher Employee Health Insurance Credit (HIC) Plan 140
Exhibit 26	Schedule of County and School Board's Share of Net OPEB Liability–Group Life Insurance Plan 141
Exhibit 27	Schedule of Employer Contributions—Group Life Insurance Plan 142

COUNTY OF PRINCE GEORGE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
FINANCIAL SECTION: (CONTINUED)	
<u>Required Supplementary Information: (Continued)</u>	
Exhibit 28	Notes to Required Supplementary Information—Group Life Insurance Plan 143
Exhibit 29	Schedule of Changes in Total OPEB Liability and Related Ratios—Primary Government 144
Exhibit 30	Notes to Required Supplementary Information—County OPEB 145
Exhibit 31	Schedule of Changes in Total OPEB Liability and Related Ratios—Component Unit - School Board 146
Exhibit 32	Notes to Required Supplementary Information—School Board OPEB 147
<u>Other Supplementary Information:</u>	
Exhibit 33	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Capital Projects Fund 149-150
Exhibit 34	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Debt Service Fund 151
Exhibit 35	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County ARPA Fund 152
Exhibit 36	Combining Balance Sheet—Nonmajor Governmental Funds 153
Exhibit 37	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds 154
Exhibit 38	Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual—Nonmajor Governmental Funds 155-158
Exhibit 39	Combining Statement of Fiduciary Net Position—Custodial Funds 159
Exhibit 40	Combining Statement of Changes in Fiduciary Net Position—Custodial Funds 160
Discretely Presented Component Unit—School Board:	
Exhibit 41	Combining Balance Sheet—Governmental Funds 162
Exhibit 42	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds 163
Exhibit 43	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—School Operating Fund 164
Exhibit 44	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds 165-166

COUNTY OF PRINCE GEORGE, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
STATISTICAL SECTION:	
<u>Statistical Tables:</u>	
Table 1 Net Position by Component	168-169
Table 2 Changes in Net Position	170-171
Table 3 Fund Balance Governmental Funds	172
Table 4 Changes in Fund Balances—Governmental Funds	173-174
Table 5 General Governmental Tax Revenues by Source	175
Table 6 Assessed Value and Actual Value of Taxable Property and Tax Rates	176
Table 7 Principal Property Taxpayers	177
Table 8 Property Tax Levies and Collections	178
Table 9 Ratios of Outstanding Debt by Type	179
Table 10 Ratios of General Bonded Debt by Type	179
Table 11 Computation of Legal Debt Margin	180-181
Table 12 Demographic and Economic Statistics	182
Table 13 Principal Employers	183
Table 14 County Government Employees	184
Table 15 Operating Indicators by Function/Program	185
Table 16 Capital Asset Statistics by Function	186
COMPLIANCE SECTION:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	187-188
Independent Auditors' Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	189-191
Schedule of Expenditures of Federal Awards	192-193
Notes to Schedule of Expenditures of Federal Awards	194
Schedule of Findings and Questioned Costs	195

COUNTY OF PRINCE GEORGE, VIRGINIA

PRINCIPAL OFFICIALS ON JUNE 30, 2023

Board of Supervisors

Donald Hunter, Chairman
T.J. Webb, Vice-Chairman

Floyd M. Brown, Jr.

Marlene J. Waymack

Alan R. Carmichael

County School Board

Cecil M. Smith, Chairperson
Jill A. Andrews, Vice-Chairperson

Robert E.L. Eley, III

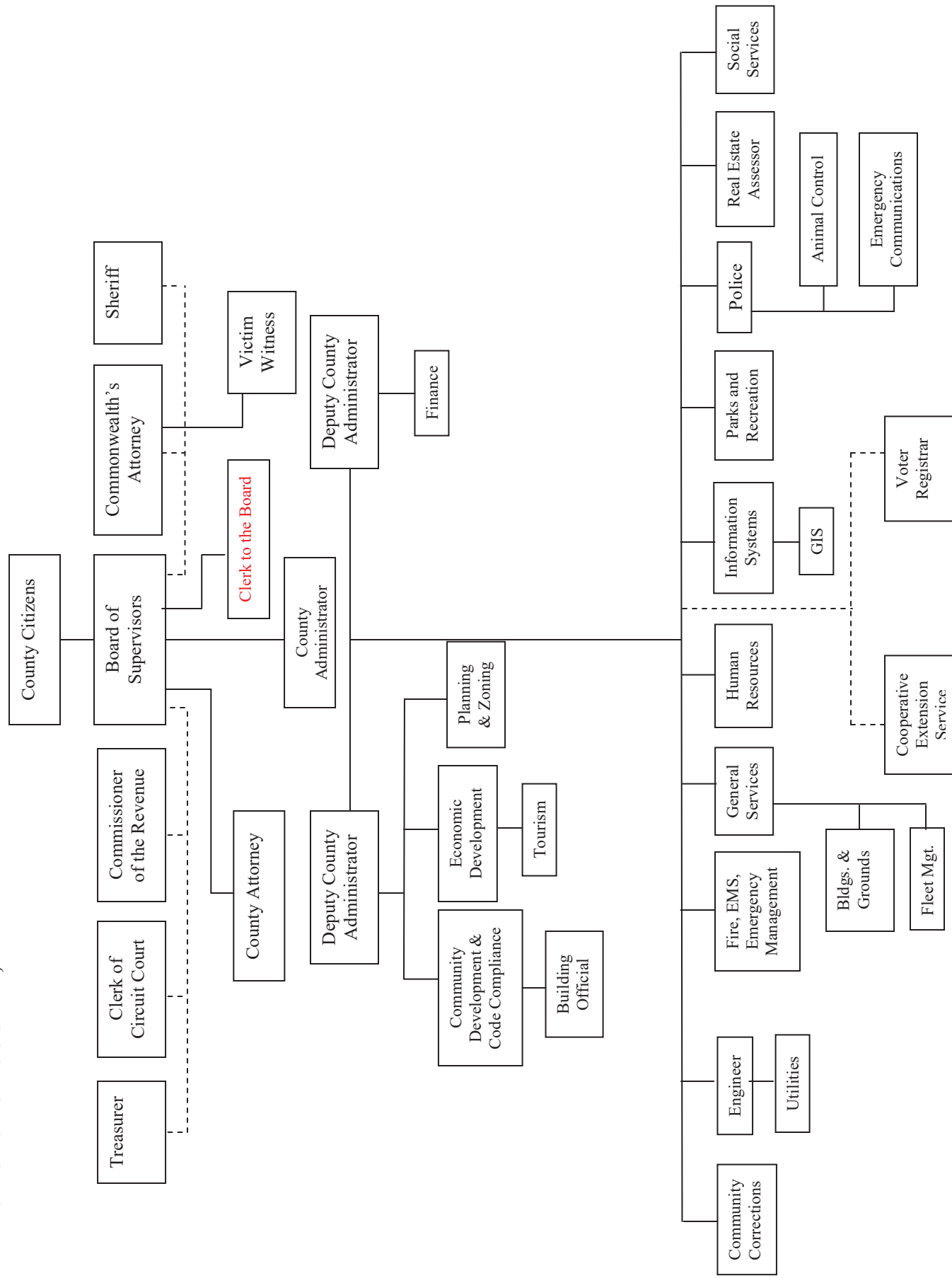
Sherry D. Taylor

Christopher A. Johnson

Other Officials

Chief Judge of the Circuit Court William Edward Tomko III
Judge of the Circuit Court..... Carson E. Saunders, Jr.
Judge of the Circuit Court..... Wallace H. Brittle, Jr.
Clerk of the Circuit Court..... Joyce B. Jackson
Chief Judge of the General District Court..... Elbert D. Mumphery, IV
Judge of the General District Court..... Churchill Ridley Bain
Judge of the General District Court..... Peter D. Eliades
Judge of the General District Court..... Lyndia P. Ramsey
Judge of the General District Court..... Harold Lee Townsend III
Chief Judge of the Juvenile and Domestic Relations Court Jacqueline R. Waymack
Judge of the Juvenile and Domestic Relations Court..... Christopher B. Ackerman
Judge of the Juvenile and Domestic Relations Court..... Robert John Fierro, Jr.
Clerk of the Combined Court..... Denise R. Covington
Commonwealth's Attorney Susan O. Fierro
Commissioner of the Revenue Darlene M. Rowsey
Treasurer Susan C. Vargo
Sheriff Roger W. Vargo
County Administrator..... Jeffrey D. Stoke
Superintendent of Schools Lisa L. Pennycuff
Director of Social Services Bertha H. Judge

PRINCE GEORGE COUNTY, VA





Government Finance Officers Association

Certificate of
Achievement
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**County of Prince George
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO

COUNTY OF PRINCE GEORGE, VIRGINIA

Jeffrey D. Stoke
County Administrator



BOARD OF SUPERVISORS

Floyd M. Brown, Jr.
Alan R. Carmichael, Jr.
Donald R. Hunter
Marlene J. Waymack
T. J. Webb

December 5, 2023

The Honorable Members of the Board of Supervisors
County of Prince George, Virginia

Members of the Board:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Prince George County (the "County") for the fiscal year ended June 30, 2023. This report was prepared by the County's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

Section 15.2-2511 of the Code of Virginia requires that local governments have their financial records audited annually as of the end of the fiscal year by an independent certified public accountant. The County has engaged the independent accounting firm of Robinson, Farmer, Cox Associates, Inc. (RFCA) to perform the audit and prepare the accompanying financial statements.

P.O. BOX 68, PRINCE GEORGE, VIRGINIA 23875-0068 / (804) 722-8600 / FAX (804) 732-3604

<http://www.princegeorgecountyva.gov>

The Reporting Entity and its Services

The County of Prince George's Annual Comprehensive Financial Report includes all funds of the "primary government." In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include police protection, social services, recreation and cultural activities, and community development. Additionally, the County operates a water and wastewater utility system. Fire protection services are largely provided by paid career staff, with volunteer support, who receive financial and administrative support from the County. Emergency medical services are provided through full-time paid personnel.

For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," the County has identified one discrete component unit. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations, and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. Therefore, the County School Board is reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

The financial statements for the Riverside Regional Jail, the Appomattox Regional Library System, Appomattox River Water Authority, South Central Wastewater Authority, Crater Juvenile Detention Center, Prince George County Economic Development Authority and Rowanty Vocational Technical School are not included in the County report. Boards separate from, and independent of, the Board of Supervisors administer these organizations.

Prince George County is located 25 miles southeast of Richmond, the capital city of Virginia, and 75 miles northeast of the Greater Hampton Roads area. The County's 282 square mile area has a population estimated at 43,295 people (2022 Census Bureau – County Population Estimates). The greater proportion of the County's land area remains rural, although areas of the County are experiencing rapid residential, commercial and industrial growth. Prince George County is an independent political subdivision of the Commonwealth of Virginia and has no subordinate political entities within its borders. A five-member Board of Supervisors governs the County. Other elected officials in the County government include the Clerk of Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer. All elected officials are elected on a four-year cycle except the Clerk of Circuit Court who is elected every eight years.

Major industries located in Prince George County include warehousing and distribution centers, hotels and tourism, manufacturing, packaging, and logistics automation. Prince George's strategic location on or near several east coast transportation arteries also contributes to the proliferation of distribution centers located in the County. Interstates 95 and 295 traverse through Prince George, as well as Route 460, a primary arterial from the Virginia Beach area.

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.6% for September 2023, as compared to 3.7% for September 2022. The state and national unemployment rates for September 2023 were 3.0% and 3.6%, respectively.

The Reporting Entity and its Services (Continued)

The President signed the American Rescue Plan Act (ARPA) in March of 2021. Prince George County was awarded \$7,449,621 in ARPA Local Fiscal Recovery Funds through the Virginia Department of Treasury. This federal funding was provided in two equal installments, with half provided in August of 2021 (Fiscal Year 2022) and the other half in August of 2022 (Fiscal Year 2023). The County is required to use these funds to address costs incurred due to the COVID-19 public health emergency and for Utility and Broadband infrastructure. The Board will devote the majority of this funding to Utility Infrastructure improvements. The County has a deadline of December 31, 2024, to obligate the funds, and has until December 31, 2026, to fully expend the funds. As of June 30, 2023, the County has expended \$872,237 in ARPA LFRF; \$144,504 for a citizen personal property tax rebate program; \$50,082 on cleaning and COVID-19 call center initiatives; \$100,766 on a digital Board meeting platform; \$175,625 on a Courthouse air filtration system; \$75,004 towards County complex fiber upgrades; and \$326,255 towards a sewer force main realignment at the Southpointe Business Park. Ultimately, the Board of Supervisors has obligated \$235,177 for County fiber upgrades (with \$75,004 expended at June 30, 2023), and will devote \$6,000,000 for Utility infrastructure improvements. \$743,467 of ARPA funding remains uncommitted.

Major Initiatives in Fiscal Year 2023

Following the vision and strategic initiatives of the Prince George County Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and departments have implemented and continued a number of specific programs and projects designed to enhance the levels of service provided to County residents while maintaining an effective and efficient government. A brief description of selected initiatives during fiscal year 2023 is as follows:

Public Safety Radio System Replacement

The County finalized the purchase of a replacement public safety radio system, with the assistance of a consultant, partnering with L3Harris as the vendor to replace the existing system on November 26, 2019. Final system acceptance was achieved on January 3, 2023. The County budgeted and borrowed a total of \$14.18 million for this system replacement, and accumulated investment interest of \$398,000 has been applied to the project. As of June 30, 2023, \$13,958,259 had been expended for system implementation, and consulting services, along with related system and equipment purchases. The County will utilize unexpended bond proceeds towards annual maintenance agreement obligations with L3Harris.

Fire & EMS Initiatives

The County is making renovations to the existing Jefferson Park Fire Station. The County has completed a roof replacement; a swipe entry system; and a digital alerting system. A restroom renovation, generator replacement and an HVAC upgrade are currently underway. The County, by ordinance, devotes 3 cents of Real Estate Tax revenue to Fire and EMS apparatus and equipment. Ordinance §74-4 devotes 2 cents to Fire and EMS Apparatus; and Ordinance §74-6 devotes 1 cent to Fire and EMS equipment. The devoted resources are being used to repay debt obligations for four pieces of fire apparatus purchased in FY2021 and FY2022 at a cost of \$2,356,738; and for \$1,072,505 of Self-Contained Breathing Apparatus (SCBA) purchased during FY2021. Station 8 electrical upgrades are underway, with \$82,787 expended at June 30, 2023; and an HVAC unit replacement is currently underway.

Major Initiatives in Fiscal Year 2023 (Continued)

Other County Facility Improvements & Activities

Renovation and expansion of the County Garage was underway during FY2023. The County awarded the renovation project to Loughridge Construction, and \$2,894,943 had been expended as of June 30, 2023, with substantial completion occurring in August of 2023. Virtexco was contracted to renovate the Circuit Courtroom and \$210,686 had been expended on June 30, 2023. The entire project cost estimate is \$2,111,373 (construction and non-construction), and the project is estimated to be complete in February 2024. The County will not incur debt for the Circuit Courtroom renovation project, but rather the County will use Fund Balance reserves that exceed policy-required levels.

School Projects

Construction of Middle Road Elementary School was substantially completed in 2023, with students moving in on February 21, 2023. The original fall 2022 opening date had to be pushed back until after January 2023 chiefly due to supply chain disruptions. Accumulated costs of \$35,831,244 had been incurred as of June 30, 2023. The Board of Supervisors participated in the spring 2021 Virginia Public School Authority pooled bonds issuance and borrowed a total of \$32,109,092 for the new school. Cash appropriations of \$3,448,649 have been made to date, and sources include unreserved fund balance of \$1,000,000; fund balance appropriations of \$2,147,786 from school operations savings and \$300,863 in investment interest and other sources. The cost of the new school is expected to total \$35,557,741.

During FY2023, the High School auditorium improvements were completed at a cost of \$508,399, and included new carpeting and stage curtains, as well as upgrades to the sound and lighting systems. During FY2023, technology infrastructure improvements were completed at a cost of \$328,000 and a portion of the roof was replaced at N. B. Clements Junior High School for \$938,390. A turf field was installed at the football complex with a total cost of \$2,127,130. Funding sources for these school projects include federal CARES and American Recovery Act funds appropriated to the School operating budget, excess School Impact Aid revenues, County appropriated Cash Proffers, and re-appropriated unexpended school operating budget amounts. HVAC upgrades are currently underway at Prince George High School and South Elementary School.

Water and Sewer Projects

The Public Utility (water and sewer fund) completed a three-mile water line extension project along Route 156 at a cost of \$3,014,986, which is funded by General Fund debt issuance (Series 2019 bonds). Food Lion Water System upgrades, which include a one-mile water line extension along Route 460 and booster station upgrades, are essentially complete, but continue in FY2024. A \$5.3M Water Line Extension along Route 10 was awarded to Walter C. Via Enterprises, Inc. in February of 2023, and remains in progress. The funding sources for this project are: \$3,200,000 in EPA Community federal funds, championed by the late Congressman Donald McEachin; ARPA funding of \$1,281,570; and \$800,000 in Public Utility cash reserves (matching funds). A Southpointe Business Park Sewer Force Main Realignment, awarded to Perkinson Construction for \$1,287,023, is underway and the County is using ARPA federal funding to complete this project. The County has earmarked the majority of ARPA funding for Utility Infrastructure improvements (\$6,000,000 of \$7,449,621 received); and will use federal ARPA funding for an Appomattox River Water Line project (currently in design), and for rehabilitations to Pump Stations 9 and 10.

Sections of the Report

Fiscal year 2023 was the twentieth year in which the County was required to present financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement Number 34. GASB 34 dramatically changed the structure of financial statements, as well as required changes in the composition of the amounts reported. This limits the comparability of statements from prior fiscal years to the statements produced after implementation of GASB 34.

Compliance with GASB 34 also requires a written analysis of the County's financial performance for the year to be included in the financial statements. This analysis, referred to as management's discussion and analysis (MD&A), is included immediately following the auditor's letter. Prince George County's audited basic financial statements immediately follow the management's discussion and analysis. The notes to financial statements are an integral part of these basic financial statements. In accordance with GASB 34 and the opinion of the Auditor of Public Accounts, financed school plant and equipment, as well as the related debt, are reported with the primary government instead of the component unit school board.

The supplementary information, supporting schedules, and statistical tables provided after the basic financial statements contain more detailed information in support of the basic financial statements and are unaudited.

For federal programs and related funding, the County is required to undergo an annual single audit in conformity with *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to compliance with these regulations is located in the *Compliance* section of this report.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Prince George for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the nineteenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

The preparation of this report would not have been possible without the cooperation and dedication of the staff of the Prince George County Finance Department and the accounting firm of Robinson Farmer Cox Associates. Credit also must be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Prince George County's finances.

Respectfully submitted,



Jeffrey D. Stoke
County Administrator



Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Prince George
Prince George, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, 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 financial position of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Restatement of Beginning Balances

As described in Note 19 to the financial statements, in 2023, the County restated beginning balances to reflect a prior year correction to debt balances. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements: (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Prince George, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance

Required Supplementary Information (Continued)

with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023, on our consideration of County of Prince George, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Prince George, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Prince George, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia
December 5, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the County of Prince George's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2023. Please review it in conjunction with the transmittal letter in the beginning of this report and the County's financial statements, which begin after this analysis.

FINANCIAL HIGHLIGHTS

Government Wide Financial Statements (Full Accrual Basis)

The assets, and deferred outflows of resources of the County exceeded its liabilities, and deferred inflows of resources at June 30, 2023, by \$76,123,040 (net position). Of this amount, \$47,372,842 is unrestricted and may be used to meet the County's future obligations.

The County's total net position from Governmental Activities was \$42,203,201 on June 30, 2023, compared to \$39,873,379 total net position on June 30, 2022, as restated. Total net position represents the amount by which the County's assets exceeded its liabilities. The governmental net position increased \$2,329,822.

The total net position from Business-type activities (Water and Sewer Fund) was \$33,919,839 on June 30, 2023, compared to \$30,991,786 total net position on June 30, 2022, as restated. Net position increased \$2,928,053 during FY 2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report contains a variety of schedules and tables designed to provide a comprehensive look at the use of the County's financial resources throughout the 2023 fiscal year and at the status of those financial resources at June 30, 2023, the end of the fiscal year. The basic financial statements contained in this report are separated into three sections:

- **Government-wide financial statements** provide a broad overview of both the long and short-term financial status of the County. Government-wide financial statements, a component of governmental financial reporting under GASB 34, provide financial information in a manner similar to private sector businesses. These statements include the value of capital assets (less accumulated depreciation) and the long-term liabilities of the County.
- **Fund financial statements** are similar in nature to financial statements issued by local governments prior to implementation of GASB 34. These are prepared on the modified accrual basis of accounting, and therefore do not include long-term liabilities, capital assets, or depreciation. Fund financial statements provide more detail on the operations of the County than the government-wide financial statements.
- **Notes to the financial statements** are an integral part of the previous two sections. These notes provide explanations of the amounts in the basic financial statements and offer the reader information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

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 in a manner similar to a private-sector business. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all County assets and liabilities, 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.

The *statement of activities* presents information identifying how 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, some items of revenues and expenses are reported in this statement that will result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, the County is divided into the following categories:

- **Governmental activities** – Most of the County's basic services are reported here including general government, public safety, public works, education, health and welfare, parks and recreation and economic and community development.
- **Business-type activities** – The County's water and sewer services are reported here. These services are supported by charges for services based on use.
- **Component Units** – The County includes one separate legal entity in its report – the Prince George County School Board. While legally separate, the County is financially accountable for and provides operating and capital funding to the School Board.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are 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 finance-related legal compliance. Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds. The fund financial statements are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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.

OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Fund Financial Statements: (Continued)

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 government'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.

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Capital Projects and Debt Service funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.\

Proprietary Funds – The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer operations.

Fiduciary Funds – The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is similar to that of proprietary funds.

Internal Services Fund - The County and School Health Insurance fund was newly reported as an internal service for in the fiscal year 2021 financial statements in accordance with Governmental Accounting Standards Board (GASB) statement No. 84. This fund was reported as an agency fund in previous financial statements.

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 following the Basic Financial Statements section of this report.

Required Supplementary Information – In addition to the basic financial statements and notes, this report also presents budgetary comparison schedules, a schedule of funding progress and employer contributions and notes to the required supplementary information.

Other Supplementary Information – This report also presents combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include two basic statements: the statement of net position and the statement of activities. Both of these statements include all assets and liabilities for all County funds (except fiduciary funds) using the full accrual basis of accounting. The accrual basis of accounting is the method used by private-sector businesses.

The Statement of Net Position

The following table reflects the condensed statement of net position:

**County of Prince George, Virginia
Schedule of Assets, Liabilities and Net Position
Governmental and Business-type Activities
For the Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 74,248,401	\$ 81,364,340	\$ 15,944,826	\$ 16,503,416	\$ 90,193,227	\$ 97,867,756
Capital assets	68,652,293	65,284,493	23,389,614	19,542,239	92,041,907	84,826,732
Total assets	<u>\$ 142,900,694</u>	<u>\$ 146,648,833</u>	<u>\$ 39,334,440</u>	<u>\$ 36,045,655</u>	<u>\$ 182,235,134</u>	<u>\$ 182,694,488</u>
Deferred outflows of resources	\$ 5,107,053	\$ 5,647,099	\$ 237,381	\$ 272,770	\$ 5,344,434	\$ 5,919,869
Long-term liabilities outstanding	\$ 90,324,014	\$ 93,550,072	\$ 3,837,925	\$ 4,502,715	\$ 94,161,939	\$ 98,052,787
Current liabilities	9,568,874	7,566,797	1,471,716	766,007	11,040,590	8,332,804
Total liabilities	<u>\$ 99,892,888</u>	<u>\$ 101,116,869</u>	<u>\$ 5,309,641</u>	<u>\$ 5,268,722</u>	<u>\$ 105,202,529</u>	<u>\$ 106,385,591</u>
Deferred inflows of resources	\$ 5,911,658	\$ 10,590,278	\$ 342,341	\$ 624,365	\$ 6,253,999	\$ 11,214,643
Net position:						
Net investment in capital assets	\$ 2,772,801	\$ 14,838,319	\$ 20,390,164	\$ 15,747,150	\$ 23,162,965	\$ 30,585,469
Restricted	324,490	396,631	-	-	324,490	396,631
Restricted Cash	3,750,077	3,185,064	-	-	3,750,077	3,185,064
Unrestricted	35,355,833	22,168,771	13,529,675	14,678,188	48,885,508	36,846,959
Total net position	<u>\$ 42,203,201</u>	<u>\$ 40,588,785</u>	<u>\$ 33,919,839</u>	<u>\$ 30,425,338</u>	<u>\$ 76,123,040</u>	<u>\$ 71,014,123</u>

Net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. At June 30, 2023, the County's governmental assets exceeded liabilities and deferred inflows of resources by \$42,203,201 while business assets exceeded its liabilities by \$33,919,839. Of the County's net position, 6.57% and 36.56% in 2023 and 2022, respectively, represents its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment), net of accumulated depreciation and less any related debt used to acquire or construct those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position: (Continued)

The majority of the remaining balance of net position, 83.78% and 54.62% in 2023 and 2022, respectively, represents unrestricted net position, which may be used to meet the County's ongoing obligations. Unrestricted net position increased in governmental activities in FY 23 by \$13,187,062 and decreased in business-type activities by (\$1,148,513). The County's unrestricted net position increased mainly due to growth in property tax revenues (created by an increase in assessed real property values); an increase in state categorical aid; and a decline in capital spending in FY23, mainly in construction expenditures for the new Middle Road Elementary school. Business-type unrestricted net position dropped mainly due to the use of cash reserves for transfers to the capital improvement fund for completion of utility infrastructure projects which address service expansion.

The Statement of Activities

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. A summary of the statement of activities for the fiscal years covering July 1, 2021, through June 30, 2023, follows:

County of Prince George, Virginia Changes in Net Position Governmental and Business-type Activities For the Years Ended June 30, 2023 and 2022						
	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 5,937,996	\$ 11,033,135	\$ 7,217,091	\$ 7,221,244	\$ 13,155,087	\$ 18,254,379
Operating grants and contributions	8,454,234	9,145,800	-	-	8,454,234	9,145,800
Capital grants and contributions	-	-	3,014,986	44,067	3,014,986	44,067
General revenues:						
General property taxes	46,509,616	44,417,243	-	-	46,509,616	44,417,243
Other local taxes	12,016,389	12,085,233	-	-	12,016,389	12,085,233
Use of money and property	1,752,409	(56,459)	78,837	74,440	1,831,246	17,981
C/VA non-categorical aid	7,105,227	5,452,407	686,056	125,122	7,791,283	5,577,529
Gain on disposal of capital asset	-	-	-	1,530	-	1,530
Other general revenues	260,826	567,584	86,835	90,386	347,661	657,970
Total revenues	\$ 82,036,697	\$ 82,644,943	\$ 11,083,805	\$ 7,556,789	\$ 93,120,502	\$ 90,201,732
Expenses:						
General government administration	\$ 7,651,818	\$ 9,187,543	\$ -	\$ -	\$ 7,651,818	\$ 9,187,543
Judicial administration	3,702,798	4,321,970	-	-	3,702,798	4,321,970
Public safety	24,294,221	25,711,621	-	-	24,294,221	25,711,621
Public works	5,552,444	2,866,658	-	-	5,552,444	2,866,658
Health and welfare	6,776,078	6,249,769	-	-	6,776,078	6,249,769
Education	27,981,365	37,682,595	-	-	27,981,365	37,682,595
Parks, recreation, and cultural	2,477,464	2,812,679	-	-	2,477,464	2,812,679
Community development	2,097,133	1,796,975	-	-	2,097,133	1,796,975
Interest and other fiscal charges	1,329,053	1,474,785	-	-	1,329,053	1,474,785
Water and sewer	-	-	6,000,252	5,516,688	6,000,252	5,516,688
Total expenses	\$ 81,862,375	\$ 92,104,595	\$ 6,000,252	\$ 5,516,688	\$ 87,862,626	\$ 97,621,283
Increase in net position before transfers	\$ 174,322	\$ (9,459,652)	\$ 5,083,553	\$ 2,040,101	\$ 5,257,876	\$ (7,419,551)
Transfers	2,155,500	405,590	(2,155,500)	(405,590)	-	-
Increase in net position	\$ 2,329,822	\$ (9,054,062)	\$ 2,928,053	\$ 1,634,511	\$ 5,257,876	\$ (7,419,551)
Net position, beginning, as restated	39,873,379	49,642,848	30,991,786	28,790,827	70,865,165	78,433,675
Net position, ending	\$ 42,203,201	\$ 40,588,786	\$ 33,919,839	\$ 30,425,338	\$ 76,123,040	\$ 71,014,124

GOVERNMENT-WIDE FINANCIAL STATEMENTS: (CONTINUED)

Governmental Activities

Governmental activities revenues decreased from \$82,644,943 to \$82,036,697 or by \$608,246 (0.74%) in FY 23 from FY 22. There was a reduction in charges for services of \$5,095,139 (46.18%) primarily due to the separation of County and School health insurance plans on July 1, 2022, and a related drop in insurance premium collections and transfers; a change from \$8,384,615 in FY22 to \$3,651,361 in FY23. There was also a decrease in operating grants and contributions of \$691,566 (7.56%) between FY 22 and FY 23 primarily in health and welfare activities. Property tax revenues increased by \$2,092,373 (4.71%) in FY 23 largely due to growth in assessed real property values. Use of money and property (interest) revenues increased dramatically in FY23, by \$1,808,868 (3,203.9%), due to higher interest rates, and investment gains realized by moving funds from poorly performing accounts to the Virginia Investment Pool's Liquidity Pool. There was also an increase in non-categorical revenues from the Commonwealth of Virginia of \$1,652,820 (30.3%). Prince George County became the grant recipient for the Crater Workforce Investment Board effective July 1, 2021, and their FY 23 grant revenues of \$1,805,640 were \$508,255 more than in FY 22 (\$1,297,385). Other local taxes remained essentially flat between FY23 and FY22.

Governmental activities expenses decreased from \$92,104,596 in FY22 to \$81,862,375 in FY23 or by \$10,242,220 (11.1%). The majority of this decrease is caused by a reduction in capital spending in Education primarily related to construction Middle Road Elementary School that replaced William A. Walton Elementary School). The largest part of those capital construction costs occurred in FY22 at \$22.6M compared to \$9.4M in FY23. General Government Administration expenditures increased primarily due to \$2.5M in construction costs during FY23 for County Garage expansion and renovations, which were completed in October 2023. Public Safety expenditures decreased mainly due to a \$2.1M reduction in capital spending between FY22 and FY23 for public safety radio system upgrades which were completed in January 2023. This decrease in capital spending is coupled with operational increases for pay improvements made for police officers and firefighters during FY23. A mid-year increase was approved, at a cost of over \$300,000, to bring public safety pay ranges closer to the area market average. Public Works expenditures increased due mainly to capital expenditures and transfers for Utility infrastructure improvements. Major projects include – Route 156 Waterline Extension (completed); Manchester Run sewer upgrades (completed); Route 10 Waterline Extension (ongoing – EPA Community Grant, local match and ARPA funding); Southpointe Business Park Force Main Realignment (ongoing – ARPA funds).

Business-type activities

The Water and Sewer Fund revenues increased by \$3,527,016; an increase of (46.7%) over FY 22. This increase is mainly attributable to a General Fund capital transfer of \$3,014,986 to the Utility Fund of the value of a recently completed Route 156 Waterline Extension project. Commonwealth of Virginia Non-Categorical aid increased due to the expenditure of \$686,056 in federal Environmental Protection Agency Community Grant funds. A total of \$3,200,000 in grant funding was awarded toward a Route 10 Waterline Extension.

Total expenses for the Water and Sewer Fund increased by \$483,564 (8.8%); from \$5,516,688 in FY 22 to \$6,000,252 in FY 23.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$59,266,964. Of this amount, \$9,522,885 is assigned for capital projects, \$3,601,145 is reserved for debt service purposes and \$4,969,699 is assigned to various special revenue funds. The Stormwater Fund was separated from the General Fund for reporting purposes in FY 19 and is now reported as a nonmajor governmental fund.

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the general fund balance was \$41,173,235 of which \$41,173,235 represents unassigned fund balance of the General Fund. This amount equates to 31.7% of General Fund and School Operating expenditures (including debt service). The Board of Supervisors has committed to maintaining an unreserved General Fund balance of at least 12.5% of General Fund and School Operating expenditures and has met and exceeded that target for the fiscal year ending June 30, 2023.

The net increase in unassigned fund balance for the General Fund for 2023 was \$3,324,068. Unassigned fund balance on June 30, 2022, was \$37,849,167; compared to \$41,173,235 on June 30, 2023. The increase in fund balance for the General Fund is largely attributable to collections exceeding budgeted amounts in the area of property taxes, other local taxes and interest revenues and spending below budget amounts across county government functions. Prince George County continued its partnership with a collection agency in FY 23 to pursue delinquent property taxes. Significant reasons for the increase in unassigned General Fund balance are:

Revenues: General Fund revenues of \$73,101,828 exceeded budgeted amounts by \$3,945,042, primarily in general property taxes, other local tax revenues and revenues from the use of money and property (interest earnings). Federal revenues were below budgeted amounts, due to continuation of grant funding into FY24. Revenues were conservatively budgeted, and collections remained strong in FY 23.

Expenditures: General Fund expenditures and transfers out were \$3,357,066 less than amended budget amounts in FY 23. Spending was less than budgeted amounts by \$3,302,252 for General Fund County Government operations in FY 23. Expenditures were under budgeted amounts in FY 23 due to conservative spending practices, partial year personnel vacancies, and a lower than projected census at the regional jail. Additionally, the transfer to schools was \$54,814 less than the amount budgeted due to school operating expenditures being \$2,531,881 less than what was budgeted; actual school operating revenues from non-local sources were \$2,477,067 less than projections.

Use of Fund Balance: In FY 2023, there was minimal planned / budgeted non-routine use of fund balance for operating purposes. The County Board of Supervisors re-appropriated \$776,309 towards water, sewer and road improvements for the new elementary school under construction, with the understanding that the school division would restore this entire amount to fund balance over the next two fiscal years. The school division restored \$400,000 from unexpended FY21 balances and restored the remaining \$376,309 from unexpended FY22 balances. The County Board of Supervisors appropriated \$386,032 in FY 2022 "unexpended school balances" to the School Division to begin replenishing an accumulated school deficit in the combined County / School health fund. The Prince George County Board of Supervisors appropriated some amounts for capital uses including \$2,111,373 towards the renovation of the County Circuit Courtroom; \$412,000 for school bus purchases (in lieu of borrowing); and \$123,208 for replacement boilers at the County Administration Building. Additionally, the Board of Supervisors appropriated fund balance for unexpended grant and donations as well as for County and School purchase order obligations at year-end in the amounts of \$584,615 and \$360,712 respectively. Although the County appropriated use of fund balance, higher than expected revenues and conservative spending more than offset these planned uses, and there was an increase in fund balance of \$3,324,068 over FY 2022.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

Capital projects fund. The Capital Projects Fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$9,522,885, which was a decrease of \$12,583,348 from the FY 22 balance of \$22,106,233. This capital fund, fund balance is largely comprised of unspent 2022, 2019, 2018 and 2017 bond proceeds for projects that will be ongoing in fiscal years 2024 and 2025. The drop in Capital projects fund balance is entirely attributable to the use of bond proceeds for ongoing and completed construction projects and capital equipment purchases during FY23. During FY 2023, the County did not issue debt.

More details of specific project revenues and expenditures can be found in Note 5 and Exhibit 30.

Debt service fund. The Debt Service Fund received transfers from the General Fund higher than needed to meet debt obligation requirements in FY 23. Beginning in FY 19, the County began building a reserve in the debt fund to accommodate future capital projects and minimize potential future tax increases. At the end of FY 23 the Debt Service Fund, fund balance was \$3,601,145, an increase of \$526,469 over the FY 22 balance of \$3,074,676. In FY 2023 transfers in were \$9,130,815 and principal retirements of indebtedness totaled \$6,068,002 while interest expense totaled \$2,536,344. More information on the County's long-term obligations including general obligation bonds and school indebtedness can be found in Note 7.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$33,919,839 for Water and Sewer Operations and \$1,842,267 for the County and School Health Insurance Fund, now reflected as an internal service fund in accordance with GASB Statement No. 84. The County and School Health Insurance Fund net position increased from \$1,805,325 in FY22 to \$1,842,267 in FY 23. Contributions supported claims, which stabilized during FY23. The School division separated from the combined self-funded County / School health insurance products effective July 1, 2022, moving to a fully insured product. The School Board will take actions to restore any accumulated deficit to the County and School Health insurance Fund in FYs 23 and FY 24. Details of the Water and Sewer operations were previously discussed in the letter.

General Fund Budgetary Highlights

Prince George County generally takes a conservative approach to financial management, staying well within budgetary limits for expenditures during the fiscal year and fiscal year 2023 was no exception. The general fund adopted budget totaled \$68,356,808 (net of a \$594,679 transfer in from the school system for Children's Services Act costs), amended budget and transfers out totaled \$73,134,826, an increase of \$4,778,018. Actual general fund expenditures and transfers out totaled \$69,777,760. Exhibit 12 provides details supporting a comparison of final amended budget and actual results. Expenditures in only one functional appropriation category exceeded its amended appropriations during FY 23. The following is a summary of the most significant changes in the adopted and amended budgets for FY 23:

- Increases and appropriations from General Fund, fund balance were approved for one-time or capital purposes and were for:
 - \$2,111,373 for County Courtroom renovations*;
 - \$584,615 for multi-year federal and state grants, insurance recoveries and donations;
 - \$412,000 for the purchase of school buses (in lieu of borrowing);
 - \$386,032 to schools (FY2022 excess) for health fund contribution*;
 - \$360,712 for purchase order obligations (\$173,669 County; \$187,042 School);
 - \$123,208 for County Administration Building Boiler replacements*;

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

General Fund Budgetary Highlights (Continued)

- The County received and appropriated the following General Fund grant amounts and increased state revenues during fiscal year 2023:
 - \$172,561 in Fire Program Funds for use by the combined Fire and EMS system;
 - \$121,829 in increased State revenues from General Assembly actions approved after budget adoption (DCJS Police House Bill 599 Funds; Compensation Board Funds; Department of Elections; Social Services Public Assistance Funds);
 - \$103,389 new School Resource Officer Grant (Harrison Elementary);
 - \$66,457 in NextGen911 Funding through VDEM (Emergency Communications Center);
 - \$62,499 new DCJS Operation Ceasefire Grant (Commonwealth's Attorney);
 - \$51,197 in insurance recoveries for damaged vehicles and property;
 - \$49,833 in State Library of Virginia Records Preservation Grant (Clerk of Circuit Court);
 - \$37,150 in Four for Life grants for Fire/EMS initiatives;
 - \$22,662 in E-Summons Collections (Police)
 - \$19,580 in Division of Motor Vehicles Safety Grants (Police);
 - \$19,558 in donations to various County department programs;
 - \$15,931 State Litter Control Grant (General Services);
 - \$11,668 in Bullet Proof Vest grants (Police and Sheriff);
 - \$10,000 State Police HEAT Funds (Police)
 - \$6,829 State Forest Sustainability Funds (Recreation)
 - \$6,028 in additional Social Services funds;
 - \$3,600 in State Technology Trust Funds
 - \$3,164 in LOLE funds (Law Enforcement Grant – Police)
 - \$3,000 PSAP Training Grant (Emergency Communications Center);
 - \$1,500 John Randolph Foundation Grant for Social Services – Back-to-School Fair;
 - \$610 in Division of Motor Vehicles Animal Sterilization funds (Animal Services)

*Appropriation of General Fund, Fund Balance and transfer to the Capital Improvement Fund

Grant Awards in non-general funds were:

American Recovery Plan Act (ARPA) Funds (Special Revenue Fund)

- \$3,724,810.50 (2nd distribution); used for expenditures incurred in response to the COVID-19 pandemic and for Utility infrastructure

Riverside Criminal Justice Agency (Community Corrections)

- \$29,703 Increase in Community Corrections Grant Award (from \$691,777 to \$711,632)

Economic Development Fund

- \$12,000 Industrial Revitalization Fund Grant

Tourism Fund

- \$119,800 Virginia Tourism Corporation Grants;
- \$100,000 Fund Balance appropriation for Regional Heritage Center – Fire/EMS Museum;
- \$311,230 Fund Balance appropriation for Scott Park road and parking lot improvements;
- \$22,338 in Sports Tourism Collections

Special Welfare Fund

- \$3,615 United Way Food and Shelter Emergency Grant Funds (Social Services)

Opioid Settlement Funds

- \$104,628 in Opioid Abatement Settlement Funds (separate fund)

Local Assistance & Tribal Consistency Funds

- \$50,000 in Federal LATCF Funds for any use (separate fund)

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

School Funds

- \$413,018 in increased State revenues from General Assembly actions approved after budget adoption;
- \$607,439 in ESSER III Funds (Direct School Distribution); used for COVID academic and student safety response;
- \$262,240 in Title I Federal funds;
- \$136,441 in Textbook Fund, Fund Balance for purchases;
- \$809,746 in School Nutrition Fund, Fund Balance for use

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Accounting Standards Board (GASB) Statement 34 requires the primary government (the County) to report debt and debt service incurred "on behalf" of component units (the School Board). In this report, capital assets such as school buildings that have related debt are reported with the primary government on the Statement of Net Position. The portion of these capital assets free of related debt are reported as buildings and improvements under the component unit School Board (see Note 5 in the Notes to Financial Statements).

The following table summarizes the County's capital assets, net of depreciation, as of June 30, 2023. The County's total investment in capital assets, such as land, buildings and improvements, utility plant, equipment, and construction in progress totals \$171,130,837 (includes schools and water and sewer).

County of Prince George, Virginia
Capital Assets (net of Depreciation)
Governmental and Business-type Activities
For the Year Ended June 30, 2023

	Governmental Activities 2023	Business-type Activities 2023
Land	\$ 4,342,305	\$ 824,744
Buildings and improvements	64,913,473	-
Utility plant	-	37,784,890
Equipment	35,499,894	4,832,351
Construction in progress	21,275,395	1,611,328
Total	\$ 126,031,067	\$ 45,053,313
Less accumulated depreciation	57,378,774	21,663,699
Net capital assets	\$ 68,652,293	\$ 23,389,614

More information on the County's capital assets can be found in note 5 to the financial statements.

At the end of fiscal year 2023, the County had total outstanding debt of \$68,778,578 (excluding compensated absences, bond premiums, length of service award program and OPEB, see Note 7 in the Notes to Financial Statements), in comparison; the County had \$74,208,174 and \$74,416,339 in outstanding debt at June 30, 2022 and 2021, respectively, as restated. Of the \$68,778,578 of outstanding debt at June 30, 2023, \$30,956,000 is for general government purposes and \$37,050,578 is outstanding debt on behalf of the School Board. The Water and Sewer Fund has outstanding debt of \$772,000.

For more information regarding Prince George County's long-term obligations, see Note 7 in the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.6% for September 2023, as compared to 3.7% for September 2022. The state and national unemployment rates for September 2023 were 3.0% and 3.6%, respectively.

The FY 24 General Fund operating budget totaled \$72,720,355, which was a \$3,768,868 (5.5%) increase over the FY 23 adopted budget. Real property assessed values increased, and the Prince George County Board of Supervisors kept the tax rate at \$0.82, recognizing an effective tax increase of 6.5% (\$0.05) for FY 24. Personal Property tax values fell in the spring of 2023 compared to the spring of 2022, dropping from the pandemic-related spikes that occurred in the spring of 2022. Limited inventory and parts supply-chain issues created unprecedented increases in personal property values in 2021 and 2022. There was ***no reliance on fund balance*** during FY 24 for operations. Prince George County ended FY 23 in a strong financial position and there are no indicators of collection concerns early in FY 24.

The County has received federal American Rescue Plan Act (ARPA) funding in FY 22 and FY 23 totaling \$7,449,621. The Board has prioritized the majority of this funding (\$6,000,000) for Utility infrastructure. As of June 30, 2023, \$872,237 had been expended; \$45,998 during FY 21; \$424,980 during FY22 and \$401,259 during FY 23 (see Exhibits 3, 5 and 35).

It is the continued mission of the County to provide the most cost-efficient services to the taxpayers of Prince George County, and to make Prince George “the best place to live, learn, work and raise a family.”

REQUESTS FOR INFORMATION

This financial report is designed to provide the Board of Supervisors, citizens, taxpayers, customers, and creditors of Prince George County, Virginia with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Prince George County, PO Box 68, Prince George, VA 23875, telephone (804) 722-8710.

Basic Financial Statements

Government-wide Financial Statements

Statement of Net Position
At June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 51,515,551	\$ 14,626,858	\$ 66,142,409	\$ 11,177,003
Restricted cash	13,557,072	-	13,557,072	-
Leases receivable	103,001	67,811	170,812	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,890,070	-	5,890,070	-
Accounts receivable	1,155,204	564,101	1,719,305	6,214
Due from other governmental units	2,027,503	686,056	2,713,559	3,763,038
Total current assets	\$ 74,248,401	\$ 15,944,826	\$ 90,193,227	\$ 14,946,255
Noncurrent Assets:				
Capital assets (net of accumulated depreciation):				
Land	\$ 4,342,305	\$ 824,744	\$ 5,167,049	\$ 1,154,404
Construction in progress	21,275,395	1,611,328	22,886,723	37,835,617
Buildings	25,468,534	-	25,468,534	35,656,958
Machinery and equipment	8,502,541	4,416,421	12,918,962	4,441,951
Jointly owned assets	8,659,344	-	8,659,344	-
Utility plant in service	-	16,537,121	16,537,121	-
Lease buildings	375,756	-	375,756	-
Lease equipment	28,418	-	28,418	-
Total capital assets	\$ 68,652,293	\$ 23,389,614	\$ 92,041,907	\$ 79,088,930
Total noncurrent assets	\$ 68,652,293	\$ 23,389,614	\$ 92,041,907	\$ 79,088,930
Total assets	\$ 142,900,694	\$ 39,334,440	\$ 182,235,134	\$ 94,035,185
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 3,883,699	\$ 195,740	\$ 4,079,439	\$ 10,113,644
OPEB related items	561,322	32,167	593,489	1,588,740
LOSAP related items	414,714	-	414,714	-
Deferred amount on bond refunding	247,318	9,474	256,792	-
Total deferred outflows of resources	\$ 5,107,053	\$ 237,381	\$ 5,344,434	\$ 11,702,384
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 1,705,613	\$ 1,318,398	\$ 3,024,011	\$ 1,720,543
Accrued liabilities	171,475	-	171,475	7,700,408
Customer deposits	-	96,795	96,795	-
Unearned revenues	6,662,343	31,600	6,693,943	2,297,922
Accrued interest payable	1,029,443	24,923	1,054,366	-
Current portion of long-term obligations	7,099,429	243,041	7,342,470	28,662
Total current liabilities	\$ 16,668,303	\$ 1,714,757	\$ 18,383,060	\$ 11,747,535
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations	\$ 83,224,585	\$ 3,594,884	\$ 86,819,469	\$ 47,714,903
Total liabilities	\$ 99,892,888	\$ 5,309,641	\$ 105,202,529	\$ 59,462,438
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property tax	\$ 190,260	\$ -	\$ 190,260	\$ -
Pension related items	3,152,789	163,353	3,316,142	10,219,921
OPEB related items	2,470,968	141,600	2,612,568	4,339,122
Lease related items	97,641	37,388	135,029	-
Total deferred inflows of resources	\$ 5,911,658	\$ 342,341	\$ 6,253,999	\$ 14,559,043
NET POSITION				
Net Investment in capital assets	\$ 2,772,801	\$ 20,390,164	\$ 23,162,965	\$ 79,088,930
Restricted for opioid settlement	324,490	-	324,490	-
Restricted cash:				
Proffers	148,932	-	148,932	-
Debt service	3,601,145	-	3,601,145	-
Unrestricted (deficit)	35,355,833	13,529,675	48,885,508	(47,372,842)
Total net position	\$ 42,203,201	\$ 33,919,839	\$ 76,123,040	\$ 31,716,088

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 7,651,818	\$ 1,512,143	\$ 2,163,024	\$ -
Judicial administration	3,702,798	452,264	1,022,314	-
Public safety	24,294,221	3,100,174	3,152,091	-
Public works	5,552,444	249,780	-	-
Health and welfare	6,776,078	355,268	2,085,796	-
Education	27,981,365	-	-	-
Parks, recreation, and cultural	2,477,464	242,898	22,759	-
Community development	2,097,133	25,470	-	-
Interest on long-term debt	1,329,053	-	-	-
Total governmental activities	\$ 81,862,375	\$ 5,937,996	\$ 8,445,984	\$ -
Business-type activities:				
Public Utilities	\$ 6,000,252	\$ 7,217,091	\$ 686,056	\$ 3,014,986
Total business-type activities	\$ 6,000,252	\$ 7,217,091	\$ 686,056	\$ 3,014,986
Total primary government	\$ 87,862,627	\$ 13,155,087	\$ 9,132,040	\$ 3,014,986
COMPONENT UNIT:				
School Board	\$ 69,212,805	\$ 1,142,559	\$ 68,549,327	\$ -
Total component unit	\$ 69,212,805	\$ 1,142,559	\$ 68,549,327	\$ -

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

Statement of Activities
For the Year Ended June 30, 2023

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
Functions/Programs	Governmental Activities	Business-type Activities	Total	School Board
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ (3,976,651)	\$ -	\$ (3,976,651)	\$ -
Judicial administration	(2,228,220)	-	(2,228,220)	-
Public safety	(18,041,957)	-	(18,041,957)	-
Public works	(5,302,664)	-	(5,302,664)	-
Health and welfare	(4,335,014)	-	(4,335,014)	-
Education	(27,981,365)	-	(27,981,365)	-
Parks, recreation, and cultural	(2,211,807)	-	(2,211,807)	-
Community development	(2,071,664)	-	(2,071,664)	-
Interest on long-term debt	(1,329,053)	-	(1,329,053)	-
Total governmental activities	<u>\$ (67,478,395)</u>	<u>\$ -</u>	<u>\$ (67,478,395)</u>	<u>\$ -</u>
Business-type activities:				
Public Utilities	\$ -	\$ 4,917,881	\$ 4,917,881	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ 4,917,881</u>	<u>\$ 4,917,881</u>	<u>\$ -</u>
Total primary government	<u><u>\$ (67,478,395)</u></u>	<u><u>\$ 4,917,881</u></u>	<u><u>\$ (62,560,514)</u></u>	<u><u>\$ -</u></u>
COMPONENT UNIT:				
School Board	\$ -	\$ -	\$ -	\$ 479,081
Total component unit	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 479,081</u></u>
General revenues:				
General property taxes	\$ 46,509,616	\$ -	\$ 46,509,616	\$ -
Local sales and use taxes	4,618,806	-	4,618,806	-
Consumer utility taxes	896,824	-	896,824	-
Business license taxes	2,262,243	-	2,262,243	-
Motor vehicle license taxes	94,593	-	94,593	-
Taxes on recordation and wills	709,361	-	709,361	-
Meals taxes	1,695,898	-	1,695,898	-
Lodging taxes	1,197,501	-	1,197,501	-
Bank stock tax	165,846	-	165,846	-
Other local taxes	375,317	-	375,317	-
Unrestricted revenues from use of money and property	1,752,409	78,837	1,831,246	-
Miscellaneous	260,826	86,835	347,661	1,175,841
County contribution to School Board	-	-	-	18,090,714
Grants and contributions not restricted to specific programs	7,113,477	-	7,113,477	-
Transfers	2,155,500	(2,155,500)	-	-
Total general revenues and transfers	<u>\$ 69,808,217</u>	<u>\$ (1,989,828)</u>	<u>\$ 67,818,389</u>	<u>\$ 19,266,555</u>
Change in net position	<u>\$ 2,329,822</u>	<u>\$ 2,928,053</u>	<u>\$ 5,257,875</u>	<u>\$ 19,745,636</u>
Net position - beginning of year, as restated	39,873,379	30,991,786	70,865,165	11,970,452
Net position - end of year	<u>\$ 42,203,201</u>	<u>\$ 33,919,839</u>	<u>\$ 76,123,040</u>	<u>\$ 31,716,088</u>

Fund Financial Statements

Balance Sheet
Governmental Funds
At June 30, 2023

	General	Capital Projects	Debt Service	ARPA	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 38,306,668	\$ -	\$ -	\$ 6,617,926	\$ 4,748,690	\$ 49,673,284
Restricted cash	-	9,955,927	3,601,145	-	-	13,557,072
Leases receivable	103,001	-	-	-	-	103,001
Receivables (net of allowance for uncollectibles):						
Taxes receivable	5,890,070	-	-	-	-	5,890,070
Accounts receivable	445,191	-	-	-	710,013	1,155,204
Due from other governmental units	1,986,374	-	-	-	41,129	2,027,503
Total assets	<u>\$ 46,731,304</u>	<u>\$ 9,955,927</u>	<u>\$ 3,601,145</u>	<u>\$ 6,617,926</u>	<u>\$ 5,499,832</u>	<u>\$ 72,406,134</u>
LIABILITIES						
Accounts payable	\$ 1,116,016	\$ 433,042	\$ -	\$ 40,542	\$ 116,013	\$ 1,705,613
Unearned revenue	-	-	-	6,577,384	84,959	6,662,343
Accrued liabilities	166,804	-	-	-	4,671	171,475
Total liabilities	<u>\$ 1,282,820</u>	<u>\$ 433,042</u>	<u>\$ -</u>	<u>\$ 6,617,926</u>	<u>\$ 205,643</u>	<u>\$ 8,539,431</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property tax	\$ 4,177,608	\$ -	\$ -	\$ -	\$ -	\$ 4,177,608
Opioid settlement	-	-	-	-	324,490	324,490
Lease related items	97,641	-	-	-	-	97,641
Total deferred outflows of resources	<u>\$ 4,275,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 324,490</u>	<u>\$ 4,599,739</u>
FUND BALANCES						
Restricted:						
Proffers	\$ -	\$ 148,932	\$ -	\$ -	\$ -	\$ 148,932
Opioid	-	-	-	-	104,628	104,628
Debt service	-	-	3,601,145	-	-	3,601,145
Unspent bond proceeds - various projects	-	5,998,550	-	-	-	5,998,550
Total restricted	<u>\$ -</u>	<u>\$ 6,147,482</u>	<u>\$ 3,601,145</u>	<u>\$ -</u>	<u>\$ 104,628</u>	<u>\$ 9,853,255</u>
Assigned:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 66,941	\$ 66,941
Economic development	-	-	-	-	2,079,155	2,079,155
Capital projects	-	3,375,403	-	-	-	3,375,403
Stormwater	-	-	-	-	2,233,346	2,233,346
Asset forfeiture	-	-	-	-	62,901	62,901
Tourism	-	-	-	-	422,728	422,728
Total assigned	<u>\$ -</u>	<u>\$ 3,375,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,865,071</u>	<u>\$ 8,240,474</u>
Unassigned	<u>\$ 41,173,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,173,235</u>
Total fund balance	<u>\$ 41,173,235</u>	<u>\$ 9,522,885</u>	<u>\$ 3,601,145</u>	<u>\$ -</u>	<u>\$ 4,969,699</u>	<u>\$ 59,266,964</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 46,731,304</u>	<u>\$ 9,955,927</u>	<u>\$ 3,601,145</u>	<u>\$ 6,617,926</u>	<u>\$ 5,499,832</u>	<u>\$ 72,406,134</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
At 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		\$ 59,266,964
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		68,652,293
Internal service funds are used by the County to charge the cost of dental and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. The internal service fund net position is:		1,842,267
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(1,029,443)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Opioid settlement	\$ 324,490	
Unavailable revenue-property taxes	<u>3,987,348</u>	4,311,838
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred amount on refunding	\$ 247,318	
Net pension liabilities	4,298,413	
Net OPEB liabilities	<u>561,322</u>	5,107,053
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liabilities	\$ (3,152,789)	
Net OPEB liabilities	<u>(2,470,968)</u>	(5,623,757)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Details supporting this amount are as follows:		
Compensated absences		(2,043,935)
County general obligation bonds		(30,956,000)
School Board general obligation bonds		(37,050,578)
Lease liabilities		(409,766)
Net OPEB liabilities		(4,677,138)
Net pension liabilities		(9,129,581)
County premium on bonds payable		(3,239,044)
School Board premium on bonds payable		<u>(2,817,972)</u>
Net position of governmental activities		<u>\$ 42,203,201</u>

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	Capital Projects	Debt Service	ARPA	Other Governmental Funds	Total
REVENUES						
General property taxes	\$ 47,343,683	\$ -	\$ -	\$ -	\$ -	\$ 47,343,683
Other local taxes	8,872,889	-	-	-	3,143,500	12,016,389
Permits, privilege fees, and regulatory licenses	748,198	-	-	-	-	748,198
Fines and forfeitures	372,647	-	-	-	-	372,647
Revenue from the use of money and property	1,235,639	513,714	-	-	3,056	1,752,409
Charges for services	1,524,378	-	-	-	27,445	1,551,823
Miscellaneous	191,230	29,044	-	-	112,693	332,967
Recovered costs	315,488	-	-	-	141,968	457,456
Intergovernmental:						
Commonwealth	10,625,074	-	-	-	751,624	11,376,698
Federal	1,872,602	-	-	401,259	1,908,902	4,182,763
Total revenues	\$ 73,101,828	\$ 542,758	\$ -	\$ 401,259	\$ 6,089,188	\$ 80,135,033
EXPENDITURES						
Current:						
General government administration	\$ 6,389,140	\$ 2,892,330	\$ -	\$ 75,004	\$ -	\$ 9,356,474
Judicial administration	3,133,944	-	-	-	-	3,133,944
Public safety	18,525,591	5,224,173	-	-	2,929,899	26,679,663
Public works	2,447,679	1,155,138	-	326,255	8,733	3,937,805
Health and welfare	6,033,421	-	-	-	-	6,033,421
Education	18,090,714	10,326,562	-	-	-	28,417,276
Parks, recreation, and cultural	1,834,248	83,829	-	-	-	1,918,077
Community development	375,087	-	-	-	1,697,044	2,072,131
Debt service:						
Principal retirement	-	-	6,068,002	-	-	6,068,002
Interest and other fiscal charges	-	-	2,536,344	-	-	2,536,344
Total expenditures	\$ 56,829,824	\$ 19,682,032	\$ 8,604,346	\$ 401,259	\$ 4,635,676	\$ 90,153,137
Excess (deficiency) of revenues over (under) expenditures	\$ 16,272,004	\$ (19,139,274)	\$ (8,604,346)	\$ -	\$ 1,453,512	\$ (10,018,104)
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ -	\$ 6,555,926	\$ 9,130,815	\$ -	\$ 141,967	\$ 15,828,708
Transfers (out)	(12,947,936)	-	-	-	(1,111,305)	(14,059,241)
Total other financing sources (uses)	\$ (12,947,936)	\$ 6,555,926	\$ 9,130,815	\$ -	\$ (969,338)	\$ 1,769,467
Net change in fund balances	\$ 3,324,068	\$ (12,583,348)	\$ 526,469	\$ -	\$ 484,174	\$ (8,248,637)
Fund balances - beginning	37,849,167	22,106,233	3,074,676	-	4,485,525	67,515,601
Fund balances - ending	\$ 41,173,235	\$ 9,522,885	\$ 3,601,145	\$ -	\$ 4,969,699	\$ 59,266,964

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

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

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

Net change in fund balances - total governmental funds	\$	(8,248,637)
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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. Details are as follows:

Depreciation expense	\$	(4,520,759)	
Capital asset additions		6,402,855	
Transfer of joint tenancy assets from Primary Government to the Component Unit		<u>1,485,704</u>	3,367,800

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Opioid settlement	\$	(72,141)	
Property taxes		<u>(834,067)</u>	(906,208)

Internal service funds are used by the County to charge the costs of dental and health insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.

36,942

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

Details supporting these changes are as follows:

Amortization of premium on bonds payable	\$	1,233,221	
Principal paid on lease liabilities		45,555	
Retirement of general obligation bonds		<u>6,068,002</u>	7,346,778

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.

Details supporting these changes are as follows:

Change in accrued interest payable	\$	38,351	
Pension expense		1,163,758	
OPEB expense		(210,896)	
Deferred amount on refunding		(64,281)	
Change in compensated absences		<u>(193,785)</u>	733,147

Change in net position of governmental activities	\$	<u><u>2,329,822</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Net Position
 Proprietary Funds
 At June 30, 2023

	Enterprise Funds	Governmental Activities
	Water and Sewer	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,626,858	\$ 1,842,267
Lease receivable, current portion	67,811	-
Accounts receivable, net of allowance for uncollectibles	564,101	-
Due from other governmental units	686,056	-
Total current assets	<u>\$ 15,944,826</u>	<u>\$ 1,842,267</u>
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Land	\$ 824,744	\$ -
Utility plant in service	16,537,121	-
Machinery and equipment	4,416,421	-
Construction in progress	1,611,328	-
Total capital assets	<u>\$ 23,389,614</u>	<u>\$ -</u>
Total noncurrent assets	<u>\$ 23,389,614</u>	<u>\$ -</u>
 Total assets	 <u>\$ 39,334,440</u>	 <u>\$ 1,842,267</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 195,740	\$ -
OPEB related items	32,167	-
Deferred amount on bond refunding	9,474	-
 Total deferred outflows of resources	 <u>\$ 237,381</u>	 <u>\$ -</u>
 Total assets and deferred outflows of resources	 <u><u>\$ 39,571,821</u></u>	 <u><u>\$ 1,842,267</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 1,318,398	\$ -
Customers' deposits	96,795	-
Accrued interest payable	24,923	-
Unearned revenue	31,600	-
Compensated absences - current portion	8,297	-
Loan payable - current portion	122,453	-
Bonds payable - current portion	112,291	-
Total current liabilities	<u>\$ 1,714,757</u>	<u>\$ -</u>
Noncurrent liabilities:		
Compensated absences - net of current portion	\$ 74,670	\$ -
Net pension liability	387,651	-
Net OPEB liabilities	358,383	-
Loan payable - net of current portion	1,969,381	-
Bonds payable - net of current portion	804,799	-
Total noncurrent liabilities	<u>\$ 3,594,884</u>	<u>\$ -</u>
Total liabilities	<u>\$ 5,309,641</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 163,353	\$ -
OPEB related items	141,600	-
Lease related items	37,388	-
 Total deferred inflows of resources	 <u>\$ 342,341</u>	 <u>\$ -</u>
NET POSITION		
Net investment in capital assets	\$ 20,390,164	\$ -
Unrestricted	13,529,675	1,842,267
Total net position	<u>\$ 33,919,839</u>	<u>\$ 1,842,267</u>
 Total liabilities, deferred inflows of resources and net position	 <u><u>\$ 39,571,821</u></u>	 <u><u>\$ 1,842,267</u></u>

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

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

	Enterprise Funds	Governmental Activities
	Water and Sewer	Internal Service Fund
OPERATING REVENUES		
Charges for services:		
Water revenues	\$ 2,080,600	\$ -
Sewer revenues	4,139,582	-
Penalty/reconnection charges	532,679	-
Insurance premiums	-	3,265,328
Miscellaneous	86,835	-
Total operating revenues	<u>\$ 6,839,696</u>	<u>\$ 3,265,328</u>
OPERATING EXPENSES		
Water supply, treatment and pumping	\$ 525,105	\$ -
Wastewater treatment, pumping and disposal	2,379,508	-
Administrative and operation	1,223,348	-
Other supplies and expenses	535,330	-
Insurance claims	-	3,614,419
Depreciation	1,127,713	-
Total operating expenses	<u>\$ 5,791,004</u>	<u>\$ 3,614,419</u>
Operating income (loss)	<u>\$ 1,048,692</u>	<u>\$ (349,091)</u>
NONOPERATING REVENUES (EXPENSES)		
Connection/capacity fees	\$ 464,230	\$ -
Interest income	3,743	-
Rental income	75,094	-
Federal CARES Act income	686,056	-
Interest expense	(209,248)	-
Total nonoperating revenues (expenses)	<u>\$ 1,019,875</u>	<u>\$ -</u>
Income (loss) before transfers and capital contributions	\$ 2,068,567	\$ (349,091)
Capital contributions	\$ 3,014,986	\$ -
Transfers in	-	386,033
Transfers out	<u>(2,155,500)</u>	<u>-</u>
Change in net position	\$ 2,928,053	\$ 36,942
Net position - beginning, as restated	<u>30,991,786</u>	<u>1,805,325</u>
Net position - ending	<u><u>\$ 33,919,839</u></u>	<u><u>\$ 1,842,267</u></u>

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

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

	Enterprise Funds	Governmental Activities
	Water and Sewer	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 6,908,167	\$ 3,265,328
Payments for operating activities	(2,765,644)	(3,617,500)
Payments to employees	(1,339,134)	-
Net cash provided by (used for) operating activities	\$ 2,803,389	\$ (352,172)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loan to other funds	\$ 156,805	\$ -
Transfers (to)/from other funds	(2,155,500)	386,033
Net cash provided by (used for) noncapital financing activities	\$ (1,998,695)	\$ 386,033
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	\$ (4,975,088)	\$ -
Connection/capacity charges	464,230	-
Principal payments on bonds	(195,899)	-
Capital contributions	3,014,986	-
Interest expense	(235,090)	-
Net cash provided by (used for) capital and related financing activities	\$ (1,926,861)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 3,743	\$ -
Rental income	75,094	-
Net cash provided by (used for) investing activities	\$ 78,837	\$ -
Net increase in cash and cash equivalents	\$ (1,043,330)	\$ 33,861
Cash and cash equivalents - beginning	15,670,188	1,808,406
Cash and cash equivalents - ending	\$ 14,626,858	\$ 1,842,267
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 1,048,692	\$ (349,091)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	\$ 1,127,713	\$ -
Change in leases receivable	53,025	-
Change in accounts receivable	(8,513)	-
Change in deferred outflows of resources	32,927	-
Change in deferred inflows of resources	(282,024)	-
Change in accounts payable	674,299	(3,081)
Change in customer deposits	(7,641)	-
Change in unearned revenue	31,600	-
Change in compensated absences	1,739	-
Change in net pension liability	162,306	-
Change in net OPEB liabilities	(30,734)	-
Total adjustments	\$ 1,754,697	\$ (3,081)
Net cash provided by (used for) operating activities	\$ 2,803,389	\$ (352,172)

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 At June 30, 2023

	Private-Purpose Trust Fund		Custodial Funds
	Pension Trust Fund		
ASSETS			
Cash and cash equivalents	\$ 68,571	\$	75,826
Guaranteed investment contracts	<u>2,191,451</u>		<u>-</u>
Total assets	<u>\$ 2,260,022</u>	<u>\$</u>	<u>75,826</u>
LIABILITIES			
Unearned revenue	\$ -	\$	1,808
Accounts payable	<u>-</u>		<u>54</u>
Total liabilities	<u>\$ -</u>	<u>\$</u>	<u>1,862</u>
NET POSITION			
Restricted for:			
Pensions	\$ 2,260,022	\$	-
Performance bond recipients	-		65,427
Social services clients	<u>-</u>		<u>8,537</u>
Total net position	<u>\$ 2,260,022</u>	<u>\$</u>	<u>73,964</u>
Total liabilities and net position	<u>\$ 2,260,022</u>	<u>\$</u>	<u>75,826</u>

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

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

	Private-Purpose Trust Fund Pension Trust Fund	Custodial Funds
Additions:		
Employer contributions	\$ 141,000	\$ -
Private contributions	-	16,061
Interest income	1,244	-
Other investment income	80,699	-
Total additions	\$ 222,943	\$ 16,061
Deductions:		
Members' benefits	\$ 118,245	\$ -
Recipient payments	-	21,828
Total deductions	\$ 118,245	\$ 21,828
Change in net position	\$ 104,698	\$ (5,767)
Net position - beginning of year	2,155,324	79,731
Net position - end of year	\$ 2,260,022	\$ 73,964

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

Financial Statement Presentation

Management's Discussion and Analysis - Governmental standards established requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. The 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 unit. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

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.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

The County's internal activities include water and sewer billings and activities of the County garage. It is the County's policy not to eliminate these internal activities in the government-wide Statement of Activities.

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit - The County has no blended component units at June 30, 2023.

Discretely Presented Component Unit - The School Board members are elected by the citizens of Prince George 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 Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2023.

C. Other Related Organizations

Included in the County's Annual Comprehensive Financial Report

None

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

C. Other Related Organizations: (Continued)

Excluded from the County's Annual Comprehensive Financial Report

Joint Ventures

South Central Wastewater Authority

The South Central Wastewater Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases wastewater treatment services from the Authority at prescribed rates and capacity levels. The County's expenditures for wastewater treatment services for the year ended June 30, 2023 were \$556,141. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority's office at 900 Magazine Road, Petersburg, Virginia 23803.

Riverside Regional Jail Authority

The Riverside Regional Jail Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Charles City, Chesterfield, Prince George and Surry and the Cities of Petersburg, Colonial Heights and Hopewell each appoint two members to the fourteen member board. Each participating entity is required to commit prisoners and pay the established per diem charge in accordance with its service agreement with the Authority. The County's expenditures for confinement services for the year ended June 30, 2023 were \$2,109,852. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority's office at 1000 River Road, Hopewell, Virginia 23860.

Appomattox River Water Authority

The Appomattox River Water Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases water from the Authority at prescribed rates and capacity levels. The County's expenses for water purchased for the year ended June 30, 2023 were \$376,395. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority's office at 21300 Chesdin Road, Petersburg, Virginia 23860.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

C. Other Related Organizations: (Continued)

Excluded from the County's Annual Comprehensive Financial Report: (Continued)

Appomattox Regional Library

The County is a participant with the County of Dinwiddie and the City of Hopewell in a joint venture to operate the Appomattox Regional Library (the Library). The Library is governed by a 9 member board composed of three appointees each from Hopewell, Dinwiddie, and Prince George. Each locality is obligated by contract to fund a percentage of the Library's approved budget. In accordance with the joint venture agreement, the County remitted \$645,631 to the Library for fiscal year 2023. Financial statements for the Library can be obtained at its administrative offices at 245 East Cawson Street, Hopewell, Virginia 23860. The participants have no ongoing financial responsibilities to or equity interest in the Library.

Jointly Governed Organizations

The County participates with eight other localities in District 19 Community Services Board. The County also participates with five other localities in Virginia's Gateway Region, a regional economic development organization. The County provided funding of \$132,867 to District 19 CSB during fiscal year 2023. The County provided funding of \$330,084 to Crater Youth Care Commission during fiscal year 2023. The County provided funding of \$83,065 to Virginia Gateway Region during fiscal year 2023.

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

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

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

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

Generally the effect of interfund activity has been eliminated from the County's government-wide financial statements. Exceptions to our general rule are payments-in-lieu of taxes where the amounts are equivalent to interfund services provided and other charges between the government's proprietary funds and various other functions of government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

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

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

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

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

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

1. Governmental Funds

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

1. Governmental Funds: (Continued)

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

Special Revenue Funds: Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The ARPA Fund is a major special revenue fund that accounts for and reports specific revenue that is restricted to expenditures for specified purposes of federal ARPA funds. The other Special Revenue Funds are considered nonmajor governmental funds and consist of the Economic Development Fund, Community Corrections Fund, Asset Forfeiture Fund, Tourism Fund, Stormwater Fund, Crater Workforce Fund, Opioid Settlement Fund, and LATCF Fund.

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

Debt Service Fund – The Debt Service Fund Accounts for and reports resources that are restricted, committed or assigned to expenditure for principal and interest or to report financial resources being accumulated for future debt service. The Debt Service Fund is considered a major governmental fund.

2. Proprietary Funds

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

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Enterprise Funds consist of the Water and Sewer Fund, which is considered a major fund.

Internal Services Funds - The Health Insurance Fund accounts for all activities of the County and Component Unit School Board employee health insurance program.

3. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Trust and Custodial Funds. These funds utilize the accrual basis of accounting as described in the Proprietary Funds. Fiduciary funds are not included in the government-wide financial statements. Trust Funds include the Pension Trust Fund. Custodial funds include the Special Welfare Fund and the Performance Bond Fund.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

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

4. Component Unit

The Prince George County School Board has the following funds:

Governmental Funds:

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

Governmental Funds:

Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Adult Basic Education Fund, Textbook Fund, School Activity Funds and School Cafeteria Fund are considered to be nonmajor funds.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$676,767 at June 30, 2023 is comprised of property taxes in the amount of \$641,896 and utility accounts of \$122,987.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

G. Receivables and Payables: (Continued)

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	July 1	January 1
Due Date	June 5/December 5	June 5
Lien Date	July 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets 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, except for intangible right-to-use lease assets, the measurement of which is discussed in more detail below. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Machinery and Equipment	5-20
Utility Plant	30-50
Buses	10
Lease buildings	5-30
Lease equipment	2-5

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

I. Compensated Absences

County employees are granted vacation and sick pay in varying amounts based on years of service. Employees may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination, or death, may be compensated for certain amounts at specified rates. The cost of accumulated vacation and sick pay expected to be paid from future expendable resources is accounted for as a liability in the government-wide statements and proprietary statements.

All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. For governmental fund types, the amount of accumulated unpaid vacation leave which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirement or resignation. For the County's Water and Sewer Fund, the cost of vacation and sick leave is recorded as a liability when earned.

J. Use of Estimates

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

K. Fund Equity

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

K. Fund Equity: (Continued)

The Board of Supervisors establishes and modifies or rescinds fund balance commitments and assignments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). The County does this through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). The County's Board of Supervisors has not delegated this authority to assign amounts to any individual for the fiscal year ended June 30, 2023.

In the General Fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 15% of the actual GAAP basis expenditures and other financing sources and uses.

L. Long-term Obligations

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

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

M. Restricted Cash

The County has total restricted assets of \$13,557,072, which consist of proffers in the amount of \$148,932, debt service of \$3,601,145, capital projects of \$3,808,445, and unspent bond proceeds of \$5,998,550 at June 30, 2023.

N. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

N. Net Position: (Continued)

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

O. Net Position Flow Assumption

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

Q. Pensions

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

R. Other Postemployment Benefits (OPEB)

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

S. Leases

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

Lessee

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

Lessor

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

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

S. Leases: (Continued)

Key Estimates and Judgments

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

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

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

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:

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.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and Fund level for other Governmental Funds. The School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30 for all County units with the exception of Capital Projects.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by 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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

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

Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-. The County’s rated debt investments as of June 30, 2023 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

Rated Debt Investments' Values

Rated Debt Investments	Value	AAAm	AA+f
Virginia Investment Pool - High Quality Bond	\$ 10,601,855	\$ -	\$ 10,601,855
Virginia Investment Pool - Stable NAV Liquidity	42,654,885	42,654,885	-
Local Government Investment Pool	48,359	48,359	-
SNAP	5,998,550	5,998,550	-
Total	<u>\$ 59,303,649</u>	<u>\$ 48,701,794</u>	<u>\$ 10,601,855</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

The County does not have a formal policy relating to interest rate risk.

Investment Type	Fair Value	Less Than 1 Year	1-3 Years
Virginia Investment Pool - High Quality Bond	\$ 10,601,855	\$ -	\$ 10,601,855
Virginia Investment Pool - Stable NAV Liquidity	42,654,885	42,654,885	-
Local Government Investment Pool	48,359	48,359	-
SNAP	5,998,550	5,998,550	-
Total	<u>\$ 59,303,649</u>	<u>\$ 48,701,794</u>	<u>\$ 10,601,855</u>

Custodial Credit Risk

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

Fair Value Measurements:

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

Redemption Restrictions:

The Virginia Investment Pool has a limit of two withdrawals per month.

External Investment Pools

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 4—DUE TO/FROM OTHER GOVERNMENTS:

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

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	\$ 788,697	-
Social Services	95,393	-
Comprehensive services	350,963	-
Constitutional officer reimbursements	143,956	-
Mobile home titling	10,534	-
Communication tax	140,403	-
Crater detention and jail programs	-	172,027
Criminal Justice Operation Ceasefire Grant	30,683	-
Department of Health Four for Life Funds	37,150	-
Emergency Management	1,909	-
Housing & Community Development IRF Grant	6,000	-
Other funds	102,870	47,292
State sales tax	-	1,274,428
State Police HEAT funds	10,000	-
State security equipment	-	108,362
Victim witness	8,098	-
School Resource Officer Grant	40,584	-
Drug Court Treatment Grant	20,481	-
Community corrections	562	-
Federal Government:		
Adult education	-	68,602
Food service	-	165,538
JROTC	-	10,297
School grants	-	1,916,492
Department of Justice (Body Armor)	3,825	-
Highway safety	7,712	-
Victim witness	17,451	-
Emergency services	25,231	-
Environmental Protection Agency	686,056	-
ARPA Virginia Tourism Corporation	34,568	-
Social Services	150,433	-
Total due from other governments	\$ 2,713,559	\$ 3,763,038

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 5—CAPITAL ASSETS:

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

Primary Government:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,995,201	\$ 347,104	\$ -	\$ 4,342,305
Construction in progress	<u>15,189,456</u>	<u>9,613,503</u>	<u>3,527,564</u>	<u>21,275,395</u>
Total capital assets not being depreciated	<u>\$ 19,184,657</u>	<u>\$ 9,960,607</u>	<u>\$ 3,527,564</u>	<u>\$ 25,617,700</u>
Capital assets being depreciated:				
Buildings	\$ 46,378,593	\$ 496,764	\$ -	\$ 46,875,357
Machinery and equipment	34,786,583	744,552	85,521	35,445,614
Lease buildings	445,952	-	-	445,952
Lease equipment	54,280	-	-	54,280
Jointly owned assets	<u>19,077,868</u>	<u>245,439</u>	<u>1,731,143</u>	<u>17,592,164</u>
Total capital assets being depreciated	<u>\$ 100,743,276</u>	<u>\$ 1,486,755</u>	<u>\$ 1,816,664</u>	<u>\$ 100,413,367</u>
Accumulated depreciation:				
Buildings	\$ 19,930,328	\$ 1,476,495	\$ -	\$ 21,406,823
Machinery and equipment	25,083,410	1,945,184	85,521	26,943,073
Lease buildings	33,840	36,356	-	70,196
Lease equipment	12,931	12,931	-	25,862
Jointly owned assets	<u>9,582,931</u>	<u>1,049,793</u>	<u>1,699,904</u>	<u>8,932,820</u>
Total accumulated depreciation	<u>\$ 54,643,440</u>	<u>\$ 4,520,759</u>	<u>\$ 1,785,425</u>	<u>\$ 57,378,774</u>
Total capital assets being depreciated, net	<u>\$ 46,099,836</u>	<u>\$ (3,034,004)</u>	<u>\$ 31,239</u>	<u>\$ 43,034,593</u>
Governmental activities capital assets, net	<u>\$ 65,284,493</u>	<u>\$ 6,926,603</u>	<u>\$ 3,558,803</u>	<u>\$ 68,652,293</u>

Reconciliation of primary government net position net investment in capital assets:

Net capital assets	\$ 68,652,293
Long-term debt applicable to capital assets at June 30, 2023	74,226,042
Less: Bond proceeds received but not expended on capital assets at June 30, 2023	(5,998,550)
Less: Outstanding debt unrelated to capital assets	<u>(2,348,000)</u>
Net investment in capital assets	<u>\$ 2,772,801</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Primary Government: (continued)

The following is a summary of capital project activity for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Central Wellness Parking Lot	\$ 19,332	\$ -	\$ -	\$ 19,332
Police In-Car Cameras	50,509	-	-	50,509
Route 156 Water Extension	2,984,076	30,911	3,014,987	-
Food Lion Water System Upgrade	2,129,826	326,164	-	2,455,990
Station 8 Electrical Upgrades	30,351	52,435	-	82,786
Public Safety Radio Project	9,015,953	4,942,306	-	13,958,259
Jefferson Park Fire Station	75,754	25,414	-	101,168
Circuit Court Room Renovations	66,004	144,682	-	210,686
School Restroom and Locker Room	37,627	322,272	-	359,899
Convenience Station	6,644	83,829	90,473	-
Utility Temple Avenue Tank & Pump Station	17,500	438,843	-	456,343
Continental Motel Site Land Acquisition	347,084	20	347,104	-
Fiber upgrades - Count Complex	-	75,004	-	75,004
Southpointe Business Park sewer relocation	-	326,255	-	326,255
Blackwater Pump Station	-	359,220	-	359,220
County Garage Expansion & Renovation	408,796	2,486,148	75,000	2,819,944
	<u>\$ 15,189,456</u>	<u>\$ 9,613,503</u>	<u>\$ 3,527,564</u>	<u>\$ 21,275,395</u>
	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 244,744	\$ 580,000	\$ -	\$ 824,744
Construction in progress	870,091	1,121,520	380,283	1,611,328
Total capital assets not being depreciated	<u>\$ 1,114,835</u>	<u>\$ 1,701,520</u>	<u>\$ 380,283</u>	<u>\$ 2,436,072</u>
Capital assets being depreciated:				
Utility plant in service	\$ 34,277,879	\$ 3,507,011	\$ -	\$ 37,784,890
Machinery and equipment	4,685,512	146,839	-	4,832,351
Total capital assets being depreciated	<u>\$ 38,963,391</u>	<u>\$ 3,653,850</u>	<u>\$ -</u>	<u>\$ 42,617,241</u>
Accumulated depreciation:				
Utility plant in service	\$ 20,143,158	\$ 1,104,611	\$ -	\$ 21,247,769
Machinery and equipment	392,829	23,101	-	415,930
Total accumulated depreciation	<u>\$ 20,535,987</u>	<u>\$ 1,127,712</u>	<u>\$ -</u>	<u>\$ 21,663,699</u>
Total capital assets being depreciated, net	<u>\$ 18,427,404</u>	<u>\$ 2,526,138</u>	<u>\$ -</u>	<u>\$ 20,953,542</u>
Business-type activities capital assets, net	<u>\$ 19,542,239</u>	<u>\$ 4,227,658</u>	<u>\$ 380,283</u>	<u>\$ 23,389,614</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Unit—School Board:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,154,404	\$ -	\$ -	\$ 1,154,404
Construction in progress	27,863,793	13,997,073	4,025,249	37,835,617
Total capital assets not being depreciated	\$ 29,018,197	\$ 13,997,073	\$ 4,025,249	\$ 38,990,021
Capital assets being depreciated:				
Buildings	\$ 69,598,579	\$ 5,279,728	\$ 6,156	\$ 74,872,151
Machinery and equipment	15,645,210	949,969	11,952	16,583,227
Total capital assets being depreciated	\$ 85,243,789	\$ 6,229,697	\$ 18,108	\$ 91,455,378
Accumulated depreciation:				
Buildings	\$ 35,896,519	\$ 3,324,832	\$ 6,156	\$ 39,215,195
Machinery and equipment	11,141,409	1,011,817	11,952	12,141,274
Total accumulated depreciation	\$ 47,037,928	\$ 4,336,649	\$ 18,108	\$ 51,356,469
Total capital assets being depreciated, net	\$ 38,205,861	\$ 1,893,048	\$ -	\$ 40,098,909
School Board capital assets, net	\$ 67,224,058	\$ 15,890,121	\$ 4,025,249	\$ 79,088,930

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 584,013
Judicial administration	419,944
Public safety	1,737,904
Public works	67,848
Health and welfare	105,581
Education	1,049,793
Parks, recreation and cultural	520,060
Community development	35,616

Total Governmental activities \$ 4,520,759

Business-type activities \$ 1,127,712

Component Unit School Board \$ 2,636,745 *

* Transfer of jointly owned assets 1,699,904

Total accumulated depreciation increase \$ 4,336,649

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 6—INTERFUND TRANSFERS:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 12,947,936
Proprietary Fund	386,033	2,155,500
Capital Projects Fund	6,555,926	-
Debt Service Fund	9,130,815	-
Nonmajor Funds	141,967	1,111,305
Total	<u>\$ 16,214,741</u>	<u>\$ 16,214,741</u>

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

NOTE 7—LONG-TERM OBLIGATIONS:

Primary Government:

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

	<u>Balance at July 1, 2022</u>	<u>Beginning Balance Adjustment</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance at June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:						
Incurred by County:						
Compensated absences	\$ 1,850,150	\$ -	\$ 193,785	\$ -	\$ 2,043,935	\$ 204,394
Net OPEB liabilities	5,213,441	-	994,760	1,531,063	4,677,138	-
Lease liabilities	455,321	-	-	45,555	409,766	39,486
Net pension liabilities:						
Net pension liability	4,593,854	-	7,115,686	3,806,994	7,902,546	-
Net LOSAP liability	787,896	-	651,018	211,879	1,227,035	-
Total net pension liabilities	\$ 5,381,750	\$ -	\$ 7,766,704	\$ 4,018,873	\$ 9,129,581	\$ -
Direct borrowings and direct placements						
General obligation bonds	36,334,000	(937,000)	-	4,441,000	30,956,000	4,100,000
Premiums on bonds	4,110,865	-	-	871,821	3,239,044	730,399
Total incurred by County	\$ 53,345,527	\$ (937,000)	\$ 8,955,249	\$ 10,908,312	\$ 50,455,464	\$ 5,074,279
Incurred by School Board:						
Direct borrowings and direct placements						
General Obligation Bonds	\$ 37,025,174	\$ 1,652,406	\$ -	\$ 1,627,002	\$ 37,050,578	\$ 1,689,318
Premium on Bonds	3,179,372	-	-	361,400	2,817,972	335,832
Total incurred by School Board	\$ 40,204,546	\$ 1,652,406	\$ -	\$ 1,988,402	\$ 39,868,550	\$ 2,025,150
Total Governmental Activities Obligations	\$ 93,550,073	\$ 715,406	\$ 8,955,249	\$ 12,896,714	\$ 90,324,014	\$ 7,099,429

The general fund revenues are used to liquidate compensated absences and other long-term obligation amounts to include net pension liabilities and net other postemployment benefit obligation.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

	Balance at July 1, 2022	Beginning Balance Adjustment	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Business-type Activities Obligations:						
Compensated absences	\$ 81,228	\$ -	\$ 1,740	\$ -	\$ 82,968	\$ 8,297
Net pension liability	225,344	-	349,052	186,745	387,651	-
Net OPEB liabilities	389,117	-	57,005	87,739	358,383	-
Direct borrowings and direct placements						
Loan payable	2,777,181	(566,448)	-	118,899	2,091,834	122,453
General obligation bonds	849,000	-	-	77,000	772,000	80,000
Premiums on bonds	180,844	-	-	35,754	145,090	32,291
Total Business-type Activities Obligations	\$ 4,502,714	\$ (566,448)	\$ 407,797	\$ 506,137	\$ 3,837,926	\$ 243,041

Annual requirements to amortize general obligation long-term obligations are as follows:

Year Ending June 30,	Governmental Activities			
	Lease liabilities		Direct Borrowings and Direct Placements	
			General Obligation Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 39,486	\$ 11,678	\$ 4,100,000	\$ 1,141,090
2025	36,152	10,578	3,797,000	963,788
2026	37,194	9,536	2,664,000	822,927
2027	32,578	8,462	2,755,000	708,622
2028	33,568	7,472	2,751,000	589,716
2029	34,589	6,451	2,872,000	467,783
2030	35,641	5,399	2,829,000	344,438
2031	36,726	4,314	2,960,000	219,418
2032	37,841	3,197	2,514,000	126,219
2033	38,994	2,046	1,787,000	74,974
2034	40,180	860	1,048,000	30,293
2035	6,817	26	398,000	15,894
2036	-	-	238,000	9,596
2037	-	-	243,000	4,848
Total	\$ 409,766	\$ 70,019	\$ 30,956,000	\$ 5,519,606

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Annual requirements to amortize school and enterprise long-term obligations are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements					
	School		Business-type Activities			
	General Obligation Bonds		General Obligation Bonds		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,689,318	\$ 1,135,446	\$ 80,000	\$ 36,600	\$ 122,453	\$ 66,256
2025	1,701,666	1,055,093	85,000	32,475	126,123	62,693
2026	1,768,594	972,826	90,000	28,100	129,903	59,023
2027	1,341,000	899,282	93,000	23,525	133,796	55,243
2028	1,321,000	833,793	98,000	18,750	137,806	51,350
2029	1,385,000	766,776	103,000	13,725	141,936	47,340
2030	1,453,000	696,445	109,000	8,425	146,190	43,210
2031	1,529,000	622,518	114,000	2,850	150,571	38,956
2032	1,482,000	555,839	-	-	155,083	34,575
2033	1,538,000	501,908	-	-	159,731	30,062
2034-2038	5,377,000	2,031,653	-	-	688,242	77,742
2039-2043	5,810,000	1,437,686	-	-	-	-
2044-2048	6,440,000	807,388	-	-	-	-
2049-2051	4,215,000	138,820	-	-	-	-
Total	\$ 37,050,578	\$ 12,455,473	\$ 772,000	\$ 164,450	\$ 2,091,834	\$ 566,450

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Governmental Activities:

General Obligations—Incurred by the County:

The following is a summary of general obligations incurred by the County:

Premium on bond	\$ 3,239,044
General Obligation Bonds:	
\$27,750,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	\$ 20,885,000
\$3,758,000 General Obligation Bond 2022 Series issued March 30, 2022, due in varying annual installments through 2037, interest payable semi-annually, at a rate of 1.995%	3,454,000
\$9,300,000 General Obligation Note Series 2018 issued May 2, 2018 due in varying annual installments through February 2033, interest payable semi-annually, at 3.16%	<u>6,617,000</u>
Total General Obligation Bonds	\$ 30,956,000
Net OPEB liabilities	\$ <u>4,677,138</u>
Lease liabilities:	
Lease agreements for police equipment entered into at various dates, for lease terms ranging from 2 to 5 years through 2025, with discount rates ranging from 2.00% to 3.00%.	\$ 18,188
Lease agreements for tower rentals entered into on September 1, 2020, for a lease term of 15 years through 2035, with a discount rate of 3.00%.	<u>391,578</u>
Total lease liabilities	\$ 409,766
Net pension liabilities	\$ <u>9,129,581</u>
Compensated absences	\$ <u>2,043,935</u>
Total incurred by the County	\$ <u>50,455,464</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Governmental Activities: (Continued)

General Obligations—Incurred by the School Board:

The following is a summary of long-term obligations incurred by the School Board:

Premium on bond	\$ <u>2,817,972</u>
<u>General Obligation Bonds:</u>	
\$5,556,565 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	\$ 6,187,000
\$7,760,053 issued November 10, 2006, due in various annual installments through July 2025. Interest payable semi-annually, at 2.15%.	1,433,578
\$30,010,000 issued May, 2021, due in various semi-annual installments through July, 2050. Interest payable semi-annually at coupon rates varying from 2.05% to 5.05%	<u>29,430,000</u>
Total General Obligation Bonds	\$ <u>37,050,578</u>
Total Incurred by School Board	\$ <u>39,868,550</u>
Total Governmental Activities Long-term Obligations	\$ <u><u>90,324,014</u></u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Business-type Activities:

The following is a summary of long-term obligations incurred by the Enterprise Fund:

General Obligation Bonds:

\$1,063,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%. \$ 772,000

Loan Payable:

\$2,777,181 loan payable issued on April 29, 2022 from Government Capital Corporation due in annual payments through April 29, 2037, interest payable annually, at a rate of 2.997% \$ 2,091,834

Net pension liability \$ 387,651

Net OPEB liabilities \$ 358,383

Compensated Absences \$ 82,968

Premium on bonds \$ 145,090

Total Incurred by Business-type Activities \$ 3,837,926

Component Unit School Board:

The following is a summary of long-term obligations for the fiscal year ended June 30, 2023:

	<u>Balance at</u>			<u>Balance at</u>	<u>Amounts</u>
	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Due</u>
					<u>Within</u>
					<u>One Year</u>
Compensated absences	\$ 308,445	\$ -	\$ 21,824	\$ 286,621	\$ 28,662
Net pension liability	30,102,962	28,762,502	22,524,775	36,340,689	-
Net OPEB liabilities	<u>11,715,126</u>	<u>2,784,225</u>	<u>3,383,096</u>	<u>11,116,255</u>	<u>-</u>
Total	\$ <u><u>42,126,533</u></u>	\$ <u><u>31,546,727</u></u>	\$ <u><u>25,929,695</u></u>	\$ <u><u>47,743,565</u></u>	\$ <u><u>28,662</u></u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 8—DEFERRED/UNAVAILABLE REVENUE:

The following is a summary of deferred/unavailable revenue for the year ended June 30, 2023:

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

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Deferred/Unavailable Revenue		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	\$ -	\$ 3,987,348
Prepaid property taxes due in December 2023, but paid in advance by the taxpayers.	190,260	190,260
Total unavailable/deferred revenue	<u>\$ 190,260</u>	<u>\$ 4,177,608</u>

NOTE 9—COMMITMENTS AND CONTINGENT LIABILITIES:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

At June 30, 2023, the County had the following construction contracts outstanding:

Project	Contractor	Balance June 30, 2023
Middle Road (New Walton) Elementary School	Loughridge & Company	\$ 208,779
Circuit Court Room Renovations	Virtexco Corporation	1,327,643
Route 460 Water Line Extension	Waco Inc	49,585
County Garage Renovation	Loughridge & Company	74,217
Southpointe Business Park Sewer Forcemain Relocation	Perkinson Construction	993,393
Prince George High School Air Handling Unit Upgrades	Warwick Mechanical	3,029,150
South Elementary School HVAC Upgrades	Waco Inc	244,186
Station 8 Electrical Upgrades	Frazier Electrical Contractors	74,452
Route 10 Waterline Extension	Walter C. Via	4,424,001
Total		<u>\$ 10,425,406</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 10—LITIGATION:

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

NOTE 11—RISK MANAGEMENT:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance.

The County is a member of the Virginia Association of Counties Risk Pool (VaCorp) insurance program for its property, automobile, liability, public officials and worker's compensation coverage. The pool is a nonprofit, tax exempt association.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays VaCorp contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Association and claims and 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 continues to carry commercial insurance for all other risks of losses. During the last three fiscal years, settled claims from these risks have not exceeded commercial coverage.

NOTE 12—PENSION PLAN:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Benefit Structures: (Continued)

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—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>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	193	151
Inactive members:		
Vested inactive members	55	21
Non-vested inactive members	56	96
Inactive members active elsewhere in VRS	<u>124</u>	<u>23</u>
Total inactive members	235	140
Active members	<u>252</u>	<u>177</u>
Total covered employees	<u><u>680</u></u>	<u><u>468</u></u>

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 16.44% 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 \$2,764,522 and \$2,206,164 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 6.61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$314,612 and \$347,253 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Net Pension Liability

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

Actuarial Assumptions – General Employees

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

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

Mortality rates:

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Primary Government			
Balances at June 30, 2021	\$ 76,561,846	\$ 71,742,648	\$ 4,819,198
Changes for the year:			
Service cost	\$ 2,177,281	\$ -	\$ 2,177,281
Interest	5,172,107	-	5,172,107
Differences between expected and actual experience	(1,061,094)	-	(1,061,094)
Contributions - employer	-	2,197,849	(2,197,849)
Contributions - employee	-	733,143	(733,143)
Net investment income	-	(70,611)	70,611
Benefit payments, including refunds of employee contributions	(4,230,638)	(4,230,638)	-
Administrative expenses	-	(44,739)	44,739
Other changes	-	1,653	(1,653)
Net changes	\$ 2,057,656	\$ (1,413,343)	\$ 3,470,999
Balances at June 30, 2022	\$ 78,619,502	\$ 70,329,305	\$ 8,290,197
Component School Board (nonprofessional)			
Balances at June 30, 2021	\$ 21,031,995	\$ 21,198,763	\$ (166,768)
Changes for the year:			
Service cost	\$ 414,427	\$ -	\$ 414,427
Interest	1,400,902	-	1,400,902
Differences between expected and actual experience	(1,011,547)	-	(1,011,547)
Contributions - employer	-	338,352	(338,352)
Contributions - employee	-	241,122	(241,122)
Net investment income	-	(14,912)	14,912
Benefit payments, including refunds of employee contributions	(1,384,623)	(1,384,623)	-
Administrative expenses	-	(13,324)	13,324
Other changes	-	479	(479)
Net changes	\$ (580,841)	\$ (832,906)	\$ 252,065
Balances at June 30, 2022	\$ 20,451,154	\$ 20,365,857	\$ 85,297

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

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

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County of Prince George Net Pension Liability (Asset)	\$ 18,551,996	\$ 8,290,197	\$ (139,027)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 2,272,456	\$ 85,297	\$ (1,736,537)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$1,528,146 and (\$113,116), respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,973	1,255,093	85,622	586,527
Change in proportionate share	8,802	8,801	-	-
Change in assumptions	1,245,142	-	109,617	-
Net difference between projected and actual earnings on pension plan investments	-	2,052,248	-	617,925
Employer contributions subsequent to the measurement date	2,764,522	-	314,612	-
Total	\$ 4,079,439	\$ 3,316,142	\$ 509,851	\$ 1,204,452

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

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

\$2,764,522 and \$314,612 were reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>
2024	\$ (538,564)	\$ (466,813)
2025	(950,856)	(410,105)
2026	(1,485,389)	(415,941)
2027	973,583	283,646
Thereafter	-	-

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 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 \$5,958,350 and \$5,657,203 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 Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

At June 30, 2023, the school division reported a liability of \$36,255,392 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was .38081% as compared to .38777% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$993,808. 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.

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	\$ -	\$ 2,499,953
Change in assumptions	3,418,153	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	227,290	1,788,572
Net difference between projected and actual earnings on pension plan investments	-	4,726,944
Employer contributions subsequent to the measurement date	<u>5,958,350</u>	<u>-</u>
Total	<u>\$ 9,603,793</u>	<u>\$ 9,015,469</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

\$5,958,350 was reported as deferred outflows of resources related to pensions resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2024	\$ (1,850,192)
2025	(2,028,366)
2026	(3,476,044)
2027	1,984,576
2028	-

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

Mortality rates:

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

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

		Rate		
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher				
Employee Retirement Plan Net Pension Liability	\$	64,754,905	\$ 36,255,392	\$ 13,050,521

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 <https://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.

Primary Government and Component Unit School Board

Aggregate Pension Information

Pension Plans	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
LOSAP Pension Plan	\$ 414,714	\$ -	\$ 1,227,035	\$ 83,554
VRS Pension Plans:				
Primary Government	4,079,439	3,316,142	8,290,197	1,528,146
Totals	\$ 4,494,153	\$ 3,316,142	\$ 9,517,232	\$ 1,611,700
Component Unit School Board				
VRS Pension Plans:				
School Board Nonprofessional	\$ 509,851	\$ 1,204,452	\$ 85,297	\$ (113,116)
School Board Professional	9,603,793	9,015,469	36,255,392	993,808
Totals	\$ 10,113,644	\$ 10,219,921	\$ 36,340,689	\$ 880,692

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 13—LANDFILL POSTCLOSURE CARE COSTS:

The County closed its landfill prior to the date mandated by state and federal laws and regulations and the Department of Environmental Quality in the Commonwealth of Virginia has indicated the County is no longer liable for post closure care monitoring and maintenance.

NOTE 14—SURETY BONDS:

	Amount
Division of Risk Management Surety:	
Commonwealth Funds	
Joyce B. Jackson, Clerk of the Circuit Court	\$ 400,000
Susan Vargo, Treasurer	500,000
Darlene M. Rowsey, Commissioner of the Revenue	3,000
Roger W. Vargo, Sheriff	30,000
Virginia Association of Counites Risk Pool:	
All County employees covered under Crime Policy	500,000
All Public Officals covered under Public Officials Liability	5,000,000
Virginia Municipal League:	
All School Board employees covered under Crime Policy	500,000

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB):

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

Plan Description

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>32</u>
Inactive members:	
Vested inactive members	<u>4</u>
Active members	<u>177</u>
Total covered employees	<u>213</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board’s (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2023 was .61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were \$33,266 and \$31,515 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions:

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 292,780	\$ 40,488	\$ 252,292
Changes for the year:			
Service cost	\$ 5,663	\$ -	\$ 5,663
Interest	19,506	-	19,506
Differences between expected and actual experience	(27,883)	-	(27,883)
Assumption changes	17,924	-	17,924
Contributions - employer	-	31,562	(31,562)
Net investment income	-	(231)	231
Benefit payments	(18,927)	(18,927)	-
Administrative expenses	-	(96)	96
Other changes	-	4,376	(4,376)
Net changes	\$ (3,717)	\$ 16,684	\$ (20,401)
Balances at June 30, 2022	\$ 289,063	\$ 57,172	\$ 231,891

Sensitivity of the Component Unit School Board's (nonprofessional) HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board's (nonprofessional) Net HIC OPEB Liability	\$ 261,343	\$ 231,891	\$ 206,607

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

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

For the year ended June 30, 2023, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$65,714. At June 30, 2023, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Program from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 34,486	\$ 24,434
Net difference between projected and actual earnings on HIC OPEB plan investments	197	-
Change in assumptions	17,651	-
Employer contributions subsequent to the measurement date	<u>33,266</u>	<u>-</u>
Total	<u>\$ 85,600</u>	<u>\$ 24,434</u>

\$33,266 was reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30

2024	\$ 32,892
2025	(1,449)
2026	(2,149)
2027	(1,240)
2028	(154)
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program 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 <https://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 PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were \$454,465 and \$427,129 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

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

At June 30, 2023, the school division reported a liability of \$4,737,259 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Program was .37927% as compared to .38579% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$304,741. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 193,098
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,755
Change in assumptions	138,400	12,097
Change in proportionate share and difference between actual and expected contributions	18,599	273,836
Employer contributions subsequent to the measurement date	<u>454,465</u>	<u>-</u>
Total	<u>\$ 611,464</u>	<u>\$ 483,786</u>

\$454,465 was reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (88,309)
2025	(78,585)
2026	(61,148)
2027	(29,992)
2028	(36,306)
Thereafter	(32,447)

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Actuarial Assumptions

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

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

Mortality Rates – Teachers

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

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

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

Net Teacher Employee HIC OPEB Liability

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 5,338,945	\$ 4,737,259	\$ 4,227,225

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://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.

Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Plan. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Plan OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is described below:

Eligible Employees

The GLI Plan was established July 1, 1960, for state employees, teachers, and employees of political subdivisions that elect the plan. Basic GLI coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions: (Continued)

employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$93,493 and \$82,045 for the years ended June 30, 2023 and June 30, 2022, respectively, for the County; \$29,612 and \$28,024 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (nonprofessional) and \$203,118 and \$191,313 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (professional).

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

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

At June 30, 2023, the entity reported a liability of \$841,061 for the County; \$287,297 for the School Board (nonprofessional) and \$1,961,112 for the School Board (professional) for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was .06980% as compared to .06870% at June 30, 2021 for the County. At June 30, 2022, the participating employer's proportion was .02390% as compared to .02330% at June 30, 2021 for the School Board (nonprofessional). At June 30, 2022, the participating employer's proportion was .16290% as compared to .16560% at June 30, 2021 for the School Board (professional).

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$30,127 (County), \$14,696 (School Board – nonprofessional) and \$23,652 (School Board – professional). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Primary Government		
Differences between expected and actual experience	\$ 66,601	\$ 33,741
Net difference between projected and actual earnings on GLI OPEB plan investments	-	52,554
Change in assumptions	31,370	81,923
Changes in proportion	42,070	19,944
Employer contributions subsequent to the measurement date	<u>93,493</u>	<u>-</u>
Total	<u>\$ 233,534</u>	<u>\$ 188,162</u>
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 22,750	\$ 11,526
Net difference between projected and actual earnings on GLI OPEB plan investments	-	17,952
Change in assumptions	10,716	27,984
Changes in proportion	34,725	11,465
Employer contributions subsequent to the measurement date	<u>29,612</u>	<u>-</u>
Total	<u>\$ 97,803</u>	<u>\$ 68,927</u>
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 155,295	\$ 78,675
Net difference between projected and actual earnings on GLI OPEB plan investments	-	122,541
Change in assumptions	73,146	191,020
Changes in proportion	788	93,526
Employer contributions subsequent to the measurement date	<u>203,118</u>	<u>-</u>
Total	<u>\$ 432,347</u>	<u>\$ 485,762</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

\$93,493 (County); \$29,612 (School Board nonprofessional); and \$203,118 (School Board professional) were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2024	\$ (10,609)	\$ 731	\$ (68,160)
2025	(5,464)	4,296	(57,560)
2026	(35,782)	(8,137)	(113,309)
2027	7,334	3,251	3,472
2028	(3,600)	(877)	(20,976)
Thereafter	-	-	-

Actuarial Assumptions

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

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

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Mortality Improvement Scale:

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

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<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	<u>100.00%</u>		<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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, employers are assumed

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 1,223,843	\$ 841,061	\$ 531,722
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 418,051	\$ 287,297	\$ 181,630
School Board (professional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 2,853,647	\$ 1,961,112	\$ 1,239,821

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <https://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 PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 12 and the group life benefits described above, the County administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the County provides a fixed basic death benefit for all retirees.

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	227
Total retirees with coverage		11
Total spouses with coverage		<u>1</u>
Total	\$	<u><u>239</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2023 was \$0.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as January 1, 2023.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of January 1, 2023
Salary Increases	2.50% per year for general salary inflations as of January 1, 2023
Discount Rate	3.87% for accounting and funding disclosures as of June 30, 2023

Mortality rates were PUB2010G.H (general employees headcount) for males/females with generational improvements with Scale SSA2022. For those on disability, PUBC2010G.H disabled for males/females with generational improvements with Scale SSA2022. The disability and termination rates have been updated to those in the most recent VRS OPEB valuation.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

Discount Rate

The discount rate used to measure the total OPEB liability is 3.87%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2023.

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2022	\$	4,802,820
Changes for the year:		
Service cost		354,454
Interest		190,303
Difference between expected and actual experience		(990,524)
Changes in assumptions		(162,593)
Net changes		(608,360)
Balances at June 30, 2023	\$	<u>4,194,460</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current discount rate:

Rate		
1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
\$ 4,614,961	\$ 4,194,460	\$ 3,820,080

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.00% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.25%)	Healthcare Cost Trend (6.00% decreasing to 4.25%)	1% Increase (7.00% decreasing to 5.25%)
\$ 3,722,270	\$ 4,194,460	\$ 4,756,854

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

For the year ended June 30, 2023, the County recognized OPEB expense in the amount of \$307,608. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,485,801
Changes in assumptions	359,955	938,605
Total	\$ 359,955	\$ 2,424,406

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

<u>Year Ended June 30</u>		
2024	\$	(237,149)
2025		(237,149)
2026		(237,149)
2027		(237,149)
2028		(237,155)
Thereafter		(878,700)

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

School Board

Plan Description

In addition to the pension benefits described in Note 12 and the health insurance credit and group life benefits described above, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the School Board provides a fixed basic death benefit for all retirees.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

School Board: (Continued)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

Plan Membership

At June 30, 2023 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	570
Total retirees with coverage		21
Total spouses with coverage		<u>8</u>
Total	\$	<u><u>599</u></u>

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was \$103,267.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial Assumptions

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year as of January 1, 2023
Salary Increases	2.50% per year for general salary inflations as of January 1, 2023
Discount Rate	3.87% for accounting and funding disclosures as of June 30, 2023

Mortality rates were PUB2010T.H (general employees headcount) for males/females with generational improvements with Scale SSA2022. For those on disability, PUBC2010G.H disabled for males/females with generational improvements with Scale SSA2022. The disability and termination rates have been updated to those in the most recent VRS OPEB valuation.

The date of the most recent actuarial experience study for which significant assumptions were based is not available.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability is 3.87%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2023.

Changes in Total OPEB Liability

	School Board Total OPEB Liability
Balances at June 30, 2022	\$ 4,311,527
Changes for the year:	
Service cost	300,668
Interest	168,302
Difference between expected and actual experience	(520,173)
Changes in assumptions	(258,361)
Benefit payments	(103,267)
Net changes	(412,831)
Balances at June 30, 2023	\$ 3,898,696

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current discount rate:

Rate		
1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
\$ 4,209,767	\$ 3,898,696	\$ 3,611,209

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)**Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)****School Board: (Continued)*****Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.25% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.25% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.25% decreasing to 3.25%)	Healthcare Cost Trend (6.25% decreasing to 4.25%)	1% Increase (7.25% decreasing to 5.25%)
\$ 3,514,897	\$ 3,898,696	\$ 4,345,726

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

For the year ended June 30, 2023, the School Board recognized OPEB expense in the amount of \$126,966. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,242,552
Changes in assumptions	361,526	1,033,661
Total	\$ 361,526	\$ 3,276,213

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

Year Ended June 30	
2024	\$ (342,004)
2025	(342,004)
2026	(342,004)
2027	(342,004)
2028	(342,002)
Thereafter	(1,204,669)

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB): (CONTINUED)

Aggregate OPEB Information

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan	\$ 233,534	\$ 188,162	\$ 841,061	\$ 30,127
County Stand-Alone Plan	359,955	2,424,406	4,194,460	307,608
Totals	<u>\$ 593,489</u>	<u>\$ 2,612,568</u>	<u>\$ 5,035,521</u>	<u>\$ 337,735</u>

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 97,803	\$ 68,927	\$ 287,297	\$ 14,696
School Board Professional	432,347	485,762	1,961,112	23,652
Teacher Health Insurance Credit Plan	611,464	483,786	4,737,259	304,741
Nonprofessional Health Insurance Credit Program	85,600	24,434	231,891	65,714
School Stand-Alone Plan	361,526	3,276,213	3,898,696	126,966
Totals	<u>\$ 1,588,740</u>	<u>\$ 4,339,122</u>	<u>\$ 11,116,255</u>	<u>\$ 535,769</u>

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM:

Plan Description and Provisions

On January 1, 2001 the Prince George County Board of Supervisors adopted the Length of Service Awards Program for the Prince George County Volunteer Fire Companies and Emergency Crew to recognize the service provided by the volunteers. The plan is a single employer, defined benefit pension plan open to any volunteer emergency service technician or volunteer firefighter who has earned a year of credited service. Participants vest after five years of service and earn a fixed dollar benefit based on years of service. Benefits and refunds of the postemployment defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. No separate financial report is issued for the plan.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)

Plan Description and Provisions: (Continued)

As of June 30, 2023, the date of the most recent actuarial valuation, the program membership consisted of the following:

	LOSAP
Inactive members or their beneficiaries currently receiving benefits	45
Inactive members:	
Vested inactive members	64
Total inactive members	64
Active members	123
Total covered employees	232

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Discount Rate	3.76%
Long term expected rate of return	3.75%

Investments

The following was the County’s adopted asset allocation as of June 30, 2023:

Asset Class (Strategy)	Target Allocation
Fixed Income	96.97%
Cash	3.03%
Total	100.00%

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2023 were as follows:

	LOSAP		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	\$ 2,943,219	\$ 2,155,323	\$ 787,896
Changes for the year:			
Service cost	\$ 31,281	\$ -	\$ 31,281
Interest	107,736	-	107,736
Differences between expected and actual experience	15,622	-	15,622
Change in assumptions	496,379	-	496,379
Contributions - employer	-	141,000	(141,000)
Net investment income	-	70,879	(70,879)
Benefit payments	(107,180)	(107,180)	-
Net changes	\$ 543,838	\$ 104,699	\$ 439,139
Balances at June 30, 2023	\$ 3,487,057	\$ 2,260,022	\$ 1,227,035

The plan's fiduciary net position is 65% of the total pension liability.

Discount Rate

The discount rate used to measure the total pension liability was 3.76%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates at lesser or equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the County, calculated using the discount rate of 3.76%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	<u>1% Decrease</u> <u>(2.76%)</u>	<u>Current</u> <u>Discount</u> <u>Rate</u> <u>(3.76%)</u>	<u>1% Increase</u> <u>(4.76%)</u>
LOSAP			
Net Pension Liability	\$ 1,779,000	\$ 1,227,035	\$ 776,000

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 \$83,554. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LOSAP</u>	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 54,971	-
Change in assumptions	324,250	-
Net difference between projected and actual earnings on pension plan investments	35,493	-
Total	<u>\$ 414,714</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources to pensions will be recognized in pension expense in future accounting periods as follows:

<u>Year ended June 30</u>	<u>LOSAP</u>
2025	\$ 52,181
2026	43,954
2027	40,970
2028	36,803
2029	34,604
Thereafter	206,202

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 17—LEASES RECEIVABLE:

The County leases property to third parties. Lease revenue totaled \$31,168 and \$53,025 for the Governmental and Business-Type Activities respectively for the year ended June 30, 2023. Lease interest revenue totaled \$5,650 and \$2,175 respectively for the year ended June 30, 2023. Discount rates vary on lease receivables from 2.00% to 4.50%. The following summarizes the balances related to these leases for the year ended June 30, 2023:

	Governmental Activities
Appomattox Regional Library	\$ 9,771
Crown Castle	47,697
Cellco dba Verizon	45,533
Total	<u>\$ 103,001</u>
	Business-type Activities
Triton/Cingular Wireless	\$ 40,752
Petersburg Cellular	27,059
Total	<u>\$ 67,811</u>

NOTE 18—UPCOMING PRONOUNCEMENTS:

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

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

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements
As of June 30, 2023 (Continued)

NOTE 18—UPCOMING PRONOUNCEMENTS: (CONTINUED)

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

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

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

NOTE 19—RESTATEMENT OF BEGINNING BALANCES:

The County restated beginning balance to reflect changes in prior year debt balances. The change resulted in the following restatement of net position:

	Primary Government	
		Business-type
	Governmental	Activities
	Activities	Water and Sewer
		Fund
Net position, June 30, 2022, as previously stated	\$ 40,588,785	\$ 30,425,338
Prior year debt reclassification	-	566,448
Prior year debt balance correction	(715,406)	-
Net position, as restated at July 1, 2022	<u>\$ 39,873,379</u>	<u>\$ 30,991,786</u>

Required Supplementary Information

Note to Required Supplementary Information:

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

General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 45,807,124	\$ 45,807,124	\$ 47,343,683	\$ 1,536,559
Other local taxes	7,733,043	7,733,043	8,872,889	1,139,846
Permits, privilege fees, and regulatory licenses	551,730	551,730	748,198	196,468
Fines and forfeitures	352,500	375,162	372,647	(2,515)
Revenue from the use of money and property	309,463	309,463	1,235,639	926,176
Charges for services	1,411,429	1,413,594	1,524,378	110,784
Miscellaneous	-	80,506	191,230	110,724
Recovered costs	232,387	232,387	315,488	83,101
Intergovernmental:				
Commonwealth	9,957,396	10,617,628	10,625,074	7,446
Federal	2,001,736	2,036,149	1,872,602	(163,547)
Total revenues	\$ 68,356,808	\$ 69,156,786	\$ 73,101,828	\$ 3,945,042
EXPENDITURES				
Current:				
General government administration:				
Legislative:				
Board of supervisors	\$ 201,502	\$ 201,502	\$ 254,031	\$ (52,529)
General and financial administration:				
County administrator	\$ 284,391	\$ 395,741	\$ 387,808	\$ 7,933
Human resources	380,653	380,653	372,395	8,258
Legal services	383,399	383,399	373,302	10,097
Commissioner of revenue	560,588	560,588	537,161	23,427
Treasurer	712,590	712,803	664,043	48,760
Assessor	616,167	616,167	642,819	(26,652)
Finance	950,758	950,758	913,566	37,192
Information Technology	1,281,054	1,316,906	1,215,176	101,730
County garage	583,344	593,985	554,353	39,632
Other general and financial administration	814,812	257,133	60,586	196,547
Total general and financial administration	\$ 6,567,756	\$ 6,168,133	\$ 5,721,209	\$ 446,924
Board of elections:				
Registrar	\$ 405,490	\$ 408,937	\$ 413,900	\$ (4,963)
Total general government administration	\$ 7,174,748	\$ 6,778,572	\$ 6,389,140	\$ 389,432
Judicial administration:				
Courts:				
Circuit court	\$ 163,742	\$ 163,742	\$ 152,749	\$ 10,993
General district court	43,200	43,200	55,499	(12,299)
Magistrate	4,321	4,321	2,840	1,481
Sheriff	1,296,619	1,382,904	1,252,811	130,093
Law library	-	2,912	449	2,463

General Fund

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Courts: (Continued)				
Victim witness	\$ 161,963	\$ 162,063	\$ 160,446	\$ 1,617
Clerk of Circuit Court	645,762	708,617	639,486	69,131
Total courts	\$ 2,315,607	\$ 2,467,759	\$ 2,264,280	\$ 203,479
Commonwealth's attorney:				
Commonwealth's attorney	\$ 816,652	\$ 906,559	\$ 869,664	\$ 36,895
Total judicial administration	\$ 3,132,259	\$ 3,374,318	\$ 3,133,944	\$ 240,374
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 7,083,689	\$ 7,591,809	\$ 7,442,127	\$ 149,682
Law enforcement grants	-	216,059	98,181	117,878
Total law enforcement and traffic control	\$ 7,083,689	\$ 7,807,868	\$ 7,540,308	\$ 267,560
Fire and rescue services:				
Volunteer fire departments	\$ 992,074	\$ 1,517,624	\$ 1,100,975	\$ 416,649
LOSAP volunteers	141,000	141,000	141,000	-
Fire and rescue service	4,329,477	4,557,961	4,091,540	466,421
Total fire and rescue services	\$ 5,462,551	\$ 6,216,585	\$ 5,333,515	\$ 883,070
Correction and detention:				
Confinement and care of prisoners	\$ 3,011,402	\$ 3,011,402	\$ 2,441,610	\$ 569,792
Juvenile services - VJCCCA	96,425	96,425	96,512	(87)
Court services	134,680	135,980	93,738	42,242
Total correction and detention	\$ 3,242,507	\$ 3,243,807	\$ 2,631,860	\$ 611,947
Inspections:				
Building	\$ 996,910	\$ 996,910	\$ 958,867	\$ 38,043
Other protection:				
Animal control	\$ 533,517	\$ 533,517	\$ 456,908	\$ 76,609
Emergency services	1,633,484	1,702,941	1,604,133	98,808
Total other protection	\$ 2,167,001	\$ 2,236,458	\$ 2,061,041	\$ 175,417
Total public safety	\$ 18,952,658	\$ 20,501,628	\$ 18,525,591	\$ 1,976,037

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

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 64,645	\$ 80,576	\$ 67,221	\$ 13,355
Total sanitation and waste removal	\$ 64,645	\$ 80,576	\$ 67,221	\$ 13,355
Maintenance of general buildings and grounds:				
General properties	\$ 2,423,036	\$ 2,431,332	\$ 2,378,222	\$ 53,110
Engineering	3,000	3,000	2,236	764
Total maintenance of general buildings and grounds	\$ 2,426,036	\$ 2,434,332	\$ 2,380,458	\$ 53,874
Total public works	\$ 2,490,681	\$ 2,514,908	\$ 2,447,679	\$ 67,229
Health and welfare:				
Health:				
Supplement of local health department	\$ 225,000	\$ 225,000	\$ 197,712	\$ 27,288
Mental health and mental retardation:				
District 19 CSB	\$ 132,867	\$ 132,867	\$ 132,867	\$ -
Welfare:				
Public assistance and welfare administration	\$ 3,578,686	\$ 3,600,686	\$ 3,478,066	\$ 122,620
Comprehensive services	2,473,094	2,484,091	2,077,966	406,125
Tax Relief for the Elderly & Disabled	150,000	150,000	146,810	3,190
Total welfare	\$ 6,201,780	\$ 6,234,777	\$ 5,702,842	\$ 531,935
Total health and welfare	\$ 6,559,647	\$ 6,592,644	\$ 6,033,421	\$ 559,223
Education:				
Other instructional costs:				
Contribution to School Board Component Unit	\$ 17,958,486	\$ 18,145,528	\$ 18,090,714	\$ 54,814
Total education	\$ 17,958,486	\$ 18,145,528	\$ 18,090,714	\$ 54,814
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation department	\$ 1,131,949	\$ 1,154,098	\$ 1,181,901	\$ (27,803)
Farmer's market	16,559	16,559	6,716	9,843

General Fund

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

For the Year Ended June 30, 2023 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Library:				
Contribution to regional library	\$ 645,631	\$ 645,631	\$ 645,631	\$ -
Total parks, recreation, and cultural	\$ 1,794,139	\$ 1,816,288	\$ 1,834,248	\$ (17,960)
Community development:				
Planning and community development:				
Planning department	\$ 340,968	\$ 356,907	\$ 276,007	\$ 80,900
Total planning and community development	\$ 340,968	\$ 356,907	\$ 276,007	\$ 80,900
Environmental management:				
Contribution to soil and water conservation district	\$ 22,000	\$ 22,000	\$ 22,000	\$ -
Resource conservation and development council	3,000	3,000	3,000	-
Total environmental management	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Cooperative extension program:				
Extension office	\$ 81,097	\$ 81,097	\$ 74,080	\$ 7,017
Total community development	\$ 447,065	\$ 463,004	\$ 375,087	\$ 87,917
Total expenditures	\$ 58,509,683	\$ 60,186,890	\$ 56,829,824	\$ 3,357,066
Excess (deficiency) of revenues over (under) expenditures	\$ 9,847,125	\$ 8,969,896	\$ 16,272,004	\$ 7,302,108
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (9,847,125)	\$ (12,947,936)	\$ (12,947,936)	\$ -
Total other financing sources (uses)	\$ (9,847,125)	\$ (12,947,936)	\$ (12,947,936)	\$ -
Net change in fund balances	\$ -	\$ (3,978,040)	\$ 3,324,068	\$ 7,302,108
Fund balances - beginning	-	3,978,040	37,849,167	33,871,127
Fund balances - ending	\$ -	\$ -	\$ 41,173,235	\$ 41,173,235

Schedule of Changes in Net Pension Liability and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 2,177,281	\$ 1,996,147	\$ 1,935,381	\$ 1,719,670	\$ 1,687,722
Interest	5,172,107	4,721,007	4,477,182	4,349,151	4,188,791
Changes of assumptions	-	3,036,714	-	1,933,171	-
Differences between expected and actual experience	(1,061,094)	(1,252,608)	632,605	(731,696)	(443,473)
Benefit payments, including refunds of employee contributions	(4,230,638)	(3,760,512)	(3,105,373)	(3,039,430)	(3,244,955)
Net change in total pension liability	\$ 2,057,656	\$ 4,740,748	\$ 3,939,795	\$ 4,230,866	\$ 2,188,085
Total pension liability - beginning	76,561,846	71,821,098	67,881,303	63,650,437	61,462,352
Total pension liability - ending (a)	<u>\$ 78,619,502</u>	<u>\$ 76,561,846</u>	<u>\$ 71,821,098</u>	<u>\$ 67,881,303</u>	<u>\$ 63,650,437</u>
Plan fiduciary net position					
Contributions - employer	\$ 2,197,849	\$ 2,048,655	\$ 2,034,732	\$ 1,902,865	\$ 1,775,463
Contributions - employee	733,143	683,395	691,737	649,145	617,252
Net investment income	(70,611)	15,608,529	1,069,758	3,574,949	3,734,158
Benefit payments, including refunds of employee contributions	(4,230,638)	(3,760,512)	(3,105,373)	(3,039,430)	(3,244,955)
Administrative expense	(44,739)	(38,717)	(36,371)	(34,946)	(32,283)
Other	1,653	1,473	(1,290)	(2,257)	(3,320)
Net change in plan fiduciary net position	\$ (1,413,343)	\$ 14,542,823	\$ 653,193	\$ 3,050,326	\$ 2,846,315
Plan fiduciary net position - beginning	71,742,648	57,199,825	56,546,632	53,496,306	50,649,991
Plan fiduciary net position - ending (b)	<u>\$ 70,329,305</u>	<u>\$ 71,742,648</u>	<u>\$ 57,199,825</u>	<u>\$ 56,546,632</u>	<u>\$ 53,496,306</u>
County's net pension liability - ending (a) - (b)	\$ 8,290,197	\$ 4,819,198	\$ 14,621,273	\$ 11,334,671	\$ 10,154,131
Plan fiduciary net position as a percentage of the total pension liability	89.46%	93.71%	79.64%	83.30%	84.05%
Covered payroll	\$ 15,148,810	\$ 14,112,573	\$ 14,273,382	\$ 13,288,929	\$ 12,417,476
County's net pension liability as a percentage of covered payroll	54.73%	34.15%	102.44%	85.29%	81.77%

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

Schedule of Changes in Net Pension Liability and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 1,724,984	\$ 1,631,572	\$ 1,613,853	\$ 1,467,866
Interest	4,120,883	3,916,207	3,699,509	3,513,756
Changes of assumptions	(81)	-	-	-
Differences between expected and actual experience	(1,906,805)	(1,580)	329,000	-
Benefit payments, including refunds of employee contributions	(2,692,781)	(2,551,709)	(2,541,646)	(2,114,367)
Net change in total pension liability	\$ 1,246,200	\$ 2,994,490	\$ 3,100,716	\$ 2,867,255
Total pension liability - beginning	60,216,152	57,221,662	54,120,946	51,253,691
Total pension liability - ending (a)	<u>\$ 61,462,352</u>	<u>\$ 60,216,152</u>	<u>\$ 57,221,662</u>	<u>\$ 54,120,946</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,785,303	\$ 1,925,702	\$ 1,906,737	\$ 1,913,168
Contributions - employee	613,996	606,201	603,046	593,887
Net investment income	5,541,986	781,596	1,968,791	5,814,591
Benefit payments, including refunds of employee contributions	(2,692,781)	(2,551,709)	(2,541,646)	(2,114,367)
Administrative expense	(31,674)	(27,427)	(26,604)	(30,700)
Other	(4,950)	(332)	(414)	306
Net change in plan fiduciary net position	\$ 5,211,880	\$ 734,031	\$ 1,909,910	\$ 6,176,885
Plan fiduciary net position - beginning	45,438,111	44,704,080	42,794,170	36,617,285
Plan fiduciary net position - ending (b)	<u>\$ 50,649,991</u>	<u>\$ 45,438,111</u>	<u>\$ 44,704,080</u>	<u>\$ 42,794,170</u>
County's net pension liability - ending (a) - (b)	\$ 10,812,361	\$ 14,778,041	\$ 12,517,582	\$ 11,326,776
Plan fiduciary net position as a percentage of the total pension liability	82.41%	75.46%	78.12%	79.07%
Covered payroll	\$ 12,437,319	\$ 12,301,757	\$ 12,155,198	\$ 11,848,964
County's net pension liability as a percentage of covered payroll	86.93%	120.13%	102.98%	95.59%

Schedule of Changes in Net Pension Liability and Related Ratios - Pension Plans
 Component Unit School Board (nonprofessional)
 For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 414,427	\$ 424,362	\$ 417,680	\$ 353,840	\$ 377,036
Interest	1,400,902	1,279,032	1,259,700	1,252,121	1,234,247
Changes of assumptions	-	548,083	-	456,178	-
Differences between expected and actual experience	(1,011,547)	428,110	(79,409)	(47,828)	(292,564)
Benefit payments	(1,384,623)	(1,192,421)	(1,430,714)	(1,048,362)	(1,078,384)
Net change in total pension liability	\$ (580,841)	\$ 1,487,166	\$ 167,257	\$ 965,949	\$ 240,335
Total pension liability - beginning	21,031,995	19,544,829	19,377,572	18,411,623	18,171,288
Total pension liability - ending (a)	\$ 20,451,154	\$ 21,031,995	\$ 19,544,829	\$ 19,377,572	\$ 18,411,623
Plan fiduciary net position					
Contributions - employer	\$ 338,352	\$ 316,606	\$ 348,886	\$ 319,251	\$ 331,061
Contributions - employee	241,122	219,919	224,879	205,319	177,826
Net investment income	(14,912)	4,638,272	333,023	1,125,599	1,209,522
Benefit payments	(1,384,623)	(1,192,421)	(1,430,714)	(1,048,362)	(1,078,384)
Administrator charges	(13,324)	(11,841)	(11,736)	(11,400)	(10,683)
Other	479	435	(388)	(709)	(1,066)
Net change in plan fiduciary net position	\$ (832,906)	\$ 3,970,970	\$ (536,050)	\$ 589,698	\$ 628,276
Plan fiduciary net position - beginning	21,198,763	17,227,793	17,763,843	17,174,145	16,545,869
Plan fiduciary net position - ending (b)	\$ 20,365,857	\$ 21,198,763	\$ 17,227,793	\$ 17,763,843	\$ 17,174,145
School subdivision's net pension liability - ending (a) - (b)	\$ 85,297	\$ (166,768)	\$ 2,317,036	\$ 1,613,729	\$ 1,237,478
Plan fiduciary net position as a percentage of the total pension liability	99.58%	100.79%	88.15%	91.67%	93.28%
Covered payroll	\$ 5,166,471	\$ 4,799,615	\$ 4,862,382	\$ 4,338,783	\$ 3,836,815
School subdivision's net pension liability as a percentage of covered payroll	1.65%	-3.47%	47.65%	37.19%	32.25%

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

Schedule of Changes in Net Pension Liability and Related Ratios - Pension Plans
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2022

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 406,040	\$ 417,396	\$ 428,123	\$ 409,306
Interest	1,219,527	1,223,081	1,181,493	1,135,508
Changes of assumptions	(206,348)	-	-	-
Differences between expected and actual experience	(192,234)	(724,912)	(66,650)	-
Benefit payments	(955,012)	(977,659)	(920,068)	(855,679)
Net change in total pension liability	\$ 271,973	\$ (62,094)	\$ 622,898	\$ 689,135
Total pension liability - beginning	17,899,315	17,961,409	17,338,511	16,649,376
Total pension liability - ending (a)	\$ 18,171,288	\$ 17,899,315	\$ 17,961,409	\$ 17,338,511
Plan fiduciary net position				
Contributions - employer	\$ 355,732	\$ 434,571	\$ 441,561	\$ 471,667
Contributions - employee	190,544	190,538	194,358	205,593
Net investment income	1,822,949	258,910	670,676	2,031,194
Benefit payments	(955,012)	(977,659)	(920,068)	(855,679)
Administrator charges	(10,692)	(9,483)	(9,320)	(11,024)
Other	(1,617)	(111)	(143)	107
Net change in plan fiduciary net position	\$ 1,401,904	\$ (103,234)	\$ 377,064	\$ 1,841,858
Plan fiduciary net position - beginning	15,143,965	15,247,199	14,870,135	13,028,277
Plan fiduciary net position - ending (b)	\$ 16,545,869	\$ 15,143,965	\$ 15,247,199	\$ 14,870,135
School subdivision's net pension liability - ending (a) - (b)	\$ 1,625,419	\$ 2,755,350	\$ 2,714,210	\$ 2,468,376
Plan fiduciary net position as a percentage of the total pension liability	91.06%	84.61%	84.89%	85.76%
Covered payroll	\$ 3,935,335	\$ 3,885,016	\$ 3,930,143	\$ 4,107,517
School subdivision's net pension liability as a percentage of covered payroll	41.30%	70.92%	69.06%	60.09%

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

	2022	2021	2020	2019	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.38081%	0.38770%	0.39540%	0.39127%	0.40418%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 36,255,392	\$ 30,102,962	\$ 57,536,718	\$ 51,493,355	\$ 47,531,000
Employer's Covered Payroll	35,308,841	34,118,863	34,406,830	32,824,265	35,074,106
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	102.68%	88.23%	167.22%	156.88%	135.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.61%	85.46%	71.47%	73.51%	74.81%

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

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

	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.41019%	0.42124%	0.41460%	0.42720%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 50,445,000	\$ 59,033,000	\$ 52,186,000	\$ 51,625,000
Employer's Covered Payroll	32,307,287	32,125,441	26,635,819	26,967,312
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156.14%	183.76%	195.92%	191.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plans
 Years Ended June 30, 2014 through June 30, 2023

Date	Contributions in Relation to					Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)		
County:						
2023	\$ 2,764,522	\$ 2,764,522	\$ -	\$ 17,307,248	15.97%	
2022	2,206,164	2,206,164	-	15,148,810	14.56%	
2021	2,051,146	2,051,146	-	14,112,573	14.53%	
2020	2,036,997	2,036,997	-	14,273,382	14.27%	
2019	1,905,449	1,905,449	-	13,288,929	14.34%	
2018	1,775,595	1,775,595	-	12,417,476	14.30%	
2017	1,782,156	1,782,156	-	12,437,319	14.33%	
2016	1,825,702	1,825,702	-	12,301,757	14.84%	
2015	1,912,013	1,912,013	-	12,155,198	15.73%	
2014	1,913,608	1,913,608	-	11,848,964	16.15%	
School Board - Non-Professionals:						
2023	\$ 314,612	\$ 314,612	\$ -	\$ 5,453,458	5.77%	
2022	347,253	347,253	-	5,166,471	6.72%	
2021	323,364	323,364	-	4,799,615	6.74%	
2020	353,871	353,871	-	4,862,382	7.28%	
2019	322,212	322,212	-	4,338,783	7.43%	
2018	331,058	331,058	-	3,836,815	8.63%	
2017	363,984	363,984	-	3,935,335	9.25%	
2016	434,571	434,571	-	3,885,016	11.19%	
2015	443,713	443,713	-	3,930,143	11.29%	
2014	448,541	448,541	-	4,107,517	10.92%	
School Board - Professionals:						
2023	\$ 5,958,350	\$ 5,958,350	\$ -	\$ 37,559,097	15.86%	
2022	5,657,203	5,657,203	-	35,308,841	16.02%	
2021	5,485,844	5,485,844	-	34,118,863	16.08%	
2020	5,253,823	5,253,823	-	34,406,830	15.27%	
2019	5,031,204	5,031,204	-	32,824,265	15.33%	
2018	5,095,114	5,095,114	-	35,074,106	14.53%	
2017	4,687,068	4,687,068	-	32,307,287	14.51%	
2016	4,516,837	4,516,837	-	32,125,441	14.06%	
2015	4,323,112	4,323,112	-	26,635,819	16.23%	

The School Board Professional schedule is intended to report information for 10 years. 2015 is the first year for this presentation, no other data is available. Additional years will be included when available.

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

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Net Pension Liability and Related Ratios
Pension Trust Fund
For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total pension liability:						
Service costs	\$ 31,281	\$ 82,655	\$ 84,774	\$ 81,128	\$ 55,169	\$ 73,069
Interest cost	107,736	117,403	121,704	125,859	123,115	120,949
Change due to differences in experience	15,622	23,251	38,691	(24,181)	15,615	(4,863)
Change in assumptions	496,379	(656,548)	69,405	264,215	305,983	(46,581)
Benefit payments	(107,180)	(107,055)	(100,105)	(112,694)	(88,550)	(86,045)
Net change in total pension liability	\$ 543,838	\$ (540,294)	\$ 214,469	\$ 334,327	\$ 411,332	\$ 56,529
Total pension liability - beginning	2,943,219	3,483,513	3,269,044	2,934,717	2,523,385	2,466,856
Total pension liability - ending	<u>\$ 3,487,057</u>	<u>\$ 2,943,219</u>	<u>\$ 3,483,513</u>	<u>\$ 3,269,044</u>	<u>\$ 2,934,717</u>	<u>\$ 2,523,385</u>
Plan fiduciary net position:						
Employer contributions	\$ 141,000	\$ 141,000	\$ 141,000	\$ 141,000	\$ 135,000	\$ 135,000
Net investment income	70,879	57,343	64,431	48,682	47,825	44,633
Benefit payments	(107,180)	(107,055)	(100,105)	(112,694)	(88,550)	(86,045)
Net change in plan fiduciary net position	\$ 104,699	\$ 91,288	\$ 105,326	\$ 76,988	\$ 94,275	\$ 93,588
Plan fiduciary net position - beginning	2,155,323	2,064,035	1,958,709	1,881,721	1,787,446	1,693,858
Plan fiduciary net position - ending	<u>\$ 2,260,022</u>	<u>\$ 2,155,323</u>	<u>\$ 2,064,035</u>	<u>\$ 1,958,709</u>	<u>\$ 1,881,721</u>	<u>\$ 1,787,446</u>
Net pension liability	<u>\$ 1,227,035</u>	<u>\$ 787,896</u>	<u>\$ 1,419,478</u>	<u>\$ 1,310,335</u>	<u>\$ 1,052,996</u>	<u>\$ 735,939</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>\$ 65%</u>	<u>\$ 73%</u>	<u>\$ 59%</u>	<u>\$ 60%</u>	<u>\$ 64%</u>	<u>\$ 71%</u>

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

Schedule of Employer Contributions

Pension Trust Fund

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution	\$ 144,598	\$ 144,755	\$ 127,637	\$ 172,160	\$ 140,657	\$ 140,087	\$ 138,239	\$ 148,854	\$ 144,746	\$ 165,601
Contributions in relation to the actuarially determined contribution	<u>104,500</u>	<u>104,500</u>	<u>104,500</u>	<u>104,500</u>	<u>135,000</u>	<u>135,000</u>	<u>141,000</u>	<u>141,000</u>	<u>141,000</u>	<u>141,000</u>
Contribution deficiency (excess)	<u>\$ (40,098)</u>	<u>\$ (40,255)</u>	<u>\$ (23,137)</u>	<u>\$ (67,660)</u>	<u>\$ (5,657)</u>	<u>\$ (5,087)</u>	<u>\$ 2,761</u>	<u>\$ (7,854)</u>	<u>\$ (3,746)</u>	<u>\$ (24,601)</u>

This schedule is intended to report information for 10 years. Information prior to the 2014 is not available. However, additional years will be included as they become available.

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar on a closed amortization period
Remaining amortization period	10 years
Inflation	2.50%
Investment rate of return	3.75%

Schedule of Changes in the Component Unit School Board's (nonprofessional) Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total HIC OPEB Liability					
Service cost	\$ 5,663	\$ 7,288	\$ 6,970	\$ 5,833	\$ 6,200
Interest	19,506	18,524	16,901	11,047	(410)
Changes of benefit terms	-	-	12,715	-	-
Differences between expected and actual experience	(27,883)	(3,322)	3,397	85,304	171,164
Changes in assumptions	17,924	3,721	-	5,886	-
Benefit payments	(18,927)	(15,722)	(16,149)	(14,867)	(11,700)
Net change in total HIC OPEB liability	\$ (3,717)	\$ 10,489	\$ 23,834	\$ 93,203	\$ 165,254
Total HIC OPEB Liability - beginning	292,780	282,291	258,457	165,254	-
Total HIC OPEB Liability - ending (a)	\$ 289,063	\$ 292,780	\$ 282,291	\$ 258,457	\$ 165,254
Plan fiduciary net position					
Contributions - employer	\$ 31,562	\$ 29,269	\$ 23,340	\$ 21,211	\$ 17,292
Net investment income	(231)	6,692	368	669	268
Benefit payments	(18,927)	(15,722)	(16,149)	(14,867)	(11,700)
Administrative expense	(96)	(122)	(36)	(14)	(10)
Other	4,376	-	-	(1)	-
Net change in plan fiduciary net position	\$ 16,684	\$ 20,117	\$ 7,523	\$ 6,998	\$ 5,850
Plan fiduciary net position - beginning	40,488	20,371	12,848	5,850	-
Plan fiduciary net position - ending (b)	\$ 57,172	\$ 40,488	\$ 20,371	\$ 12,848	\$ 5,850
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 231,891	\$ 252,292	\$ 261,920	\$ 245,609	\$ 159,404
Plan fiduciary net position as a percentage of the total HIC OPEB liability	19.78%	13.83%	7.22%	4.97%	3.54%
Covered payroll	\$ 5,166,471	\$ 4,799,615	\$ 4,862,382	\$ 4,338,783	\$ 4,338,783
School Board's net HIC OPEB liability as a percentage of covered payroll	4.49%	5.26%	5.39%	5.66%	3.67%

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

Schedule of Employer Contributions in the Component Unit School Board's (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2019 through June 30, 2023

Date	Contributions in Relation to			Contributions	
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	as a % of Covered Payroll (5)
2023	\$ 33,266	\$ 33,266	\$ -	\$ 5,453,458	0.61%
2022	31,515	31,515	-	5,166,471	0.61%
2021	29,278	29,278	-	4,799,615	0.61%
2020	23,339	23,339	-	4,862,382	0.48%
2019	20,826	20,826	-	4,338,783	0.48%

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

Notes to Required Supplementary Information in the Component Unit School Board's (nonprofessional)
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2023

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2022	0.37927% \$	4,737,259 \$	35,348,677	13.40%	15.08%
2021	0.38579%	4,951,882	34,118,863	14.51%	13.15%
2020	0.39247%	5,119,836	34,406,830	14.88%	9.95%
2019	0.39005%	5,106,134	32,716,090	15.61%	8.97%
2018	0.40374%	5,126,000	32,697,249	15.68%	8.08%
2017	0.40934%	5,193,000	32,336,732	16.06%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 454,465	\$ 454,465	\$ -	\$ 37,559,097	1.21%
2022	427,719	427,719	-	35,348,677	1.21%
2021	412,838	412,838	-	34,118,863	1.21%
2020	412,882	412,882	-	34,406,830	1.20%
2019	392,593	392,593	-	32,716,090	1.20%
2018	398,264	398,264	-	32,697,249	1.22%
2017	358,589	358,589	-	32,336,732	1.11%

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

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

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

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

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2022	0.06980%	\$ 841,061	\$ 15,193,596	5.54%	67.21%
2021	0.06870%	799,738	14,182,483	5.64%	67.45%
2020	0.06970%	1,163,513	14,347,917	8.11%	52.64%
2019	0.06729%	1,105,239	13,315,573	8.30%	52.00%
2018	0.06548%	995,000	12,450,965	7.99%	51.22%
2017	0.06792%	1,022,000	12,527,854	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2022	0.02390%	\$ 287,297	\$ 5,189,665	5.54%	67.21%
2021	0.02330%	271,391	4,811,622	5.64%	67.45%
2020	0.02370%	395,848	4,880,818	8.11%	52.64%
2019	0.02217%	360,765	4,346,078	8.30%	52.00%
2018	0.01942%	295,000	3,692,563	7.99%	51.22%
2017	0.02143%	323,000	3,953,134	8.17%	48.86%
Component Unit School Board (professional)					
2022	0.16290%	\$ 1,961,112	\$ 35,428,419	5.54%	67.21%
2021	0.16560%	1,928,034	34,190,556	5.64%	67.45%
2020	0.16740%	2,793,298	34,448,169	8.11%	52.64%
2019	0.16728%	2,722,091	32,793,271	8.30%	52.00%
2018	0.17196%	2,612,000	32,697,249	7.99%	51.22%
2017	0.17310%	2,638,000	32,336,732	8.16%	48.86%

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

Schedule of Employer Contributions

Group Life Insurance (GLI) Plan

For the Years Ended June 30, 2017 through June 30, 2023

Date		Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government						
2023	\$	93,493	\$ 93,493	\$ -	\$ 17,313,511	0.54%
2022		82,045	82,045	-	15,193,596	0.54%
2021		76,585	76,585	-	14,182,483	0.54%
2020		74,609	74,609	-	14,347,917	0.52%
2019		69,241	69,241	-	13,315,573	0.52%
2018		65,238	65,238	-	12,450,965	0.52%
2017		65,145	65,145	-	12,527,854	0.52%
Component Unit School Board (nonprofessional)						
2023	\$	29,612	\$ 29,612	\$ -	\$ 5,483,789	0.54%
2022		28,024	28,024	-	5,189,665	0.54%
2021		25,983	25,983	-	4,811,622	0.54%
2020		25,380	25,380	-	4,880,818	0.52%
2019		22,600	22,600	-	4,346,078	0.52%
2018		19,426	19,426	-	3,692,563	0.53%
2017		20,556	20,556	-	3,953,134	0.52%
Component Unit School Board (professional)						
2023	\$	203,118	\$ 203,118	\$ -	\$ 37,614,495	0.54%
2022		191,313	191,313	-	35,428,419	0.54%
2021		184,629	184,629	-	34,190,556	0.54%
2020		179,130	179,130	-	34,448,169	0.52%
2019		170,045	170,045	-	32,793,271	0.52%
2018		171,742	171,742	-	32,697,249	0.53%
2017		168,151	168,151	-	32,336,732	0.52%

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

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Total OPEB Liability and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 354,454	\$ 345,809	\$ 197,028	\$ 192,222	\$ 96,043	\$ 93,700
Interest	190,303	106,611	126,175	141,762	102,426	97,005
Changes in assumptions	(162,593)	(856,471)	262,234	282,066	(164,294)	(14,655)
Changes in benefit terms	-	-	-	-	2,289,643	-
Differences between expected and actual experience	(990,524)	-	(331,534)	-	(673,409)	-
Benefit payments	-	-	-	-	(92,945)	(55,013)
Net change in total OPEB liability	\$ (608,360)	\$ (404,051)	\$ 253,903	\$ 616,050	\$ 1,557,464	\$ 121,037
Total OPEB liability - beginning	4,802,820	5,206,871	4,952,968	4,336,918	2,779,454	2,658,417
Total OPEB liability - ending	\$ 4,194,460	\$ 4,802,820	\$ 5,206,871	\$ 4,952,968	\$ 4,336,918	\$ 2,779,454
 Covered employee payroll	 \$ 17,343,887	 \$ 15,213,154	 \$ 14,135,095	 \$ 14,364,766	 \$ 13,386,741	 \$ 9,602,174
 County's total OPEB liability (asset) as a percentage of covered employee payroll	 24.18%	 31.57%	 36.84%	 34.48%	 32.40%	 28.95%

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

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

Valuation Date: 1/1/2023
Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.87% as of June 30, 2023
Inflation	2.50% per year as of January 1, 2023
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.00% in 2023 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010G.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA2022. The disability and termination rates have been updated to those used in the most recent VRS OPEB valuation.

Schedule of Changes in Total OPEB Liability and Related Ratios
 Component Unit - School Board
 For the Measurement Dates of June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 300,668	\$ 293,335	\$ 265,708	\$ 259,227	\$ 267,064	\$ 260,550
Interest	168,302	94,798	141,515	165,449	244,151	227,986
Changes in assumptions	(258,361)	(671,468)	207,858	308,450	(384,313)	(33,108)
Differences between expected and actual experience	(520,173)	-	(1,241,001)	-	(1,438,147)	-
Benefit payments	(103,267)	(97,948)	(381,067)	(119,102)	(159,411)	(84,346)
Net change in total OPEB liability	\$ (412,831)	\$ (381,283)	\$ (1,006,987)	\$ 614,024	\$ (1,470,656)	\$ 371,082
Total OPEB liability - beginning	4,311,527	4,692,810	5,699,797	5,085,773	6,556,429	6,185,347
Total OPEB liability - ending	\$ 3,898,696	\$ 4,311,527	\$ 4,692,810	\$ 5,699,797	\$ 5,085,773	\$ 6,556,429
 Covered employee payroll	 \$ 45,038,412	 \$ 41,391,980	 \$ 39,643,392	 \$ 38,653,622	 \$ 36,566,162	 \$ 23,107,306
 County's total OPEB liability (asset) as a percentage of covered employee payroll	 8.66%	 10.42%	 11.84%	 14.75%	 13.91%	 28.37%

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

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

Valuation Date: 1/1/2023
Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.87% as of June 30, 2023
Inflation	2.50% per year as of June 30, 2023
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.25% in 2023 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010T.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA2022. The disability and termination rates have been updated to those used in the most recent VRS OPEB valuation.

Other Supplementary Information

County Capital Projects Fund

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

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Revenue from local sources:				
Revenue from the use of money and property	\$ 100,229	\$ 294,420	\$ 513,714	\$ 219,294
Miscellaneous	-	500	29,044	28,544
Total revenues	\$ 100,229	\$ 294,920	\$ 542,758	\$ 247,838
EXPENDITURES				
Current:				
General government administration				
Courthouse renovations	\$ 5,957	\$ 5,957	\$ 5,803	\$ 154
Garage renovation	2,660,154	2,660,154	2,486,148	174,006
Vehicle replacement	92,000	112,299	116,279	(3,980)
County admin chiller	87,614	123,208	123,208	-
Circuit court renovation	42,568	2,045,369	144,682	1,900,687
Miscellaneous outlays / projects	114,751	160,878	16,210	144,668
Total general government administration	\$ 3,003,044	\$ 5,107,865	\$ 2,892,330	\$ 2,215,535
Public safety				
Police vehicles	\$ 101,218	\$ 373,218	\$ 94,004	\$ 279,214
In car cameras	5,991	5,991	-	5,991
Fire / EMS apparatus and equipment	261,013	722,464	68,005	654,459
Fire / EMS vehicle replacement	4,555	54,555	42,008	12,547
Crew building electrical upgrades	127,970	147,680	52,436	95,244
Other public safety projects	2,890,229	2,638,283	-	2,638,283
Jefferson Park fire station	24,746	256,982	25,414	231,568
Building inspector software	3,493	3,493	-	3,493
Radio project	5,777,841	5,777,841	4,942,306	835,535
Total public safety	\$ 9,197,056	\$ 9,980,507	\$ 5,224,173	\$ 4,756,334
Public works				
Utility route 156 water extension	\$ 99,500	\$ 30,911	\$ 30,911	\$ -
Utility temple avenue tank	417,500	535,500	438,843	96,657
Scott road parking lot	311,230	311,230	-	311,230
Utility blackwater pump station	2,037,500	2,037,500	359,220	1,678,280
Utility Food Lion water upgrades	210,445	336,004	326,164	9,840
Total public works	\$ 3,076,175	\$ 3,251,145	\$ 1,155,138	\$ 2,096,007
Parks, recreation, and cultural:				
Central Wellness Center	\$ 46,128	\$ 46,128	\$ -	\$ 46,128
Community center parking lot	1,392	1,392	-	1,392
Parks vehicle replacement	4,520	40,520	-	40,520
CDCC vehicle replacement	9,153	-	-	-
Convenience station	121,119	121,119	83,829	37,290
Total parks, recreation and cultural	\$ 182,312	\$ 209,159	\$ 83,829	\$ 125,330

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
School bus replacement	\$ 7,373	\$ 512,662	\$ 503,124	\$ 9,538
School technology	25,438	25,438	25,438	-
School restroom and lockerroom renovation	384,842	384,842	322,272	62,570
Harrison roof	34,316	34,316	-	34,316
Fire alarm replacement	50,000	50,000	41,565	8,435
Moore water improvements	2,281	2,281	-	2,281
Bleacher replacement	4,600	4,600	-	4,600
Walton Elementary improvements	9,449,282	9,595,145	9,434,163	160,982
Total education	\$ 9,958,132	\$ 10,609,284	\$ 10,326,562	\$ 282,722
Debt service:				
Bond issuance cost	\$ 156,083	\$ -	\$ -	\$ -
Total expenditures	\$ 25,572,802	\$ 29,157,960	\$ 19,682,032	\$ 9,475,928
Excess (deficiency) of revenues over (under) expenditures	\$ (25,472,573)	\$ (28,863,040)	\$ (19,139,274)	\$ 9,723,766
OTHER FINANCING SOURCES (USES)				
Transfer in	\$ 75,733	\$ 3,259,211	\$ 6,555,926	\$ 3,296,715
Issuance of debt	345,875	7,064,796	-	(7,064,796)
Total other financing sources (uses)	\$ 421,608	\$ 10,324,007	\$ 6,555,926	\$ (3,768,081)
Net change in fund balances	\$ (25,050,965)	\$ (18,539,033)	\$ (12,583,348)	\$ 5,955,685
Fund balances - beginning	25,050,965	18,539,033	22,106,233	3,567,200
Fund balances - ending	\$ -	\$ -	\$ 9,522,885	\$ 9,522,885

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES				
Debt Service - School Obligations:				
Principal retirement	\$ 1,627,002	\$ 1,627,002	\$ 1,627,002	\$ -
Interest and other fiscal charges	1,214,490	1,214,490	1,212,914	1,576
Total debt service school obligations	<u>\$ 2,841,492</u>	<u>\$ 2,841,492</u>	<u>\$ 2,839,916</u>	<u>\$ 1,576</u>
Debt Service - County Obligations:				
Principal retirement	\$ 4,441,000	\$ 4,441,000	\$ 4,441,000	\$ -
Interest and other fiscal charges	1,848,323	1,848,323	1,323,430	524,893
Total debt service county obligations	<u>\$ 6,289,323</u>	<u>\$ 6,289,323</u>	<u>\$ 5,764,430</u>	<u>\$ 524,893</u>
Total expenditures:				
Principal retirement	\$ 6,068,002	\$ 6,068,002	\$ 6,068,002	\$ -
Interest and other fiscal charges	3,062,813	3,062,813	2,536,344	526,469
Total expenditures	<u>\$ 9,130,815</u>	<u>\$ 9,130,815</u>	<u>\$ 8,604,346</u>	<u>\$ 526,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (9,130,815)</u>	<u>\$ (9,130,815)</u>	<u>\$ (8,604,346)</u>	<u>\$ 526,469</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 9,130,815</u>	<u>\$ 9,130,815</u>	<u>\$ 9,130,815</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 526,469	\$ 526,469
Fund balances - beginning	-	-	3,074,676	3,074,676
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,601,145</u>	<u>\$ 3,601,145</u>

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 6,978,644	\$ 401,259	\$ (6,577,385)
Total revenues	\$ -	\$ 6,978,644	\$ 401,259	\$ (6,577,385)
EXPENDITURES				
General government administration	\$ -	\$ 235,177	\$ 75,004	\$ 160,173
Public safety	-	743,467	-	743,467
Public works	-	6,000,000	326,255	5,673,745
Total expenditures	\$ -	\$ 6,978,644	\$ 401,259	\$ 6,577,385
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet
Nonmajor Governmental Funds
At June 30, 2023

	Community Corrections Fund	Economic Development Fund	Asset Forfeiture Fund	Stormwater Fund	Tourism Fund	Opioid Fund	LATCF Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 90,681	\$ 1,778,554	\$ 97,860	\$ 2,222,396	\$ 404,571	\$ 104,628	\$ 50,000	\$ 4,748,690
Receivables (net of allowance for uncollectibles):								
Accounts receivable	-	306,687	-	11,250	67,586	324,490	-	710,013
Due from other governmental units	561	6,000	-	-	34,568	-	-	41,129
Total assets	<u>\$ 91,242</u>	<u>\$ 2,091,241</u>	<u>\$ 97,860</u>	<u>\$ 2,233,646</u>	<u>\$ 506,725</u>	<u>\$ 429,118</u>	<u>\$ 50,000</u>	<u>\$ 5,499,832</u>
LIABILITIES								
Accounts payable	\$ 20,603	\$ 11,113	\$ -	\$ 300	\$ 83,997	\$ -	\$ -	\$ 116,013
Unearned revenue	-	-	34,959	-	-	-	50,000	84,959
Accrued liabilities	3,698	973	-	-	-	-	-	4,671
Total liabilities	<u>\$ 24,301</u>	<u>\$ 12,086</u>	<u>\$ 34,959</u>	<u>\$ 300</u>	<u>\$ 83,997</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 205,643</u>
DEFERRED INFLOWS OF RESOURCES								
Opioid settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,490	\$ -	\$ 324,490
FUND BALANCES								
Restricted:								
Special revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,628	\$ -	\$ 104,628
Assigned:								
Special revenue	<u>\$ 66,941</u>	<u>\$ 2,079,155</u>	<u>\$ 62,901</u>	<u>\$ 2,233,346</u>	<u>\$ 422,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,865,071</u>
Total fund balances	<u>\$ 66,941</u>	<u>\$ 2,079,155</u>	<u>\$ 62,901</u>	<u>\$ 2,233,346</u>	<u>\$ 422,728</u>	<u>\$ 104,628</u>	<u>\$ -</u>	<u>\$ 4,969,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 91,242</u>	<u>\$ 2,091,241</u>	<u>\$ 97,860</u>	<u>\$ 2,233,646</u>	<u>\$ 506,725</u>	<u>\$ 429,118</u>	<u>\$ 50,000</u>	<u>\$ 5,499,832</u>

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

	Community Corrections Fund	Economic Development Fund	Asset Forfeiture Fund	Stormwater Fund	Tourism Fund	Crater Workforce Fund	Opioid Fund	Total Nonmajor Governmental Funds
REVENUES								
Other local taxes	\$ -	\$ 1,795,260	\$ -	\$ 492,873	\$ 855,367	\$ -	\$ -	\$ 3,143,500
Revenue from the use of money and property	-	-	-	3,056	-	-	-	3,056
Charges for services	27,445	-	-	-	-	-	-	27,445
Miscellaneous	-	-	-	-	22,338	-	90,355	112,693
Recovered costs	141,968	-	-	-	-	-	-	141,968
Intergovernmental:								
Commonwealth	730,651	-	20,973	-	-	-	-	751,624
Federal	-	8,250	-	-	95,012	1,805,640	-	1,908,902
Total revenues	<u>\$ 900,064</u>	<u>\$ 1,803,510</u>	<u>\$ 20,973</u>	<u>\$ 495,929</u>	<u>\$ 972,717</u>	<u>\$ 1,805,640</u>	<u>\$ 90,355</u>	<u>\$ 6,089,188</u>
EXPENDITURES								
Current:								
Public safety	\$ 1,118,385	\$ -	\$ 5,874	\$ -	\$ -	\$ 1,805,640	\$ -	\$ 2,929,899
Public works	-	-	-	8,733	-	-	-	8,733
Community development	-	655,571	-	-	1,041,473	-	-	1,697,044
Total expenditures	<u>\$ 1,118,385</u>	<u>\$ 655,571</u>	<u>\$ 5,874</u>	<u>\$ 8,733</u>	<u>\$ 1,041,473</u>	<u>\$ 1,805,640</u>	<u>\$ -</u>	<u>\$ 4,635,676</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (218,321)</u>	<u>\$ 1,147,939</u>	<u>\$ 15,099</u>	<u>\$ 487,196</u>	<u>\$ (68,756)</u>	<u>\$ -</u>	<u>\$ 90,355</u>	<u>\$ 1,453,512</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 141,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,967
Transfers (out)	-	(358,275)	-	(441,800)	(311,230)	-	-	(1,111,305)
Total other financing sources (uses)	<u>\$ 141,967</u>	<u>\$ (358,275)</u>	<u>\$ -</u>	<u>\$ (441,800)</u>	<u>\$ (311,230)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (969,338)</u>
Net change in fund balances	<u>\$ (76,354)</u>	<u>\$ 789,664</u>	<u>\$ 15,099</u>	<u>\$ 45,396</u>	<u>\$ (379,986)</u>	<u>\$ -</u>	<u>\$ 90,355</u>	<u>\$ 484,174</u>
Fund balances - beginning	<u>143,295</u>	<u>1,289,491</u>	<u>47,802</u>	<u>2,187,950</u>	<u>802,714</u>	<u>-</u>	<u>14,273</u>	<u>4,485,525</u>
Fund balances - ending	<u>\$ 66,941</u>	<u>\$ 2,079,155</u>	<u>\$ 62,901</u>	<u>\$ 2,233,346</u>	<u>\$ 422,728</u>	<u>\$ -</u>	<u>\$ 104,628</u>	<u>\$ 4,969,699</u>

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

	Community Corrections Fund				Economic Development 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	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000	\$ 1,400,000	\$ 1,795,260	\$ 395,260
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	18,000	18,000	27,445	9,445	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	141,968	141,968	141,968	-	-	-	-	-
Intergovernmental:								
Commonwealth	721,437	751,140	730,651	(20,489)	-	-	-	-
Federal	-	-	-	-	-	14,250	8,250	(6,000)
Total revenues	\$ 881,405	\$ 911,108	\$ 900,064	\$ (11,044)	\$ 1,400,000	\$ 1,414,250	\$ 1,803,510	\$ 389,260
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Correction and detention:								
Local Community Corrections	1,113,372	1,143,075	1,118,385	24,690	-	-	-	-
Total public safety	\$ 1,113,372	\$ 1,143,075	\$ 1,118,385	\$ 24,690	\$ -	\$ -	\$ -	\$ -
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development:								
Planning and community development:								
Tourism initiatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	1,041,725	1,074,153	655,571	418,582
Total community development	\$ -	\$ -	\$ -	\$ -	\$ 1,041,725	\$ 1,074,153	\$ 655,571	\$ 418,582
Total expenditures	\$ 1,113,372	\$ 1,143,075	\$ 1,118,385	\$ 24,690	\$ 1,041,725	\$ 1,074,153	\$ 655,571	\$ 418,582
Excess (deficiency) of revenues over (under) expenditures	\$ (231,967)	\$ (231,967)	\$ (218,321)	\$ 13,646	\$ 358,275	\$ 340,097	\$ 1,147,939	\$ 807,842
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 141,967	\$ 141,967	\$ 141,967	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-	(358,275)	(358,275)	(358,275)	-
Total other financing sources (uses)	\$ 141,967	\$ 141,967	\$ 141,967	\$ -	\$ (358,275)	\$ (358,275)	\$ (358,275)	\$ -
Net change in fund balances	\$ (90,000)	\$ (90,000)	\$ (76,354)	\$ 13,646	\$ -	\$ (18,178)	\$ 789,664	\$ 807,842
Fund balances - beginning	90,000	90,000	143,295	53,295	-	18,178	1,289,491	1,271,313
Fund balances - ending	\$ -	\$ -	\$ 66,941	\$ 66,941	\$ -	\$ -	\$ 2,079,155	\$ 2,079,155

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

	Asset Forfeiture Fund				Stormwater 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	\$ -	\$ -	\$ -	\$ -	\$ 490,000	\$ 490,000	\$ 492,873	\$ 2,873
Revenue from the use of money and property	-	-	-	-	-	-	3,056	3,056
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	20,973	20,973	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 20,973	\$ 20,973	\$ -	\$ 490,000	\$ 490,000	\$ 495,929	\$ 5,929
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ 68,758	\$ 5,874	\$ 62,884	\$ -	\$ -	\$ -	\$ -
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	\$ -	\$ 68,758	\$ 5,874	\$ 62,884	\$ -	\$ -	\$ -	\$ -
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ 48,200	\$ 1,857,990	\$ 8,733	\$ 1,849,257
Community Development:								
Planning and community development:								
Tourism initiatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ 68,758	\$ 5,874	\$ 62,884	\$ 48,200	\$ 1,857,990	\$ 8,733	\$ 1,849,257
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (47,785)	\$ 15,099	\$ 62,884	\$ 441,800	\$ (1,367,990)	\$ 487,196	\$ 1,855,186
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-	(441,800)	(441,800)	(441,800)	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ (441,800)	\$ (441,800)	\$ (441,800)	\$ -
Net change in fund balances	\$ -	\$ (47,785)	\$ 15,099	\$ 62,884	\$ -	\$ (1,809,790)	\$ 45,396	\$ 1,855,186
Fund balances - beginning	-	47,785	47,802	58,064	-	1,809,790	2,187,950	378,160
Fund balances - ending	\$ -	\$ -	\$ 62,901	\$ 120,948	\$ -	\$ -	\$ 2,233,346	\$ 2,233,346

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

	Tourism Fund				Crater Workforce 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	\$ 642,857	\$ 642,857	\$ 855,367	\$ 212,510	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	22,338	22,338	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	-	-
Federal	-	119,800	95,012	(24,788)	-	-	1,805,640	1,805,640
Total revenues	\$ 642,857	\$ 784,995	\$ 972,717	\$ 187,722	\$ -	\$ -	\$ 1,805,640	\$ 1,805,640
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,805,640	\$ (1,805,640)
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development:								
Planning and community development:								
Tourism initiatives	\$ 642,857	\$ 1,252,025	\$ 1,041,473	\$ 210,552	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	\$ 642,857	\$ 1,252,025	\$ 1,041,473	\$ 210,552	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ 642,857	\$ 1,252,025	\$ 1,041,473	\$ 210,552	\$ -	\$ -	\$ 1,805,640	\$ (1,805,640)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (467,030)	\$ (68,756)	\$ 398,274	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	(311,230)	(311,230)	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ (311,230)	\$ (311,230)	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (778,260)	\$ (379,986)	\$ 398,274	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	778,260	802,714	24,454	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 422,728	\$ 422,728	\$ -	\$ -	\$ -	\$ -

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

	Opioid Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual	
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	104,628	90,355	(14,273)
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ 104,628	\$ 90,355	\$ (14,273)
EXPENDITURES				
Current:				
General Government Administration:				
Workforce Investment Board	\$ -	\$ -	\$ -	\$ -
Public Safety:				
Law enforcement and traffic control:				
Drug enforcement	\$ -	\$ 104,628	\$ -	\$ (104,628)
Correction and detention:				
Local Community Corrections	-	-	-	-
Total public safety	\$ -	\$ 104,628	\$ -	\$ (104,628)
Public Works:				
Stormwater services	\$ -	\$ -	\$ -	\$ -
Community Development:				
Planning and community development:				
Tourism initiatives	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-
Total community development	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ 104,628	\$ -	\$ (104,628)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 90,355	\$ (118,901)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 90,355	\$ (118,901)
Fund balances - beginning	-	-	14,273	14,273
Fund balances - ending	\$ -	\$ -	\$ 104,628	\$ (104,628)

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

	Special Welfare Fund	Performance Bond Fund	Total
ASSETS			
Cash and cash equivalents	\$ 10,399	\$ 65,427	\$ 75,826
Total assets	\$ 10,399	\$ 65,427	\$ 75,826
LIABILITIES			
Unearned revenue	\$ 1,808	\$ -	\$ 1,808
Accounts payable	54	-	54
Total liabilities	\$ 1,862	\$ -	\$ 1,862
NET POSITION			
Restricted for:			
Performance bond recipients	\$ 8,537	\$ 65,427	\$ 65,427
Social services clients	8,537	-	8,537
Total net position	\$ 8,537	\$ 65,427	\$ 73,964

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

	Special Welfare Fund	Performance Bond Fund	Total
ADDITIONS:			
Contributions			
Private contributions	\$ 16,061	\$ -	\$ 16,061
Total Additions	\$ 16,061	\$ -	\$ 16,061
DEDUCTIONS:			
Recipient payments	\$ 21,828	\$ -	\$ 21,828
Total Deductions	\$ 21,828	\$ -	\$ 21,828
Net increase (decrease) in fiduciary net position	\$ (5,767)	\$ -	\$ (5,767)
Net position, beginning	14,304	65,427	79,731
Net position, ending	\$ 8,537	\$ 65,427	\$ 73,964

Discretely Presented Component Unit – School Board

Combining Balance Sheet

Governmental Funds - Discretely Presented Component Unit - School Board

At June 30, 2023

	Major Fund		NonMajor Funds				
	School Operating Fund	School Cafeteria Fund	Adult Basic Education Fund	Textbook Fund	School Activity Funds	Total Governmental Funds	
ASSETS							
Cash and cash equivalents	\$ 7,923,777	\$ 1,571,952	\$ 206,304	\$ 618,244	\$ 856,726	\$	11,177,003
Receivables (net of allowance for uncollectibles):							
Accounts receivable	589	-	5,625	-	-		6,214
Due from other governmental units	3,526,613	167,823	68,602	-	-		3,763,038
Total assets	<u>\$ 11,450,979</u>	<u>\$ 1,739,775</u>	<u>\$ 280,531</u>	<u>\$ 618,244</u>	<u>\$ 856,726</u>	\$	<u>14,946,255</u>
LIABILITIES							
Accounts payable	\$ 1,695,154	\$ 5,519	\$ -	\$ 19,870	\$ -	\$	1,720,543
Accrued liabilities	7,457,703	242,705	-	-	-		7,700,408
Unearned revenues	2,297,922	-	-	-	-		2,297,922
Total liabilities	<u>\$ 11,450,779</u>	<u>\$ 248,224</u>	<u>\$ -</u>	<u>\$ 19,870</u>	<u>\$ -</u>	\$	<u>11,718,873</u>
FUND BALANCES							
Assigned	\$ -	\$ 1,491,551	\$ 280,531	\$ 598,374	\$ 856,726	\$	3,227,182
Unassigned	200	-	-	-	-		200
Total fund balances	<u>\$ 200</u>	<u>\$ 1,491,551</u>	<u>\$ 280,531</u>	<u>\$ 598,374</u>	<u>\$ 856,726</u>	\$	<u>3,227,382</u>
Total liabilities and fund balances	<u>\$ 11,450,979</u>	<u>\$ 1,739,775</u>	<u>\$ 280,531</u>	<u>\$ 618,244</u>	<u>\$ 856,726</u>	\$	<u>14,946,255</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above						\$	3,227,382
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							79,088,930
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.							
Pension related items					\$ 10,113,644		
OPEB related items					<u>1,588,740</u>		11,702,384
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.							
Compensated absences					\$ (286,621)		
Net pension liability					(36,340,689)		
Net OPEB liabilities					<u>(11,116,255)</u>		(47,743,565)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.							
Pension related items					\$ (10,219,921)		
OPEB related items					<u>(4,339,122)</u>		(14,559,043)
Net position of governmental activities						\$	<u>31,716,088</u>

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

	<u>Major Fund</u>		<u>Nonmajor Funds</u>			<u>Total Governmental Funds</u>
	<u>School Operating Fund</u>	<u>School Cafeteria Fund</u>	<u>Adult Basic Education Fund</u>	<u>Textbook Fund</u>	<u>School Activity Funds</u>	
REVENUES						
Charges for services	\$ 23,904	\$ 1,046,473	\$ 72,182	\$ -	\$ -	\$ 1,142,559
Miscellaneous	44,935	-	-	-	1,130,906	1,175,841
Recovered costs	73,222	-	-	-	-	73,222
Intergovernmental:						
County contribution to school board	17,901,519	-	-	189,195	-	18,090,714
Commonwealth	52,136,381	152,353	201,385	591,552	-	53,081,671
Federal	12,211,205	2,856,959	399,492	-	-	15,467,656
Total revenues	<u>\$ 82,391,166</u>	<u>\$ 4,055,785</u>	<u>\$ 673,059</u>	<u>\$ 780,747</u>	<u>\$ 1,130,906</u>	<u>\$ 89,031,663</u>
EXPENDITURES						
Current:						
Education	\$ 82,391,166	\$ 4,176,276	\$ 671,314	\$ 318,814	\$ 1,073,519	\$ 88,631,089
Total expenditures	<u>\$ 82,391,166</u>	<u>\$ 4,176,276</u>	<u>\$ 671,314</u>	<u>\$ 318,814</u>	<u>\$ 1,073,519</u>	<u>\$ 88,631,089</u>
Net change in fund balances	\$ -	\$ (120,491)	\$ 1,745	\$ 461,933	\$ 57,387	\$ 400,574
Fund balances - beginning	200	1,612,042	278,786	136,441	799,339	2,826,808
Fund balances - ending	<u>\$ 200</u>	<u>\$ 1,491,551</u>	<u>\$ 280,531</u>	<u>\$ 598,374</u>	<u>\$ 856,726</u>	<u>\$ 3,227,382</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 \$ 400,574

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

Current year asset additions	\$ 16,201,521	
Depreciation expense	(4,336,649)	11,864,872

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.

Details supporting these changes are as follows:

Change in compensated absences	\$ 21,824	
Pension expense	7,067,961	
OPEB expense	344,843	7,434,628

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds.

45,562

Change in net position of governmental activities \$ 19,745,636

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ 103,500	\$ 103,500	\$ 23,904	\$ (79,596)
Miscellaneous	75,000	75,000	44,935	(30,065)
Recovered costs	131,500	131,500	73,222	(58,278)
Intergovernmental:				
County contribution to School Board	17,769,291	17,956,333	17,901,519	(54,814)
Commonwealth	54,335,057	54,938,075	52,136,381	(2,801,694)
Federal	13,985,271	14,664,950	12,211,205	(2,453,745)
Total revenues	\$ 86,399,619	\$ 87,869,358	\$ 82,391,166	\$ (5,478,192)
EXPENDITURES				
Current:				
Education				
Instruction	\$ 57,318,663	\$ 57,134,351	\$ 56,158,168	\$ 976,183
Administrative, attendance & health services	4,399,821	4,582,914	4,479,992	102,922
Pupil transportation	5,021,548	5,592,286	5,590,197	2,089
Operation and maintenance	6,789,920	7,736,610	7,608,978	127,632
Facilities	8,098,571	7,891,149	5,109,843	2,781,306
Technology	4,771,096	4,932,048	3,443,988	1,488,060
Total education	\$ 86,399,619	\$ 87,869,358	\$ 82,391,166	\$ 5,478,192
Total expenditures	\$ 86,399,619	\$ 87,869,358	\$ 82,391,166	\$ 5,478,192
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	200	200
Fund balances - ending	\$ -	\$ -	\$ 200	\$ 200

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				
Charges for services	\$ 1,334,135	\$ 1,334,135	\$ 1,046,473	\$ (287,662)
Intergovernmental:				
County contribution to School Board	-	-	-	-
Commonwealth	123,114	123,114	152,353	29,239
Federal	1,911,787	1,911,787	2,856,959	945,172
Total revenues	<u>\$ 3,369,036</u>	<u>\$ 3,369,036</u>	<u>\$ 4,055,785</u>	<u>\$ 686,749</u>
EXPENDITURES				
Current:				
Education				
Instruction	\$ -	\$ -	\$ -	\$ -
School food services	<u>3,369,036</u>	<u>4,178,782</u>	<u>4,176,276</u>	<u>2,506</u>
Total expenditures	<u>\$ 3,369,036</u>	<u>\$ 4,178,782</u>	<u>\$ 4,176,276</u>	<u>\$ 2,506</u>
Net change in fund balances	\$ -	\$ (809,746)	\$ (120,491)	\$ 689,255
Fund balances - beginning	-	809,746	1,612,042	802,296
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,491,551</u>	<u>\$ 1,491,551</u>

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

	Adult Basic Education Fund				Textbook Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Charges for services	\$ 399,295	\$ 378,845	\$ 72,182	\$ (306,663)	\$ -	\$ -	\$ -	\$ -
Intergovernmental:								
County contribution to School Board	-	-	-	-	189,195	189,195	189,195	-
Commonwealth	236,324	201,385	201,385	-	597,805	597,805	591,552	(6,253)
Federal	354,496	414,547	399,492	(15,055)	-	-	-	-
Total revenues	\$ 990,115	\$ 994,777	\$ 673,059	\$ (321,718)	\$ 787,000	\$ 787,000	\$ 780,747	\$ (6,253)
EXPENDITURES								
Current:								
Education								
Instruction	\$ 974,715	\$ 994,777	\$ 671,314	\$ 323,463	\$ 787,000	\$ 923,441	\$ 318,814	\$ 604,627
School food services	-	-	-	-	-	-	-	-
Total expenditures	\$ 974,715	\$ 994,777	\$ 671,314	\$ 323,463	\$ 787,000	\$ 923,441	\$ 318,814	\$ 604,627
Net change in fund balances	\$ 15,400	\$ -	\$ 1,745	\$ 1,745	\$ -	\$ (136,441)	\$ 461,933	\$ 598,374
Fund balances - beginning	(15,400)	-	278,786	278,786	-	136,441	136,441	-
Fund balances - ending	\$ -	\$ -	\$ 280,531	\$ 280,531	\$ -	\$ -	\$ 598,374	\$ 598,374

Statistical Table of Contents

Description / Table Name	Table Number
<u>Financial Trends</u>	
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Net Position by Component	1
Changes in Net Position	2
Fund Balance, Governmental Funds	3
Changes in Fund Balances, Governmental Funds	4
General Governmental Tax Revenues by Source (Modified Accrual Basis of Accounting)	5
<u>Revenue Capacity</u>	
These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Assessed Value and Actual Value of Taxable Property and Tax Rates	6
Principal Property Taxpayers	7
Property Tax Levies and Collections	8
<u>Debt Capacity</u>	
These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	
Ratios of Outstanding Debt by Type	9
Ratio of General Bonded Debt by Type	10
Computation of Legal Debt Margin	11
<u>Demographic and Economic Information</u>	
This table offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Demographic and Economic Statistics	12
<u>Operating Information</u>	
These tables 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.	
Principal Employers--Current Year and Nine Years Ago	13
County Government Employees	14
Operating Indicators by Function / Program	15
Capital Asset Statistics by Function	16

Sources:

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

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

Governmental Activities	2014	2015	2016	2017	2018
Net investment in capital assets	\$ 18,291,890	\$ 15,188,357	\$ 17,875,023	\$ 20,292,736	\$ 21,281,179
Restricted	338,206	398,838	393,414	216,958	216,958
Unrestricted	13,496,337	10,222,062	7,846,042	11,221,917	10,410,544
Total Governmental Activities Net Position	<u>\$ 32,126,433</u>	<u>\$ 25,809,257</u>	<u>\$ 26,114,479</u>	<u>\$ 31,731,611</u>	<u>\$ 31,908,681</u>
Business-Type Activities					
Net investment in capital assets	\$ 15,778,830	\$ 15,339,288	\$ 13,606,908	\$ 14,324,473	\$ 14,866,149
Unrestricted	6,636,804	6,423,645	8,771,772	9,165,720	9,926,815
Total Business-Type Activities Net Position	<u>\$ 22,415,634</u>	<u>\$ 21,762,933</u>	<u>\$ 22,378,680</u>	<u>\$ 23,490,193</u>	<u>\$ 24,792,964</u>
Primary Government					
Net investment in capital assets	\$ 34,070,720	\$ 30,527,645	\$ 31,481,931	\$ 34,617,209	\$ 36,147,328
Restricted	338,206	398,838	393,414	216,958	216,958
Unrestricted	20,133,141	16,645,707	16,617,814	20,387,637	20,337,359
Total Primary Government Activities Net Position	<u>\$ 54,542,067</u>	<u>\$ 47,572,190</u>	<u>\$ 48,493,159</u>	<u>\$ 55,221,804</u>	<u>\$ 56,701,645</u>

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

Governmental Activities	2019	2020	2021	2022	2023
Net investment in capital assets	\$ 27,304,734	\$ 27,193,687	\$ 36,657,589	\$ 14,838,319	\$ 2,772,801
Restricted	131,274	186,712	1,367,948	3,581,695	4,074,567
Unrestricted	8,911,558	13,257,733	11,617,311	22,168,771	35,355,833
Total Governmental Activities Net Position	<u>\$ 36,347,566</u>	<u>\$ 40,638,132</u>	<u>\$ 49,642,848</u>	<u>\$ 40,588,785</u>	<u>\$ 42,203,201</u>
Business-Type Activities					
Net investment in capital assets	\$ 14,900,608	\$ 14,853,189	\$ 15,241,280	\$ 15,747,150	\$ 20,390,164
Unrestricted	11,480,701	12,840,066	13,549,547	14,678,188	13,529,675
Total Business-Type Activities Net Position	<u>\$ 26,381,309</u>	<u>\$ 27,693,255</u>	<u>\$ 28,790,827</u>	<u>\$ 30,425,338</u>	<u>\$ 33,919,839</u>
Primary Government					
Net investment in capital assets	\$ 42,205,342	\$ 42,046,876	\$ 51,898,869	\$ 30,585,469	\$ 23,162,965
Restricted	131,274	186,712	1,367,948	3,581,695	4,074,567
Unrestricted	20,392,259	26,097,799	25,166,858	36,846,959	48,885,508
Total Primary Government Activities Net Position	<u>\$ 62,728,875</u>	<u>\$ 68,331,387</u>	<u>\$ 78,433,675</u>	<u>\$ 71,014,123</u>	<u>\$ 76,123,040</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government Administration	\$ 4,895,544	\$ 5,226,913	\$ 5,330,273	\$ 6,291,210	\$ 5,516,354	\$ 7,124,169	\$ 5,759,968	\$ 6,299,297	\$ 9,187,543	\$ 7,651,818
Judicial Administration	2,279,571	2,361,018	2,431,271	1,601,574	2,326,800	1,392,819	2,787,177	4,222,505	4,321,970	3,702,798
Public Safety	15,209,669	14,683,153	15,317,725	14,804,237	15,796,407	17,891,395	17,954,349	26,953,969	25,711,621	24,294,221
Public Works	1,918,871	1,976,333	2,225,922	2,029,476	2,129,080	2,778,816	3,527,908	3,058,759	2,866,658	5,552,444
Health and Welfare	3,825,004	3,893,335	4,255,353	3,993,580	4,199,909	5,477,052	5,196,590	7,205,183	6,249,769	6,776,078
Education	17,189,503	13,944,549	17,867,950	17,186,958	19,360,755	17,501,426	18,712,181	24,927,166	37,682,595	27,981,365
Parks, Recreation, and Cultural	1,840,982	2,169,979	1,749,036	1,808,204	2,131,881	2,130,184	1,968,299	1,914,906	2,812,679	2,477,464
Community Development	1,715,143	1,246,531	1,470,872	3,388,237	1,385,661	1,372,798	2,431,043	1,527,058	1,796,975	2,097,133
Interest on Long-Term Debt	1,848,132	1,585,509	2,268,088	1,272,381	1,539,356	1,374,596	1,709,111	1,660,807	1,474,785	1,329,053
Total Governmental Activities Expenses	\$ 50,722,418	\$ 47,087,320	\$ 52,916,490	\$ 52,375,857	\$ 54,386,203	\$ 57,043,255	\$ 60,046,626	\$ 77,769,650	\$ 92,104,595	\$ 81,862,374
Business-Type Activities										
Public Utilities	\$ 4,551,777	\$ 5,049,902	\$ 5,061,020	\$ 5,130,765	\$ 4,822,569	\$ 5,520,112	\$ 5,545,690	\$ 5,479,982	\$ 5,516,688	\$ 6,000,252
Total Business-Type Activities Expenses	\$ 4,551,777	\$ 5,049,902	\$ 5,061,020	\$ 5,130,765	\$ 4,822,569	\$ 5,520,112	\$ 5,545,690	\$ 5,479,982	\$ 5,516,688	\$ 6,000,252
Total Primary Government Expenses	\$ 55,274,195	\$ 52,137,222	\$ 57,977,510	\$ 57,506,622	\$ 59,208,772	\$ 62,563,367	\$ 65,592,316	\$ 83,249,632	\$ 97,621,283	\$ 87,862,626
Program Revenues										
Governmental Activities										
Charges for Services										
General Government Administration	\$ 13,625	\$ 315,724	\$ 295,174	\$ 383,810	\$ 552,704	\$ 207,313	\$ 329,613	\$ 2,224,479	\$ 2,018,969	\$ 1,512,143
Judicial Administration	577,035	478,272	430,620	522,609	425,782	179,440	129,866	1,245,089	1,475,444	452,264
Public Safety	857,627	647,770	655,492	797,867	775,931	1,109,380	1,217,084	5,284,705	5,621,334	3,100,174
Public Works	427,282	119,175	130,123	115,353	482,356	431,514	618,981	504,760	523,305	249,780
Health and Welfare	-	-	-	-	-	-	-	892,466	912,246	355,268
Parks, Recreation, and Cultural	135,969	122,734	120,063	129,408	107,530	112,757	68,465	357,210	357,393	242,898
Community Development	119,583	35,578	-	-	-	-	-	63,982	124,443	25,470
Operating Grants and Contributions	6,114,788	6,327,951	6,383,355	6,174,523	5,599,776	6,142,208	7,496,188	13,588,731	9,145,800	8,445,984
Capital Grants and Contributions	2,691,550	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 10,937,459	\$ 8,047,204	\$ 8,014,827	\$ 8,123,570	\$ 7,944,079	\$ 8,182,612	\$ 9,860,197	\$ 24,161,422	\$ 20,178,934	\$ 14,383,981
Business-Type Activities										
Charges for Services										
Public Utilities	\$ 4,640,279	\$ 4,602,908	\$ 5,127,476	\$ 5,761,503	\$ 6,051,239	\$ 6,964,645	\$ 6,595,082	\$ 6,644,883	\$ 7,221,244	\$ 7,217,091
Operating Grants and Contributions	-	-	-	-	-	-	-	59,900	125,122	686,056
Capital Grants and Contributions	-	-	73,968	212,603	77,113	-	-	-	44,067	3,014,986
Total Business-Type Activities Program Revenues	\$ 4,640,279	\$ 4,602,908	\$ 5,201,444	\$ 5,974,106	\$ 6,128,352	\$ 6,964,645	\$ 6,595,082	\$ 6,704,783	\$ 7,390,433	\$ 10,918,133
Total Primary Government Program Revenues	\$ 15,577,738	\$ 12,650,112	\$ 13,216,271	\$ 14,097,676	\$ 14,072,431	\$ 15,147,257	\$ 16,455,279	\$ 30,866,205	\$ 27,569,367	\$ 25,302,114

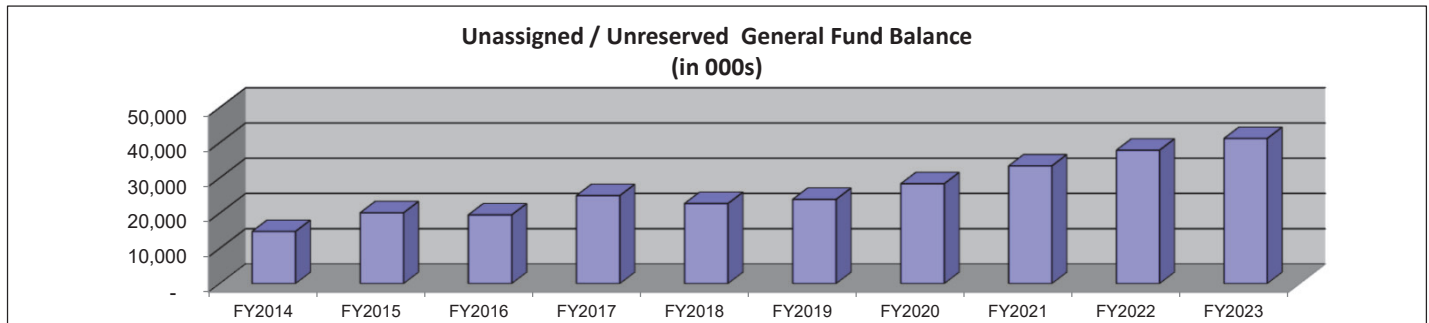
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues: (Continued)										
Net (Expense)/ Revenue										
Governmental Activities	\$ (39,784,959)	\$ (39,040,116)	\$ (44,901,663)	\$ (44,252,287)	\$ (46,442,124)	\$ (48,860,643)	\$ (50,186,429)	\$ (53,608,228)	\$ (71,925,661)	\$ (67,478,393)
Business-Type Activities	88,502	(446,994)	140,424	843,341	1,305,783	1,444,533	1,049,392	1,224,801	1,873,745	4,917,881
Total Primary Government Net Expense	\$ (39,696,457)	\$ (39,487,110)	\$ (44,761,239)	\$ (43,408,946)	\$ (45,136,341)	\$ (47,416,110)	\$ (49,137,037)	\$ (52,383,427)	\$ (70,051,916)	\$ (62,560,512)
General Revenues and Other Changes in Net Position										
Governmental Activities										
General Property Taxes	\$ 30,689,457	\$ 31,796,896	\$ 31,587,598	\$ 35,621,127	\$ 33,407,855	\$ 35,778,138	\$ 38,036,686	\$ 41,180,429	\$ 44,417,243	\$ 46,509,616
Other Local Taxes	6,868,405	7,455,217	8,016,257	8,276,384	8,385,405	9,364,697	9,744,408	11,623,834	12,085,233	12,016,389
Unrestricted Revenues from Use of Money and Property	197,888	200,428	350,693	644,235	579,573	1,463,094	1,401,916	322,634	(56,459)	1,752,409
Miscellaneous	315,552	373,723	209,866	849,983	234,044	54,847	57,119	295,188	567,584	260,826
Grants and contributions not restricted to specific programs		5,240,754	5,200,471	5,004,589	5,920,066	6,637,380	5,386,356	5,784,848	5,452,407	7,113,477
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
County Contribution to School Board, unrestricted	5,097,195	-	-	-	-	-	-	-	-	-
Transfers	(157,100)	(158,000)	(158,000)	(149,805)	(148,728)	1,372	(149,490)	264,532	405,590	2,155,500
Total Governmental Activities	\$ 43,011,397	\$ 44,909,018	\$ 45,206,885	\$ 50,246,513	\$ 48,378,215	\$ 53,299,528	\$ 54,476,995	\$ 59,471,465	\$ 62,871,598	\$ 69,808,217
Business-Type Activities										
Unrestricted Revenues from Use of Money and Property	\$ 60,330	\$ 80,465	\$ 79,578	\$ 51,376	\$ 60,324	\$ 76,806	\$ 72,955	\$ 63,750	\$ 74,440	\$ 78,837
Miscellaneous	-	56,952	237,745	66,991	22,943	68,378	40,109	48,053	91,916	86,835
Transfers	157,100	158,000	158,000	149,805	148,728	(1,372)	149,490	(264,532)	(405,590)	(2,155,500)
Total Business-Type Activities	\$ 217,430	\$ 295,417	\$ 475,323	\$ 268,172	\$ 231,995	\$ 143,812	\$ 262,554	\$ (152,729)	\$ (239,234)	\$ (1,989,828)
Total Primary Government	\$ 43,228,827	\$ 45,204,435	\$ 45,682,208	\$ 50,514,685	\$ 48,610,210	\$ 53,443,340	\$ 54,739,549	\$ 59,318,736	\$ 62,632,364	\$ 67,818,389
Change in Net Position										
Governmental Activities	\$ 3,226,438	\$ 5,868,902	\$ 305,222	\$ 5,994,226	\$ 1,936,091	\$ 4,438,885	\$ 4,290,566	\$ 5,863,237	\$ (9,054,063)	\$ 2,329,824
Business-Type Activities	305,932	(151,577)	615,747	1,111,513	1,537,778	1,588,345	1,311,946	1,072,072	1,634,511	2,928,053
Total Primary Government Change in Net Position	\$ 3,532,370	\$ 5,717,325	\$ 920,969	\$ 7,105,739	\$ 3,473,869	\$ 6,027,230	\$ 5,602,512	\$ 6,935,309	\$ (7,419,552)	\$ 5,257,877

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

General Fund	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Committed:										
Subsequent years expenditures	\$ 926,055	\$ 635,843	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Assigned:										
Unassigned	14,793,246	20,095,407	19,499,501	24,972,020	22,717,153	23,905,886	28,328,773	33,403,287	37,849,167	41,173,235
Total General Fund	\$ 15,719,301	\$ 20,731,250	19,499,501	24,972,020	22,717,153	23,905,886	28,328,773	33,403,287	37,849,167	41,173,235
All Other Governmental Funds										
Restricted:										
Proffers	\$ 338,206	\$ 398,838	\$ 393,414	\$ 216,958	\$ 216,958	\$ 100,388	\$ 100,388	\$ 100,388	\$ 110,388	\$ 148,932
Debt service	-	-	-	-	-	30,886	86,324	1,267,560	3,074,676	3,601,145
Opioid settlement	-	-	-	-	-	-	-	-	-	104,628
Unspent bond proceeds - various projects				9,979,185	17,060,327	25,217,106	25,638,848	50,135,577	27,315,192	5,998,550
Committed:										
Crosspointe Center	4,185,139	-	-	-	-	-	-	-	-	-
Animal Shelter	51,256	-	-	-	-	-	-	-	-	-
Human Services Building	42,423	-	-	-	-	-	-	-	-	-
Disoutanta Fire Station	172,061	-	-	-	-	-	-	-	-	-
Broadband Implementation	32,060	-	-	-	-	-	-	-	-	-
Fire EMS Apparatus	246,016	-	-	-	-	-	-	-	-	-
Enterprise Resource Software	121,120	-	-	-	-	-	-	-	-	-
Assigned:										
Other capital purposes	257,540	7,086,250	4,252,010	519,034	3,422,042	184,035	(1,183,666)	(1,783,145)	(5,319,347)	3,375,403
Special revenue	1,163,795	1,057,316	748,968	1,062,500	1,179,488	3,022,787	3,981,975	3,988,493	4,485,525	4,865,071
Total All Other Governmental Funds	\$ 6,609,616	\$ 8,542,404	\$ 5,394,392	\$ 11,777,677	\$ 21,878,815	\$ 28,555,202	\$ 28,623,869	\$ 53,708,873	\$ 29,666,434	\$ 18,093,729
Total Governmental Funds	\$ 22,328,917	\$ 29,273,654	24,893,893	36,749,697	44,595,968	52,461,088	56,952,642	87,112,160	67,515,601	59,266,964

The County implemented GASB 54, the new standard for fund balance reporting, in FY2011. Restatement of prior year balances is not feasible. Therefore, ten years of fund balance information in accordance with GASB 54 is not available, but will be accumulated over time.



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

Revenues

	2014	2015	2016	2017	2018
General Property Taxes	\$ 30,609,309	\$ 30,767,843	\$ 32,466,861	\$ 34,360,764	\$ 33,397,818
Other Local Taxes	6,868,405	7,455,217	8,016,256	8,276,384	8,385,405
Permits, Privilege Fees, and Licenses	314,697	290,882	282,172	357,281	375,326
Fines and Forfeitures	525,325	351,183	294,009	393,147	352,358
Revenue from Use of Money and Property	197,888	200,428	350,693	644,235	579,573
Charges for Services	1,291,099	1,077,188	1,055,291	1,198,619	1,616,619
Miscellaneous	315,552	373,723	209,866	849,983	234,045
Recovered Costs	319,517	299,535	335,485	330,901	442,638
Intergovernmental Revenues:					
School Board contribution	-	-	-	-	-
Commonwealth	12,690,688	10,020,925	10,000,195	9,764,955	9,975,637
Federal	1,233,767	1,547,779	1,583,631	1,414,157	1,544,205
Total Revenues	\$ 54,366,247	\$ 52,384,703	\$ 54,594,459	\$ 57,590,426	\$ 56,903,624

Expenditures

General Government Administration	\$ 5,029,115	\$ 5,220,634	\$ 5,591,463	\$ 5,871,259	\$ 5,566,656
Judicial Administration	2,191,059	2,331,562	2,356,890	2,456,473	2,621,390
Public Safety	14,786,501	15,516,848	16,774,879	13,918,541	15,610,443
Public Works	1,936,664	2,042,877	2,204,518	1,999,058	2,151,970
Health and Welfare	4,481,982	3,994,083	4,232,808	3,936,536	4,217,359
Education	14,701,665	11,622,198	19,238,023	13,819,701	15,873,719
Parks, Recreation, and Cultural	2,486,999	1,601,670	2,067,462	2,162,520	2,446,516
Community Development	4,142,473	1,220,391	1,824,860	3,334,150	1,561,515
Debt Service:					
Bond issuance cost	-	-	207,910	102,691	132,819
Principal Retirement	5,215,325	4,875,241	5,726,512	6,586,754	6,772,154
Interest and Other Fiscal Charges	1,984,676	1,829,463	1,782,338	1,397,134	1,254,084
Total Expenditures	\$ 56,956,457	\$ 50,254,967	\$ 62,007,663	\$ 55,584,817	\$ 58,208,625

**Excess (deficiency) of revenues over
(under) expenditures**

	\$ (2,590,210)	\$ 2,129,736	\$ (7,413,204)	\$ 2,005,609	\$ (1,305,001)
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Other Financing Sources (Uses)

Transfers in	\$ 8,923,778	\$ 10,452,421	\$ 9,654,240	\$ 9,118,575	\$ 11,480,677
Transfers (out)	(9,080,878)	(10,610,421)	(9,812,240)	(9,268,380)	(11,629,405)
Issuance of general obligation debt	3,200,000	4,973,000	5,369,000	10,000,000	9,300,000
Issuance of refunding debt	-	-	11,957,000	-	-
Premium on Bonds	-	-	-	-	-
Payments to bond escrow agent	-	-	(14,134,557)	-	-
Total Other Financing Sources (Uses)	\$ 3,042,900	\$ 4,815,000	\$ 3,033,443	\$ 9,850,195	\$ 9,151,272

Net Change in Fund Balances

	\$ 452,690	\$ 6,944,736	\$ (4,379,761)	\$ 11,855,804	\$ 7,846,271
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Debt Service as a Percentage of

Noncapital Expenditures:					
Total debt service	\$ 7,200,001	\$ 6,704,704	\$ 7,508,850	\$ 7,983,888	\$ 8,026,238
Total expenditures	\$ 56,956,457	\$ 50,254,967	\$ 62,007,663	\$ 55,584,817	\$ 58,208,625
Capital outlay	-	-	(5,084,616)	(2,319,580)	(2,635,923)
Non-capital expenditures	\$ 56,956,457	\$ 50,254,967	\$ 56,923,047	\$ 53,265,237	\$ 55,572,702
Debt service as a percentage of non-capital expenditures	12.6%	13.3%	13.2%	15.0%	14.4%

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

Revenues

	2019	2020	2021	2022	2023
General Property Taxes	\$ 36,625,688	\$ 37,915,650	\$ 40,281,073	\$ 43,769,979	\$ 47,343,683
Other Local Taxes	9,364,697	9,744,408	11,623,834	12,085,233	12,016,389
Permits, Privilege Fees, and Licenses	431,514	626,370	611,329	721,955	748,198
Fines and Forfeitures	353,340	333,211	357,589	331,240	372,647
Revenue from Use of Money					
and Property	1,463,094	1,401,916	322,634	(56,459)	1,752,409
Charges for Services	1,255,549	1,404,428	1,400,962	1,595,325	1,551,823
Miscellaneous	54,847	57,119	295,188	170,953	332,967
Recovered Costs	790,225	458,910	408,583	477,000	457,456
Intergovernmental Revenues:					
School Board contribution	1,583,633	-	-	-	-
Commonwealth	10,852,044	10,878,036	10,733,025	10,869,256	11,376,698
Federal	1,927,544	2,004,508	8,640,554	3,728,951	4,182,763
Total Revenues	\$ 64,702,175	\$ 64,824,556	\$ 74,674,771	\$ 73,693,433	\$ 80,135,033

Expenditures

General Government Administration	\$ 6,961,454	\$ 5,863,361	\$ 5,904,709	\$ 6,455,094	\$ 9,356,474
Judicial Administration	2,557,816	2,594,892	2,689,042	2,989,088	3,133,944
Public Safety	20,241,635	21,029,638	23,727,544	27,179,985	26,679,663
Public Works	3,008,793	3,671,914	4,477,339	5,385,190	3,937,805
Health and Welfare	5,310,978	5,330,814	6,117,146	5,558,021	6,033,421
Education	16,924,563	16,484,669	22,595,259	39,604,055	28,417,276
Parks, Recreation, and Cultural	1,751,473	2,015,358	1,941,431	2,086,881	1,918,077
Community Development	1,400,353	2,415,709	1,436,504	1,736,912	2,072,131
Debt Service:					
Bond issuance cost	112,691	134,223	361,123	75,096	75,096
Principal Retirement	6,693,435	6,499,269	2,848,245	4,689,165	6,068,002
Interest and Other Fiscal Charges	1,325,236	1,438,565	931,581	2,631,095	2,461,248
Total Expenditures	\$ 66,288,427	\$ 67,478,412	\$ 73,029,923	\$ 98,390,582	\$ 90,153,137

Excess (deficiency) of revenues over (under) expenditures

	\$ (1,586,252)	\$ (2,653,856)	\$ 1,644,848	\$ (24,697,149)	\$ (10,018,104)
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Other Financing Sources (Uses)

Transfers in	\$ 8,749,002	\$ 12,022,939	\$ 11,763,969	\$ 13,010,718	\$ 15,828,708
Transfers (out)	(8,747,630)	(12,172,429)	(11,499,437)	(12,605,128)	(14,059,241)
Issuance of general obligation debt	9,450,000	7,295,000	30,010,000	4,695,000	-
Issuance of refunding debt	-	-	35,085,000	-	-
Premium on Bonds	-	-	8,787,965	-	-
Payments to bond escrow agent	-	-	(45,632,827)	-	-
Total Other Financing Sources (Uses)	\$ 9,451,372	\$ 7,145,510	\$ 28,514,670	\$ 5,100,590	\$ 1,769,467

Net Change in Fund Balances

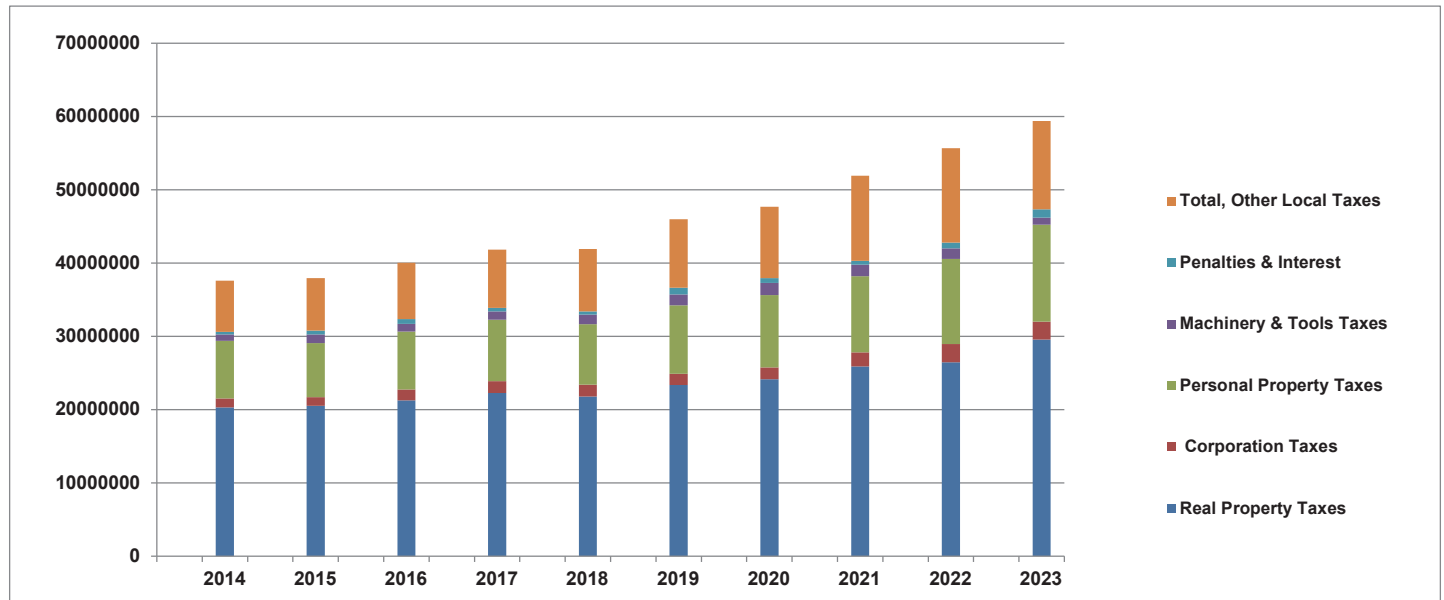
	\$ 7,865,120	\$ 4,491,654	\$ 30,159,518	\$ (19,596,559)	\$ (8,248,637)
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Debt Service as a Percentage of

Noncapital Expenditures:					
Total debt service	\$ 8,018,671	\$ 7,937,834	\$ 3,779,826	\$ 7,320,260	\$ 8,529,250
Total expenditures	\$ 66,288,427	\$ 67,478,412	\$ 73,029,923	\$ 98,390,582	\$ 90,153,137
Capital outlay	(6,138,532)	(5,749,131)	(7,347,547)	(12,296,048)	(6,402,855)
Non-capital expenditures	\$ 60,149,895	\$ 61,729,281	\$ 65,682,376	\$ 86,094,534	\$ 83,750,282
Debt service as a percentage of non-capital expenditures	13.3%	12.9%	5.8%	8.5%	10.2%

General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Sources	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Property Taxes	\$ 20,296,880	\$ 20,510,801	\$ 21,251,324	\$ 22,243,059	\$ 21,785,294	\$ 23,348,429	\$ 24,135,742	\$ 25,869,550	\$ 26,455,419	\$ 29,552,686
Real & Personal Public Service										
Corporation Taxes	1,198,121	1,170,946	1,499,803	1,615,253	1,595,329	1,521,388	1,607,959	1,937,754	2,493,795	2,435,406
Personal Property Taxes	7,898,825	7,390,527	7,879,207	8,394,472	8,269,500	9,339,529	9,877,088	10,394,945	11,602,235	13,232,824
Machinery & Tools Taxes	858,035	1,170,874	1,058,499	1,125,641	1,284,009	1,509,900	1,679,036	1,555,686	1,438,697	987,207
Penalties & Interest	357,449	524,694	639,996	500,669	463,686	906,442	615,825	523,138	811,405	1,135,560
Total, General Property Taxes	\$ 30,609,309	\$ 30,767,843	\$ 32,328,829	\$ 33,879,094	\$ 33,397,818	\$ 36,625,688	\$ 37,915,650	\$ 40,281,073	\$ 42,801,551	\$ 47,343,683
Local Sales and Use Taxes	\$ 1,966,673	\$ 1,975,100	\$ 2,310,390	\$ 2,399,805	\$ 2,584,683	\$ 2,719,468	\$ 3,250,169	\$ 4,309,564	\$ 4,309,079	\$ 4,618,806
Consumer Utility Taxes	884,536	797,796	832,912	848,090	863,427	871,175	905,824	890,750	897,231	896,824
Business License	1,498,296	1,422,092	1,379,030	1,447,706	1,689,430	1,719,426	1,701,729	1,797,718	2,214,083	2,262,242
Motor Vehicle Licenses	828,701	938,297	978,819	1,030,584	1,000,920	1,104,815	1,088,786	1,159,158	1,194,770	94,593
Bank Stock Taxes	91,358	112,021	99,805	90,634	133,589	139,945	119,309	147,995	141,423	165,846
Recordation Taxes	269,505	321,579	395,807	295,864	358,400	397,765	438,652	541,506	709,361	492,444
Transient Occupancy Taxes	464,452	459,382	621,402	697,085	718,418	715,524	574,006	904,973	1,232,675	1,197,501
Taxicab licenses	-	-	5,839	5,409	6,175	-	-	-	-	-
Stormwater fees	-	-	-	-	-	480,018	477,565	473,233	477,825	492,873
E911 Taxes	120,810	161,764	126,500	129,740	134,495	-	-	-	-	-
Meals Taxes	867,539	998,751	951,344	1,003,094	1,030,363	1,216,561	1,188,368	1,398,937	1,695,898	1,795,260
Total, Other Local Taxes	\$ 6,991,869	\$ 7,186,782	\$ 7,701,847	\$ 7,948,011	\$ 8,519,900	\$ 9,364,697	\$ 9,744,408	\$ 11,623,834	\$ 12,872,345	\$ 12,016,389
Total General Governmental Tax Revenues	\$ 37,601,179	\$ 37,954,624	\$ 40,030,677	\$ 41,827,105	\$ 41,917,718	\$ 45,990,385	\$ 47,660,058	\$ 51,904,907	\$ 55,673,896	\$ 59,360,072

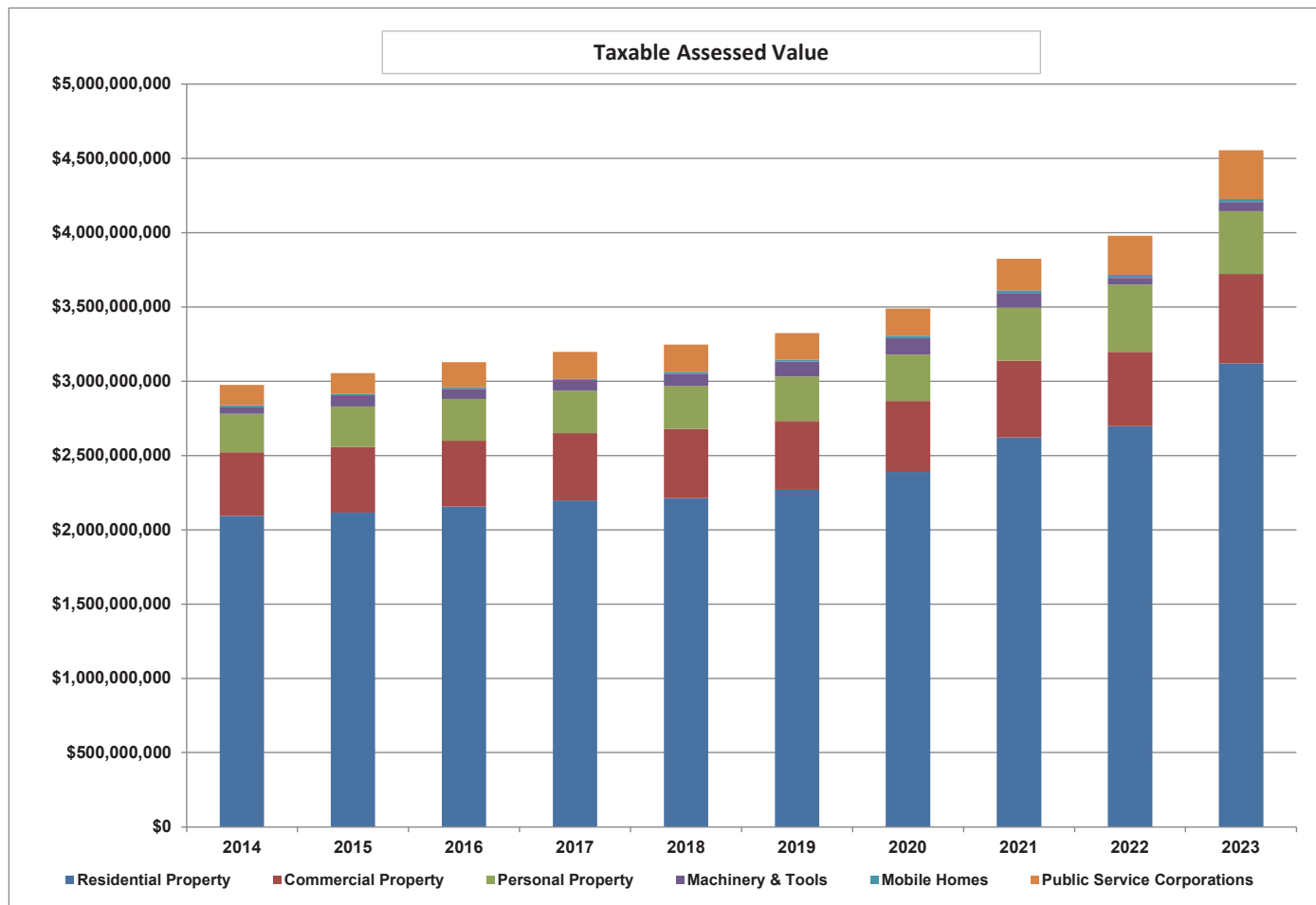


Assessed Value and Actual Value of Taxable Property and Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial/Industrial Property	Real Estate Totals	Personal Property	Machinery & Tools	Mobile Homes	Public Service Corporations	Total Taxable Assessed Value	Total Direct Tax Rate
2014	2,092,011,400	429,741,500	2,521,752,900	260,094,073	46,907,596	9,921,855	136,030,775	2,974,707,199	0.98
2015	2,115,180,600	441,582,500	2,556,763,100	273,519,664	75,173,013	9,503,122	139,887,074	3,054,845,973	1.03
2016	2,157,156,800	442,634,100	2,599,790,900	281,250,151	67,482,556	9,412,558	169,873,939	3,127,810,104	0.98
2017	2,196,323,900	453,600,600	2,649,924,500	285,241,908	72,237,652	9,186,316	180,951,314	3,197,541,690	0.91
2018	2,213,435,600	464,682,200	2,678,117,800	291,422,935	81,459,133	10,578,050	184,254,613	3,245,832,531	0.93
2019	2,268,457,200	463,799,400	2,732,256,600	300,352,848	98,733,497	13,420,534	178,573,794	3,323,337,273	0.94
2020	2,388,612,900	477,855,106	2,866,468,006	312,618,681	109,060,008	16,524,232	184,686,918	3,489,357,845	0.94
2021	2,622,012,800	516,961,100	3,138,973,900	355,732,828	98,332,333	19,448,407	211,557,195	3,824,044,663	0.94
2022	2,696,940,800	500,783,968	3,197,724,768	452,530,447	44,705,841	20,262,630	264,130,799	3,979,354,485	0.94
2023	3,119,820,800	601,071,700	3,720,892,500	424,362,027	60,567,132	20,426,029	328,343,724	4,554,591,412	1.01

Notes: Property in the County is reassessed each year. Property is assessed at fair market value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.
Personal Property, Machinery & Tools, Mobile Homes and Public Service Corporations assessed values are provided by Calendar Year.

The County of Prince George does not have any overlapping property tax rates.



Principal Property Taxpayers
Current Year and Nine Years Prior

Taxpayer	2023			2014		
	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value (1)	Rank	Percentage of Total Valuation
Delhaize America Distribution LLC (Food Lion Distribution Center)	\$ 60,135,818	1	1.32%	\$ 35,523,000	2	1.15%
SL Well Station Road LLC (Rolls Royce Crosspointe LLC)	42,750,100	2	0.94%	57,667,300	1	1.87%
SCM Industries LLC (Service Center Metals)	41,092,013	3	0.90%	-	N/A	N/A
Amazon.com Services LLC / Virginia Gateway Logistics	38,541,827	4	0.85%	-	N/A	N/A
Independence Place Jefferson Park	37,700,000	5	0.83%	16,186,300	6	0.52%
Summit Investments II	29,603,300	6	0.65%	11,564,600	9	0.37%
BPP Jefferson Pointe LLC	26,810,000	7	0.59%	13,205,500	8	0.43%
RP Quality Way LLC	25,532,700	8	0.56%	-	N/A	N/A
RP-SCM Properties LLC	25,280,300	9	0.56%	-	N/A	N/A
Crossroads Holdings LLC	23,455,100	10	0.51%	18,218,700	4	0.59%
Ace Hardware Corp	-	N/A	0.00%	26,767,000	3	0.87%
Justice James C Companies INC	-	N/A	0.00%	17,904,300	5	0.58%
Ardena LR LLC (formerly Crossings Center LLP)	-	N/A	0.00%	13,554,700	7	0.44%
Standard Motor Products	-	N/A	0.00%	10,745,100	10	0.35%

(1) Includes real property, personal property, and machinery and tools
MT & PP provided on calendar year basis

Property Tax Levies and Collections
Last Ten Fiscal Years

Real Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2023	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	20,491,748	19,990,130	97.55%	499,145	20,489,274	99.99%
2015	20,555,563	20,167,652	98.11%	385,404	20,553,056	99.99%
2016	21,146,575	20,464,556	96.77%	679,343	21,143,899	99.99%
2017	22,726,252	22,135,095	97.40%	588,490	22,723,585	99.99%
2018	22,737,842	22,212,931	97.69%	520,545	22,733,476	99.98%
2019	23,209,467	22,509,212	96.98%	687,359	23,196,572	99.94%
2020	24,179,333	23,563,380	97.45%	586,777	24,150,157	99.88%
2021	26,354,643	25,566,776	97.01%	709,145	26,275,921	99.70%
2022	26,740,040	25,912,244	96.90%	614,562	26,526,807	99.20%
2023	28,964,595	28,034,191	96.79%	-	28,034,191	96.79%

Personal Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2023	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	9,780,855	8,422,027	86.11%	1,162,621	9,584,648	97.99%
2015	9,226,196	7,538,334	81.71%	1,557,335	9,095,669	98.59%
2016	10,651,718	8,846,452	83.05%	1,660,464	10,506,916	98.64%
2017	12,279,120	9,906,413	80.68%	2,361,259	12,267,672	99.91%
2018	12,202,722	10,023,352	82.14%	2,066,842	12,090,194	99.08%
2019	12,310,293	10,191,612	82.79%	2,018,940	12,210,552	99.19%
2020	12,928,174	11,380,690	88.03%	1,435,495	12,816,185	99.13%
2021	14,537,111	12,128,609	83.43%	2,193,985	14,322,594	98.52%
2022	15,588,620	12,637,190	81.07%	1,989,287	14,626,477	93.83%
2023	16,150,201	12,750,890	78.95%	-	12,750,890	78.95%

(1) - Collected in Subsequent Years amount includes amounts collected in future years. Amounts written off as uncollectible are not included.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds/ Notes	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans	General Obligation Bonds/ Notes			
	Supported by General Taxes							
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	50,331,145	5.21%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	50,267,924	5.45%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	49,904,475	5.40%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	53,069,475	5.72%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	55,346,075	5.48%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	57,847,396	5.43%	1,519
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	58,381,880	5.27%	1,522
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	83,432,400	6.59%	1,940
2022	44,064,580	7,471,081	30,010,000	-	3,059,733	84,605,394	6.28%	1,958
2023	38,576,578	6,057,016	29,430,000	-	2,863,834	76,927,428	5.88%	1,777

(1) Reference table 12

COUNTY OF PRINCE GEORGE, VIRGINIA

Table 10

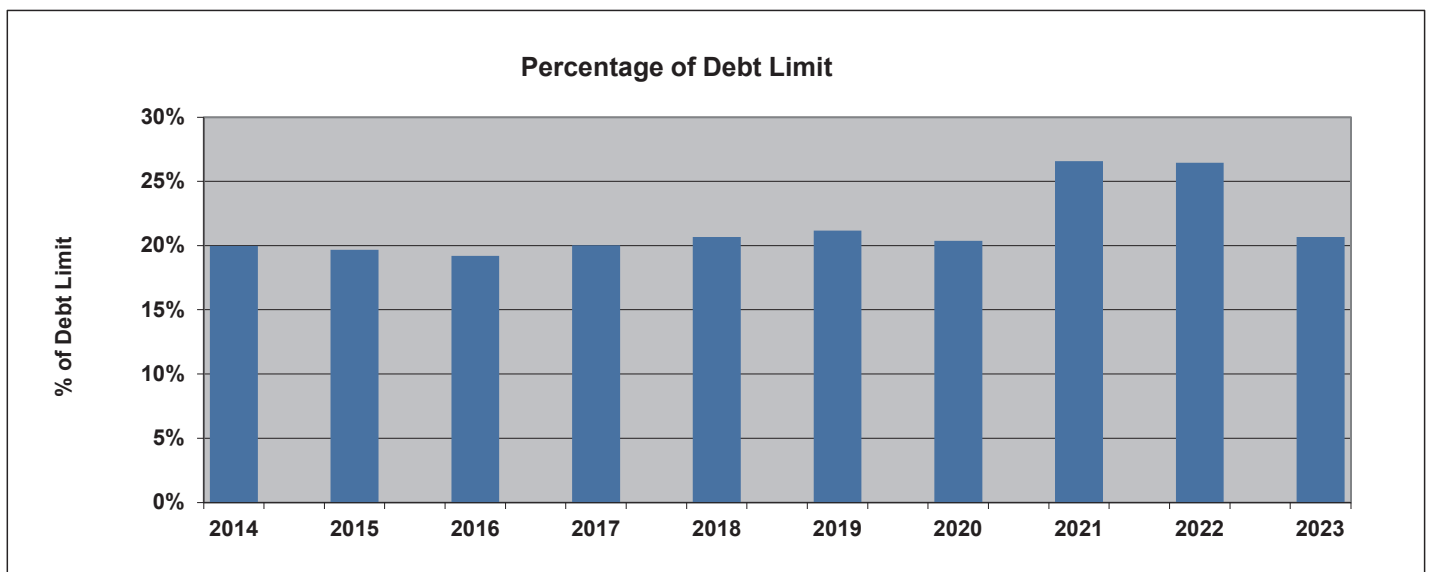
Ratios of General Bonded Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Business-Type Activities	Less: Restricted Debt Service Net Position	Total	Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans					
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	-	50,331,145	1.69%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	-	50,267,924	1.65%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	-	49,904,475	1.60%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	-	53,069,475	1.66%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	-	55,346,075	1.71%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	(30,868)	57,816,528	1.74%	1,518
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	(86,324)	58,295,556	1.67%	1,520
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	(1,267,560)	82,164,840	2.15%	1,910
2022	44,064,580	7,471,081	30,010,000	-	3,059,733	(3,074,676)	81,530,718	2.05%	1,887
2023	38,576,578	6,057,016	29,430,000	-	2,863,834	(3,601,145)	73,326,283	1.61%	1,694

The County of Prince George does not have any overlapping governmental or business activities debt.

Computation of Legal Debt Margin
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Net Assessed Value (real property)	\$ 2,521,752,900	\$ 2,556,763,100	\$ 2,599,790,900	\$ 2,649,924,500	\$ 2,678,117,800
Debt Limit (10% of Real Property Assessed Value)	252,175,290	255,676,310	259,979,090	264,992,450	267,811,780
Debt Applicable to Limit	<u>50,331,145</u>	<u>50,267,924</u>	<u>49,904,475</u>	<u>53,069,475</u>	<u>55,346,075</u>
Legal Debt Margin	<u>\$ 201,844,145</u>	<u>\$ 205,408,386</u>	<u>\$ 210,074,615</u>	<u>\$ 211,922,975</u>	<u>\$ 212,465,705</u>
Total net debt applicable to the limit as a percentage of debt limit	20.0%	19.7%	19.2%	20.0%	20.7%



Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Assessed Value (real property)	\$ 2,732,256,600	\$ 2,866,468,006	\$ 3,138,973,900	\$ 3,197,724,768	\$ 3,720,892,500
Debt Limit (10% of Real Property Assessed Value)	273,225,660	286,646,801	313,897,390	319,772,477	372,089,250
Debt Applicable to Limit	<u>57,847,396</u>	<u>58,381,880</u>	<u>83,432,400</u>	<u>84,605,394</u>	<u>76,927,428</u>
Legal Debt Margin	<u>\$ 215,378,264</u>	<u>\$ 228,264,921</u>	<u>\$ 230,464,990</u>	<u>\$ 235,167,083</u>	<u>\$ 295,161,822</u>
Total net debt applicable to the limit as a percentage of debt limit	21.2%	20.4%	26.6%	26.5%	20.7%

Demographic and Economic Statistics
Last Ten Years

Year	Population	Student Enrollment (a)	Personal Income (f)	Per Capita Personal Income (d)	Median Household Income	Median Age	Average unemployment Rate	Educational Attainment: Bachelor's Degree or Higher
2013	37,253 (d)	6,367	954,645,378	25,626	63,913 (d)	38.0 (d)	4.9% (d)	17.0% (d)
2014	37,333 (d)	6,335	912,194,522	24,434	63,074 (d)	38.0 (d)	5.5% (d)	17.9% (d)
2015	37,862 (d)	6,336	928,414,102	24,521	61,792 (d)	37.3 (c)	5.3% (d)	18.5% (d)
2016	37,845 (e)	6,333	927,997,245	24,521	63,320 (d)	37.3 (c)	4.8% (e)	21.3% (d)
2017	37,809 (e)	6,228	1,010,294,289	26,721	66,775 (d)	37.3 (c)	4.4% (e)	22.1% (d)
2018	38,082 (e)	6,236	1,065,153,540	27,970	68,461 (d)	37.3 (c)	3.6% (e)	23.0% (d)
2019	38,353 (d)	6,228	1,107,366,169	28,873	67,001 (d)	37.2 (c)	3.4% (e)	24.0% (d)
2020	43,010 (d)	5,960	1,265,354,200	29,420	71,912 (d)	37.2 (c)	6.5% (e)	23.6% (d)
2021	43,209 (c)	6,000	1,347,818,337	31,193	75,123 (d)	37.6 (c)	4.5% (e)	23.4% (d)
2022	43,295 (c)	5,948	1,307,465,705	30,199	78,895 (d)	37.1 (d)	3.4% (e)	24.4% (d)

(a) September Enrollment - Virginia Department of Education; Calendar Year Basis

(b) Virginia Employment Commission- LAUS Unit and Bureau of Labor Statistics

(c) Weldon Cooper Center

(d) US Census Bureau

(e) USDA Economic Research Service

(f) Personal income estimated based upon the municipal population and per capita income

Principal Employers
Current Year and Nine Years Ago

Employer	2023			2014		
	Approximate Number of Employees	Percentage of Total Principal Employment	Rank	Approximate Number of Employees	Percentage of Total Principal Employment	Rank
U.S. Department of Defense	1000+	6.8%	1	1000+	7.1%	1
Prince George County Public Schools ¹	500-999	3.4%	2	1000+	7.1%	2
Perdue Products / Perdue Farms Inc.	500-999	1.7%	3	250-499	1.8%	8
Delhaize America Distribution, LLC / Food Lion Distribution Center	250-499	3.4%	4	500-999	3.5%	4
U.S. Department of Justice / National Finance Center	250-499	3.4%	5	500-999	3.5%	3
Cunningham Food Services LLC (Fort Gregg-Adams food service provider)	250-499	1.7%	6	N/A	N/A	-
Standard Motor Products Inc	250-499	1.7%	7	250-499	1.8%	6
County of Prince George ²	250-499	1.7%	8	1000+	7.1%	2
Service Center Metals	250-499	1.7%	9	N/A	N/A	-
U.S. Army Non-Appropriated Funds Division / Fort A.P. Hill	250-499	1.7%	10	500-999	3.5%	5
Riverside Regional Jail	N/A	N/A	-	250-499	1.8%	7
U.S. Department of Army and Air Force / Army & Air Force Exchange	N/A	N/A	-	250-499	1.8%	9
Ace Hardware	N/A	N/A	-	100-249	0.7%	10
Total Employment	14,694			14,085		

¹ Formerly County of Prince George

² Prior years included Prince George County Public Schools

Source: Virginia Employment Commission, Economic Information & Analytics,
Quarterly Census of Employment and Wages (QCEW), 1st Quarter (January, February, March) 2023.

County Government Employees
Last Nine Fiscal Years

Function/Program	Approved & Funded Full Time Equivalent (FTE)									
	Positions as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government Administration										
Board of Supervisors	0	0	0	0	0	1	1	1	1	1
County Administration	5	4	4	4	4	4	4	4	4	2
Human Resources	3	3	3	3	3	3	3	3	3	3
County Attorney	2	2	2	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Commissioner of the Revenue	6	6	6	6	6	6	6	6	6	6
Treasurer	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6	6
Real Estate Assessor	6	6	6	6	6	6	6	6	6	5
Finance	6	7	7	7	7	7	7	7	7	7
Information Technology	6	6	6	6	6	6	6	6	6	7
County Garage	4	4	4	4	4	4	5	5	6	6
Registrar	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Administration										
Circuit Court Administrator	1	1	1	1	1	1	1	1	1	1
Commonwealth's Attorney	6.50	6.50	6.50	6.50	6.50	6.50	7.50	7.50	7.50	9.00
Sheriff	10.50	10.50	10.50	10.50	10.50	10.50	11.50	11.50	11.50	11.50
Victim Witness	1	1	1	1	1	1	1	1	1	2
Clerk of Circuit Court	5	6	6	6	6	6	6	6	6	6
Drug Court	0	0	0	0	0	0	0	1	1	1
Public Safety										
Police	58	58	58	59	59.50	59.50	62.50	62.50	62.50	64.50
Fire & EMS	20	20	19	19	19	23	25	25	28	34
Fire & EMS (SAFER GRANT)	0	0	0	0	6	6	6	6	6	0
Emergency Management	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1
VJCCCA	1	1	1	1	1	1	1	1	1	1
Community Corrections/ Pretrial	10.50	10.50	10.50	10.50	12	12	12	12	12	11
Community Development and Code Compliance	13.50	13.50	13.50	13.50	13.50	14	10	10	10	10
Animal Control	5.50	6.50	6.50	6.50	6.50	6	6	6	6	6
Emergency Communications (Dispatch) Center	14	14	14	14	17	17	17	17	17	17
Public Works										
General Properties	8	8	9	9	9	9	9	9	9	7
Refuse Disposal	0	0	0	0	0	0	0	0	0	0
Engineering/Utilities	13	13	14	14	14	14	14	15	15	16
Health and Welfare										
Social Services	22.50	22.50	24.50	23.50	24.50	25.50	26.50	26.50	28.50	30.00
Children's Services Act	0	0	0	0	0	0	0	0	0	0
Housing Assistance	0	0	0	0	0	0	0	0	0	0
Parks, Recreation & Cultural										
Parks and Recreation	7	7	7	7	7	7	7	7	7	7
Community Development										
Planning Department	0	0	0	0	0	0	3	4	4	3
Economic Development	2	2	2	2	2	2	2	2	2	3
GIS	0	0	0	0	0	0	0	0	0	0
Total	246.50	248.50	251.50	252.00	264.00	270.00	278.00	281.00	286.50	289.00

Source - Human Resources

Operating Indicators by Function/ Program
Last Nine Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government Administration										
Real Property Parcels	13,594	13,613	13,398	13,416	13,744	13,770	13,843	13,888	13,911	14,059
Public Safety										
Physical Arrests	632	543	555	684	703	693	768	630	648	642
Traffic Violations	7,200	5,493	4,943	4,447	5,463	5,533	5,493	5,883	6,512	6,612
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Personnel and Officers	58	58	58	58	69	65	66	65	60	65
Fire Protection										
EMS Service Calls	2,968	3,289	3,400	3,365	3,433	3,581	3,698	3,787	4,069	4,120
Fire Service Calls	1,339	1,495	1,431	1,028	1,115	950	2,027	940	962	958
Fire Stations	6	6	6	6	6	7	7	7	8	8
EMS Stations	1	1	1	1	1	1	1	1	0	0
Volunteer Fire and EMS Personnel	225	160	160	164	171	232	268	200	160	130
Professional Paramedic/Firefighter	16	16	16	166	23	62	60	45	40	48
Building Official										
Residential Permits	387	451	1,110	1,076	1,450	551	2,097	1,265	1,571	1,680
Commercial Building Permits	190	137	189	204	251	124	335	282	399	294
Commercial New-Building Permits	52	22	13	6	13	13	17	10	23	13
Single Family Resid. Building Permits	45	52	73	97	162	142	116	115	169	139
Public Works										
Miles of Water Line	75	82	83	87	88	87	87	87	91	94
Miles of Sewer Line	97	116	117	117	116	115	115	115	115	118
Utilities Customers	4,545	4,264	4,204	4,247	4,303	4,458	4,464	4,489	4,516	4,562
Health and Welfare										
Request for Services (Social Services)	1,486	1,515	1,718	1,503	1,470	1,503	1,149	878	1,288	1,855
Food Stamp Applications	1,063	1,787	2,070	1,241	1,047	1,150	1,278	1,398	1,528	1,677
Parks, Recreation & Cultural										
Youth League Participants	2,409	2,319	2,337	2,229	2,184	2,166	1,151	1,225	2,778	2,859
Community Development										
Employment	14,758 (a)	14,791 (a)	14,968 (a)	15,558 (a)	14,806 (a)	14,823 (a)	14,926 (a)	15,152 (a)	15,111 (a)	15,632 (a)
Component Unit - School Board										
Students Enrolled	6,367 (b)	6,335 (b)	6,336 (b)	6,333 (b)	6,228 (b)	6,236 (b)	6,228 (b)	5,960 (b)	6,000 (b)	5,948 (b)

Source - Various County Departments

(a) Virginia Employment Commission

<https://virginiaworks.com/Local-Area-Unemployment-Statistics-LAUS>

Employment reported for June 2023

(b) September enrollment - Virginia Department of Education K-12; Fiscal Year basis

Capital Asset Statistics by Function
Last Nine Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government Administration										
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Administration Vehicles	9	9	8	6	5	5	5	5	5	5
Police Department:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	76	66	73	73	67	75	77	77	79	78
Child Safety Seat Trailer	1	1	1	1	1	1	1	1	1	1
Electronic Sign Board	1	1	1	1	1	1	1	3	3	2
Public Safety Boat	1	1	1	1	1	1	1	1	1	1
Emergency Management:										
Buildings	1	1	1	1	1	1	1	1	1	1
Sheriff's Department:										
Vehicles	12	12	12	12	13	12	13	14	14	14
Fire Department:										
Vehicles & Apparatus	58	63	66	69	69	68	68	64	62	63
Electronic Sign Board								1	1	1
Animal Control:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	5	6	6	6	5	5	4	4	4	5
Horse Trailer	1	1	1	1	1	1	1	1	1	2
Community Corrections:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	2	2	2	2	2	2	2
Courts:										
Buildings	1	1	1	1	1	1	1	1	1	1
Operations										
Garage:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	3	4	4	4	4	4	4	4
Refuse:										
Sites	1	1	1	1	1	1	1	1	1	1
Recycling Centers	2	2	2	2	2	2	2	2	2	2
Buildings and Grounds:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	7	7	7	9	8	8	8	7	7	7
Community Development										
Building Inspections:										
Vehicles	7	6	6	6	6	6	7	7	6	5
Pickleball Courts										4
Pavilions	3	3	3	3	3	3	3	3	3	3
Education Center / Central Wellness Center	1	1	1	1	1	1	1	1	1	1
Canoe Launch	1	1	1	1	1	1	1	1	1	1
Historical Society	1	1	1	1	1	1	1	1	1	1
Vehicles								9	9	8
Electronic Sign Board										1
Health & Welfare										
Social Services:										
Building	1	1	1	1	1	1	1	1	1	1
Food Bank	1	1	1	1	-	-	1	1	1	1
Vehicles	5	5	5	5	5	5	5	5	5	5
Component Unit - School Board										
Education:										
High Schools	1	1	1	1	1	1	1	1	1	1
Junior High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	5	5	5	5	5	5	5	5	5	5
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Education Center	-	-	-	-	-	-	-	-	-	-
School Buses - Active	76	76	74	60	56	60	60	63	61	62
School Buses - Spare	20	20	23	31	31	23	23	23	21	21

Source: Individual County Departments



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

**To the Honorable Members of the Board of Supervisors
County of Prince George
Prince George, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County of Prince George, Virginia's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

December 5, 2023



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

**To the Honorable Members of the Board of Supervisors
County of Prince George
Prince George, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, County of Prince George, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Prince George, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Prince George, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Prince George, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Prince George, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Prince George, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Prince George, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Prince George, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Prince George, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Report on Internal Control over Compliance (Continued)

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

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

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia

December 5, 2023

COUNTY OF PRINCE GEORGE, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Education:				
Public Health Emergency Response: Cooperative Agreements for Emergency Response: Public Health Crisis Response	93.354	Unknown	\$ -	\$ 51,517
Virginia Department of Social Services:				
Guardianship Assistance	93.090	1110123 / 1110122	-	114
Title IV-E Prevention Program	93.472	1140122	-	4,376
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950123 / 0950122	-	21,175
Temporary Assistance for Needy Families (TANF)	93.558	0400123 / 0400122	-	185,002
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500123 / 0500122	-	646
Low-Income Home Energy Assistance	93.568	0600423 / 0600422	-	34,584
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760123 / 0760122	-	42,627
Adoption and Legal Guardianship Incentive Payments	93.603	1130122	-	3,253
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900123 / 0900122	-	290
Foster Care - Title IV-E	93.658	1100123 / 1100122	-	139,015
Adoption Assistance	93.659	1120123 / 1120122	-	312,663
Social Services Block Grant	93.667	1000123 / 1000122	-	163,541
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150123 / 9150122	-	6,671
Elder Abuse Prevention Interventions Program	93.747	Unknown	-	2,959
Children's Health Insurance Program (CHIP)	93.767	0540123 / 0540122	-	2,262
Medical Assistance Program (Medicaid Cluster)	93.778	1200123 / 1200122	-	263,890
Total Department of Health and Human Services			\$ -	\$ 1,234,585
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Food and Shelter National Board Program	97.024	Unknown	\$ -	\$ 4,567
Emergency Management Performance Grants	97.042	Unknown	-	25,231
Total Department of Homeland Security			\$ -	\$ 29,798
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	405910	\$ -	\$ 869,439
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	-	40,430
Virginia Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	Unknown	-	178,820
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	406230	-	1,757,668
Total Child Nutrition Cluster			\$ -	\$ 2,846,357
Child Nutrition Discretionary Grants Limited Availability	10.579	Unknown	-	7,468
COVID-19 - Pandemic EBT Admin Costs	10.649	Unknown	-	3,135
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040122 / 0040121	-	513,871
Total Department of Agriculture			\$ -	\$ 3,370,831

COUNTY OF PRINCE GEORGE, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass Through Payments:				
Virginia Department of Education:				
WIOA Adult Program (WIOA Cluster)	17.258	LWA 5-21-04 & LWA 5-22-03	\$ 829,093	\$ 829,093
WIOA Youth Activities (WIOA Cluster)	17.259	LWA 5-21-04 & LWA 5-22-03	505,285	505,285
WIOA Dislocated Worker Formula Grants (WIOA Cluster)	17.278	LWA 5-21-04 & LWA 5-22-03	471,262	471,262
Total WIOA Cluster			\$ 1,805,640	\$ 1,805,640
Total Department of Labor			\$ 1,805,640	\$ 1,805,640
Department of Justice:				
Direct Payments:				
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 11,668
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	2019-V2-GX-0054, 2020-V2-GX-0048 15POVC-21-GG-00602-ASSI	-	70,180
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unknown	-	3,164
Total Department of Justice			\$ -	\$ 85,012
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
National Priority Safety Programs (Highway Safety Cluster)	20.616	Unknown	\$ -	\$ 19,580
Environmental Protection Agency:				
Direct Payments:				
National Priority Safety Congressionally Mandated Projects	66.202	Unknown	\$ -	\$ 686,056
Department of Education:				
Direct Payments:				
Impact Aid	84.041	N/A	\$ -	\$ 5,107,788
Pass Through Payments:				
Virginia Department of Education:				
Adult Education - Basic Grants to States	84.002	428010 / 611110	-	399,492
Title I Grants to Local Educational Agencies	84.010	429010	-	886,727
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	429480	-	49,154
Special Education - Grants to States (Special Education Cluster)	84.027	430710	-	1,246,023
Special Education - Preschool Grants (Special Education Cluster)	84.173	625210	-	30,316
Total Special Education Cluster (IDEA)			\$ -	\$ 1,276,339
Student Support and Academic Enrichment Program	84.424	Unknown	-	103,388
English Language Acquisition State Grants	84.365	Unknown	-	13,020
Career and Technical Education - Basic Grants to States	84.048	610950	-	90,468
Supporting Effective Instruction State Grants	84.367	614800	-	143,692
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	-	2,322,129
COVID-19 - ARPA Elementary and Secondary School Emergency Relief Fund	84.425U	Unknown	-	1,515,328
Total Education Stabilization Fund				3,837,457
Total Department of Education			\$ -	\$ 11,907,525
Department of Defense:				
Direct Payments:				
ROTC Language and Culture Training Grants	12.357	N/A	\$ -	\$ 110,650
Pass through payments:				
Virginia Department of Education:				
Payments to States in Lieu of Real Estate Taxes	12.112	Unknown	\$ -	\$ 1,929
Total Department of Defense			\$ -	\$ 112,579
Department of Treasury:				
Direct payments:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 410,248
Pass through payments:				
Virginia Department of Education:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 634,089
Total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				\$ 1,044,337
Total Department of Treasury			\$ -	\$ 1,044,337
Total Expenditures of Federal Awards			\$ 1,805,640	\$ 20,295,943

See accompanying notes to the schedule of expenditures of federal awards.

COUNTY OF PRINCE GEORGE, 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 (the Schedule) includes the federal award activity of the County of Prince George, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the reporting requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the County of Prince George, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Prince George, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

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

Note 5 - 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	\$ 1,872,602
ARPA Fund	401,259
Tourism Fund	95,012
Economic Development Fund	8,250
Crater Workforce Fund	1,805,640
Water and Sewer Fund	686,056
Total primary government	\$ 4,868,819
Component Unit School Board:	
School Operating Fund	\$ 12,211,205
School Cafeteria Fund	2,856,959
Adult Basic Education Fund	399,492
Total Component Unit School Board	\$ 15,467,656
Total federal expenditures per basic financial statements	\$ 20,336,475
Amounts required to reconcile federal revenues to expenditures:	
Less: Payment in lieu of taxes	\$ (40,532)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 20,295,943

COUNTY OF PRINCE GEORGE, VIRGINIA

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings

There are no findings from the prior year.