

CHARLOTTE COUNTY
VIRGINIA

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

COUNTY OF CHARLOTTE, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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Financial Report
For the Year Ended June 30, 2023

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COUNTY OF CHARLOTTE, VIRGINIA

Board of Supervisors

Gary D. Walker, Chairman
Walter Bailey, Vice-Chairman

Derek Toombs
Hazel Bowman Smith

Noah Davis

Robert L. Shook, Jr.
Henry Carwile

School Board

Scotty Hamlett, Chairman
R.B. "Jay" George, Vice-Chairman

Teresa Dunnaway
Dr. Elise Green

Gloria Talbott
Rick Brown

Lauren Willis

Board of Public Welfare

Carolyn Baker, Chairman
Margaret A. Elder, Vice-Chairman

Catherine B. Hamlett
Gloria T. Talbott
Alex Haskins

Toni Arrington
Sue Francis
Butch Shook

Library Board

Eleanor B. Williams, Chairman
Aurelia Cathey, Secretary

Teresa Osborne
Barbara B. Hamlett

Martha Brogdon

Winnie Morris
Jean Elliot

Other Officials

Judge of the Circuit Court
Clerk of the Circuit Court
Judge of the General District Court
Judge of the Juvenile & Domestic Relations Court
Commonwealth's Attorney
Commissioner of the Revenue
Treasurer
Sheriff
Superintendent of Schools
Director of Social Services
Librarian
County Administrator

Kimberly S. White
Nan R. Colley
Calvin Spencer
Nora Miller
William E. Green, Jr.
Naisha N. Carter
Patricia P. Berkeley
Royal S. Freeman
Robbie Mason
Sari C. Goff
James C. Watkins
Daniel N. Witt



Independent Auditors' Report

**To the Honorable Members of
the Board of Supervisors
County of Charlotte, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Charlotte, 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, during the year ending June 30, 2023, the County restated beginning balances related to Local State Sales Tax Fund. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Charlotte, 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 Charlotte, 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 Charlotte, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Required Supplementary Information: (Continued)

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 Charlotte, 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.

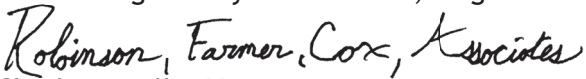
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on our consideration of County of Charlotte, 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 Charlotte, 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 Charlotte, Virginia's internal control over financial reporting and compliance.


Charlottesville, Virginia
February 12, 2024

To the Citizens of Charlotte County County of Charlotte, Virginia

As management of the County of Charlotte, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023.

Financial Highlights

Government-wide Financial Statements

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,383,774 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues in excess of expenditures and other financing sources of \$2,707,147 (Exhibit 5) after making contributions totaling \$3,394,911 to the School Board.

- As of the close of the current fiscal year; the County's funds reported ending fund balances of \$20,919,980, an increase of \$2,707,147 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,371,798, or 83% of total general fund expenditures.
- Our combined long-term obligations decreased \$551,959 during the current fiscal year.

Overview of the Financial Statements

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

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

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

Overview of the Financial Statements (Continued)

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

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

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

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

The Government-wide financial statements include not only the County of Charlotte, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Charlotte, Virginia is financially accountable. Financial information for this component unit is reported separately from the financial information present for the primary government itself.

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

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements, reconciliation between the two methods is provided on Exhibit 4. The County has three major governmental funds - the General Fund, the Capital Projects Fund, and the CARES Act Fund.

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

Overview of the Financial Statements (Continued)

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.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and schedules of pension and OPEB funding progress. The School Board does not issue separate financial statements. Other supplementary information consists of combining statements and schedules for nonmajor funds, fiduciary funds, the discretely presented component unit School Board, budgetary schedules, and statistical information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,383,774 at the close of the most recent fiscal year.

County of Charlotte, Virginia's Net Position			
	Governmental Activities		
	2023	2022	
Current and other assets	\$ 24,516,346	\$ 21,577,755	
Capital assets	30,306,920	31,268,743	
Total assets	\$ 54,823,266	\$ 52,846,498	
Deferred outflows of resources	\$ 1,455,398	\$ 1,471,825	
Current liabilities	\$ 1,562,631	\$ 925,596	
Long-term liabilities outstanding	27,740,409	28,292,368	
Total liabilities	\$ 29,303,040	\$ 29,217,964	
Deferred inflows of resources	\$ 1,591,850	\$ 4,886,553	
Net position:			
Net investment in capital assets	\$ 7,982,732	\$ 8,578,213	
Restricted for net pension asset	-	1,818,451	
Restricted for opioid settlement	121,680	-	
Restricted for Library	367,513	335,160	
Unrestricted	16,911,849	9,481,982	
Total net position	\$ 25,383,774	\$ 20,213,806	

At the end of the current fiscal year, the County's net investment in capital assets is \$7,982,732. The County's net position restricted for opioid settlements of \$121,680 and for Library use of \$367,513. The remaining \$16,911,849 of net position is unrestricted and available for use at the County's discretion.

Government-wide Financial Analysis (Continued)

Governmental Activities - Governmental activities increased the County's net position by \$3,741,303.

<u>County of Charlotte, Virginia's Change in Net Position</u>		
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 567,178	\$ 594,789
Operating grants and contributions	6,894,691	9,206,323
General revenues:		
Property taxes	12,828,733	10,944,966
Other local taxes	1,559,302	1,506,170
Grants and other contributions unrestricted	1,922,969	1,385,808
Other	1,822,275	833,820
Total revenues	\$ <u>25,595,148</u>	\$ <u>24,471,876</u>
Expenses:		
General government administration	\$ 3,105,123	\$ 2,207,360
Judicial administration	1,280,168	1,258,773
Public safety	5,215,687	4,631,069
Public works	1,928,447	1,621,275
Health and welfare	4,800,548	4,725,317
Education	4,015,870	4,753,086
Parks, recreation and culture	445,431	425,217
Community development	279,403	293,851
Interest	783,168	827,317
Total expenses	\$ <u>21,853,845</u>	\$ <u>20,743,265</u>
Increases (decrease) in net position	\$ 3,741,303	\$ 3,728,611
Net position-beginning	<u>21,642,471</u>	<u>16,485,195</u>
Net position-ending	\$ <u>25,383,774</u>	\$ <u>20,213,806</u>

For the most part, increases in expenditures closely paralleled inflation and growth in the demand for services.

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

Government-wide Financial Analysis (Continued)

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$20,919,980, an increase of \$2,707,147 in comparison with the prior year. Approximately 83% of this total amount constitutes unassigned fund balance, which is available for spending at the County's discretion.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2023 amounts to \$31,268,743 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and machinery and equipment.

County of Charlotte, Virginia's Capital Assets			
		Governmental Activities	
		2023	2022
Land	\$	250,555	\$ 250,555
Buildings and improvements		22,189,870	22,189,870
Equipment		3,322,214	3,146,346
Leased buildings and improvements		196,275	196,275
Leased equipment		15,650	15,650
Tenancy in common		13,857,489	8,642,894
Construction in progress		12,000	5,493,138
Total	\$	39,844,053	\$ 39,934,728
Less accumulated depreciation		(9,537,133)	(8,665,985)
Net capital assets	\$	<u>30,306,920</u>	<u>\$ 31,268,743</u>

Additional information on the County's capital assets can be found in Note 4 of this report.

Capital Asset and Debt Administration (Continued)

Long-term debt - At the end of the current fiscal year, the County had total bonded debt outstanding of \$19,330,000 comprised of debt backed by the full faith and credit of the County. The following table depicts all debt reported by the County:

County of Charlotte, Virginia's Outstanding Obligations		
	Governmental Activities	
	2023	2022
General obligation bond	\$ 18,690,000	\$ 19,325,000
Revenue bond	640,000	720,000
Premium on bonds	2,279,107	2,463,479
Equipment loans	2,816,221	3,017,637
Lease liabilities	177,967	194,804
Compensated absences	451,447	467,184
Net OPEB liabilities	544,527	636,588
Net pension liability	626,417	-
Landfill closure liability	1,514,723	1,467,676
Total	\$ <u>27,740,409</u>	\$ <u>28,292,368</u>

Legislation enacted in fiscal year ended June 30, 2002 requires that debt historically reported by the School Board be assumed by the primary government. The legislation affects the reporting of local school capital assets as well.

The County's total long-term obligations decreased by \$551,959 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the County is currently 3.5 percent, which is .4 more than reported in the previous year. This compares similarly to the state's average unemployment rate of 2.7 percent, and slightly favorably to the national average rate of 3.6 percent.

Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2024 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County of Charlotte, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 250 Le Grande Avenue, Charlotte Court House, Virginia 23923.

BASIC FINANCIAL STATEMENTS
- *Government-wide Financial Statements* -

Statement of Net Position
June 30, 2023

	Primary Government	Component Unit
	Governmental Activities	School Board
ASSETS		
Cash and cash equivalents	\$ 17,904,403	\$ 1,696,981
Receivables (net of allowance for uncollectibles):		
Taxes receivable	2,265,967	-
Accounts receivable	280,653	31,394
Interest receivable	124	-
Leases receivable	81,923	-
Inventory	-	31,214
Due from component unit	2,249,539	-
Due from other governmental units	1,307,568	1,924,968
Prepaid items	58,656	405,073
Restricted assets:		
Investments	367,513	-
Net pension asset	-	740,480
Capital assets (net of accumulated depreciation):		
Land	250,555	59,050
Buildings and improvements	28,970,962	10,505,466
Machinery and equipment	899,438	1,617,389
Lease buildings and improvements	164,159	-
Lease equipment	9,806	75,538
Construction in progress	12,000	783,988
Total assets	\$ 54,823,266	\$ 17,871,541
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 1,282,342	\$ 25,566,934
OPEB related items	173,056	4,157,672
Total deferred outflows of resources	\$ 1,455,398	\$ 29,724,606
LIABILITIES		
Accounts payable	\$ 679,701	\$ 1,028,913
Unearned revenue	565,000	-
Accrued interest payable	317,930	282
Due to primary government	-	2,249,539
Long-term liabilities:		
Due within one year	1,197,835	75,206
Due in more than one year	26,542,574	38,789,974
Total liabilities	\$ 29,303,040	\$ 42,143,914
DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 1,082,763	\$ 6,942,719
OPEB related items	249,110	1,168,945
Lease related items	81,115	-
Deferred revenue-property taxes	178,862	-
Total deferred inflows of resources	\$ 1,591,850	\$ 8,111,664
NET POSITION		
Net investment in capital assets	\$ 7,982,732	\$ 12,965,304
Restricted:		
Net pension asset	-	740,480
Opioid settlement	121,680	-
Library		
Expendable	267,513	-
Nonexpendable	100,000	-
Unrestricted	16,911,849	(16,365,215)
Total net position	\$ 25,383,774	\$ (2,659,431)

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	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit School Board
Primary Government:						
Governmental activities:						
General government						
administration	\$ 3,105,123	\$ 131,627	\$ 1,115,646	\$ -	\$ (1,857,850)	\$ -
Judicial administration	1,280,168	60,985	507,599	-	(711,584)	-
Public safety	5,215,687	364,494	1,844,238	-	(3,006,955)	-
Public works	1,928,447	9,473	15,950	-	(1,903,024)	-
Health and welfare	4,800,548	-	4,053,187	-	(747,361)	-
Education	4,015,870	-	-	-	(4,015,870)	-
Parks, recreation, and cultural	445,431	599	69,381	-	(375,451)	-
Community development	279,403	-	97,221	-	(182,182)	-
Interest on long-term debt	783,168	-	-	-	(783,168)	-
Total governmental activities	\$ 21,853,845	\$ 567,178	\$ 7,703,222	\$ -	\$ (13,583,445)	\$ -
Total primary government	\$ 21,853,845	\$ 567,178	\$ 7,703,222	\$ -	\$ (13,583,445)	\$ -
Component Unit:						
School Board	\$ 32,862,203	\$ 59,029	\$ 25,867,360	\$ -	\$ -	\$ (6,935,814)
Total component unit	\$ 32,862,203	\$ 59,029	\$ 25,867,360	\$ -	\$ -	\$ (6,935,814)
General revenues:						
General property taxes					\$ 12,828,733	\$ -
Other local taxes:						
Local sales and use taxes					928,312	-
Consumer utility taxes					224,861	-
Motor vehicle licenses					316,345	-
Other local taxes					89,784	-
Unrestricted revenues from use of money and property					887,864	247
Miscellaneous					934,411	1,736,220
Grants and contributions not restricted to specific programs					1,114,438	-
Contributions from Charlotte County					-	3,946,218
Total general revenues					\$ 17,324,748	\$ 5,682,685
Change in net position					\$ 3,741,303	\$ (1,253,129)
Net position - beginning, as restated					21,642,471	(1,406,302)
Net position - ending					\$ 25,383,774	\$ (2,659,431)

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

BASIC FINANCIAL STATEMENTS

- *Fund Financial Statements* -

Balance Sheet
Governmental Funds
June 30, 2023

	General	CARES Act Fund	ARPA Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 14,857,373	\$ 50,000	\$ 1,634,058	\$ 1,362,972	\$ 17,904,403
Receivables (net of allowance for uncollectibles):					
Taxes receivable	2,265,967	-	-	-	2,265,967
Accounts receivable	280,653	-	-	-	280,653
Interest receivable	124	-	-	-	124
Leases receivable	81,923	-	-	-	81,923
Prepaid items	58,656	-	-	-	58,656
Due from component unit	2,249,539	-	-	-	2,249,539
Due from other funds	-	-	-	20,742	20,742
Due from other governmental units	1,167,903	-	-	139,665	1,307,568
Restricted assets:					
Investments	-	-	-	367,513	367,513
Total assets	<u>\$ 20,962,138</u>	<u>\$ 50,000</u>	<u>\$ 1,634,058</u>	<u>\$ 1,890,892</u>	<u>\$ 24,537,088</u>
LIABILITIES					
Accounts payable	\$ 422,267	\$ -	\$ 45,271	\$ 20,742	\$ 488,280
Solar credit liabilities	191,421	-	-	-	191,421
Unearned revenue	500,000	50,000	15,000	-	565,000
Due to other funds	20,742	-	-	-	20,742
Total liabilities	<u>\$ 1,134,430</u>	<u>\$ 50,000</u>	<u>\$ 60,271</u>	<u>\$ 20,742</u>	<u>\$ 1,265,443</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 2,148,870	\$ -	\$ -	\$ -	\$ 2,148,870
Opioid settlement	121,680	-	-	-	121,680
Lease related items	81,115	-	-	-	81,115
Total deferred inflows of resources	<u>\$ 2,351,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,351,665</u>
FUND BALANCE					
Nonspendable:					
Permanent fund corpus	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Prepaid items	58,656	-	-	-	58,656
Restricted:					
Opioid settlement	45,589	-	-	-	45,589
Library operations	-	-	-	267,513	267,513
Grant funds	-	-	1,573,787	-	1,573,787
Assigned:					
Sales tax - education projects	-	-	-	1,502,582	1,502,582
Library operations	-	-	-	55	55
Unassigned	17,371,798	-	-	-	17,371,798
Total fund balances	<u>\$ 17,476,043</u>	<u>\$ -</u>	<u>\$ 1,573,787</u>	<u>\$ 1,870,150</u>	<u>\$ 20,919,980</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,962,138</u>	<u>\$ 50,000</u>	<u>\$ 1,634,058</u>	<u>\$ 1,890,892</u>	<u>\$ 24,537,088</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	20,919,980
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Capital assets used in governmental activities are not financial resources and,
therefore, are not reported in the funds.

Capital assets, cost	\$	39,844,053	
Accumulated depreciation		<u>(9,537,133)</u>	30,306,920

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

Opioid settlement	\$	121,680	
Unavailable revenue - property taxes		<u>1,970,008</u>	2,091,688

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

Deferred outflows - pension related items	\$	1,282,342	
Deferred outflows - OPEB related items		<u>173,056</u>	1,455,398

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

Bonds payable	\$	(19,330,000)	
Premium on bond payable		(2,279,107)	
Equipment loans		(2,816,221)	
Accrued interest payable		(317,930)	
Lease liabilities		(177,967)	
Net OPEB liabilities		(544,527)	
Net pension liability		(626,417)	
Compensated absences		(451,447)	
Landfill postclosure and corrective action liability		<u>(1,514,723)</u>	(28,058,339)

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

Deferred inflows - pension related items	\$	(1,082,763)	
Deferred inflows - OPEB related items		<u>(249,110)</u>	(1,331,873)

Net position of governmental activities	\$	<u><u>25,383,774</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General	Capital Projects Fund	ARPA Fund	Other Govern- mental Funds	Total
REVENUES					
General property taxes	\$ 12,165,938	\$ -	\$ -	\$ -	\$ 12,165,938
Other local taxes	1,559,302	-	-	-	1,559,302
Permits, privilege fees, and regulatory licenses	137,229	-	-	-	137,229
Fines and forfeitures	145,638	-	-	-	145,638
Revenue from the use of money and property	840,708	3,081	-	44,075	887,864
Charges for services	283,712	-	-	599	284,311
Miscellaneous	968,671	-	-	-	968,671
Intergovernmental:					
Commonwealth	5,189,359	-	-	877,912	6,067,271
Federal	2,745,760	-	-	4,629	2,750,389
Total revenues	\$ 24,036,317	\$ 3,081	\$ -	\$ 927,215	\$ 24,966,613
EXPENDITURES					
Current:					
General government administration	\$ 1,627,124	\$ -	\$ 733,764	\$ -	\$ 2,360,888
Judicial administration	813,846	-	-	-	813,846
Public safety	5,241,421	-	-	-	5,241,421
Public works	1,809,019	-	-	-	1,809,019
Health and welfare	4,892,150	-	-	-	4,892,150
Education	3,394,911	-	-	63,792	3,458,703
Parks, recreation, and cultural	106,078	-	-	349,059	455,137
Community development	284,145	-	-	-	284,145
Nondepartmental	711,225	-	-	-	711,225
Capital projects	-	331,374	-	-	331,374
Debt service:					
Principal retirement	916,416	-	-	-	916,416
Interest and other fiscal charges	985,142	-	-	-	985,142
Total expenditures	\$ 20,781,477	\$ 331,374	\$ 733,764	\$ 412,851	\$ 22,259,466
Excess (deficiency) of revenues over (under) expenditures	\$ 3,254,840	\$ (328,293)	\$ (733,764)	\$ 514,364	\$ 2,707,147
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 583,633	\$ 120,142	\$ -	\$ 262,728	\$ 966,503
Transfers (out)	(966,421)	(82)	-	-	(966,503)
Total other financing sources (uses)	\$ (382,788)	\$ 120,060	\$ -	\$ 262,728	\$ -
Net change in fund balances	\$ 2,872,052	\$ (208,233)	\$ (733,764)	\$ 777,092	\$ 2,707,147
Fund balances - beginning, as restated	14,603,991	208,233	2,307,551	1,093,058	18,212,833
Fund balances - ending	\$ 17,476,043	\$ -	\$ 1,573,787	\$ 1,870,150	\$ 20,919,980

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

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

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

Net change in fund balances - total governmental funds	\$	2,707,147
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded capital outlays in the current period.

Capital outlay	\$	557,115	
Transfer of joint assets		(557,167)	
Depreciation expense		<u>(961,771)</u>	(961,823)

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

Opioid settlement	\$	(34,260)	
Property taxes		<u>662,795</u>	628,535

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.

Change in landfill closure and post-closure liability	\$	(47,047)	
Amortization of premium on bond		184,372	
Equipment loans		201,416	
Change in lease liabilities		16,837	
Principal payments on bonds		<u>715,000</u>	1,070,578

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in interest payable	\$	17,602	
Pension expense		242,641	
OPEB expense		20,886	
Change in compensated absences		<u>15,737</u>	296,866

Change in net position of governmental activities	\$	<u><u>3,741,303</u></u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 9,222,423
Prepaid expenses	19,224
Total assets	\$ <u>9,241,647</u>
LIABILITIES	
Accounts payable	\$ 10,403
Accrued expenses	893,838
Total liabilities	\$ <u>904,241</u>
NET POSITION	
Restricted:	
Amounts held for Virtual Virginia	\$ 8,273,434
Amounts held for special welfare	28,644
Amounts held for sheriff accounts	35,328
Total net position	<u>8,337,406</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS:	
Charges for services	\$ 5,000
Miscellaneous	376,823
Intergovernmental:	
Commonwealth	14,616,242
Federal	5,562,500
Total additions	\$ <u>20,560,565</u>
DEDUCTIONS:	
Inmate personal items	\$ 474,118
Special welfare	35,508
Education - administrative	10,051,739
Education - instruction	10,712,187
Education - other	9,581
Total deductions	\$ <u>21,283,133</u>
Change in net position	\$ (722,568)
NET POSITION:	
Net position, beginning of the year	9,059,974
Net position, ending of the year	\$ <u>8,337,406</u>

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

COUNTY OF CHARLOTTE, VIRGINIA

Notes to Financial Statements As of June 30, 2023

Note 1 - Summary of Significant Accounting Policies:

The County of Charlotte, Virginia was formed in 1764 and it is governed by an elected seven member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

The financial statements of the County of Charlotte, Virginia have been prepared in conformity with the specifications promulgated by the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and 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

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. For the most part, effects of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government 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 CHARLOTTE, VIRGINIA

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

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

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

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

A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for general purpose 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 Charlotte, Virginia (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 to be included for the fiscal year ended June 30, 2023.

Discretely Presented Component Unit: The Component unit columns in the combined financial statements include the financial data of the County's component unit. It is reported in a separate column to emphasize that it is legally separate from the County.

The Charlotte County School Board operates the elementary and secondary public schools in the County. School Board Members are elected by the voters. The School Board is fiscally dependent upon the County because the County approves all debt issuances of the School Board and provides significant funding to operate the public schools, since the School Board does not have separate taxing powers. The School Fund does not issue a separate 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 Financial Report

None

COUNTY OF CHARLOTTE, 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 Financial Report

Crossroads Community Services Board

The Board was created by resolution pursuant to state statute and is considered a jointly governed organization and therefore its operations are not included in the County's financial statements. The County appoints two of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. Therefore, it is not included in the County's financial statements. For the year ended June 30, 2023, the County contributed \$73,000 to the Board.

Charlotte County Industrial Development Authority

The County's officials are also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointment. The Board of Supervisors appoints the board members of the Charlotte County Industrial Development Authority.

Virginia's Heartland Regional Industrial Facility Authority

The Authority was created pursuant to the provision of Title 15.2, Chapter 64 of the Code of Virginia, 1950 as amended. The Authority's purpose is to create a regional industrial park to enhance the economic base by developing, owning or operating one or more facilities on a cooperative basis. The County appoints two of the Authority's board members. The County has no further financial responsibilities to the Authority. Therefore, it is not included in the County's financial statements.

Southside Regional Public Service Authority

The County, in conjunction with the Counties of Mecklenburg and Halifax are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$188,514 for solid waste transferred to the Authority in 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 are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COUNTY OF CHARLOTTE, 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)

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

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

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

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 government reports the following governmental funds.

a. General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial 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 are used principally to finance the operations of the Component Unit School Board. The General Fund is considered a major fund for reporting purposes.

COUNTY OF CHARLOTTE, 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)

b. Capital Projects Fund

The Capital Projects Fund is used to account for and report all activity related to the New Courthouse, mainly construction costs. The activity of School Capital Projects related to bus purchases, Eureka HVAC/Roof project, and Phenix and Bacon District Elementary School renovations were also recorded in this fund. The Capital Projects Fund is considered a major fund for reporting purposes.

c. 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. There are three special revenue funds: the Library Fund, the CARES Act Fund, and the ARPA Fund. The CARES Act Fund and ARPA Fund are considered to be major funds, while the Library Fund and Local Sales Tax Fund are considered to be a nonmajor fund.

d. Permanent Fund

The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Library Trust Fund, which is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Custodial Funds)

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

3. Component Unit

The Charlotte 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 Charlotte and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

COUNTY OF CHARLOTTE, 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)

3. Component Unit: (Continued)

School Cafeteria Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

School Activity Funds - This fund accounts for the operation of the School Activity Fund for the Charlotte County Public Schools. This fund is considered a major fund.

E. Budgets and Budgetary Accounting

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. 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 or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund and Library Fund of the primary government and the School Operating Fund and School Cafeteria Fund of the School Board.
6. All budgets, except School Operating and Cafeteria Funds, are adopted on a basis consistent with generally accepted accounting principles (GAAP). The School Operating and Cafeteria Funds are adopted using the cash basis of accounting.
7. Appropriations lapse on June 30 for all county units.
8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

F. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

F. Cash and Investments: (Continued)

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

At June 30, 2023 the County had restricted cash in the following amounts:

- \$100,000 held in perpetuity, earnings from which are used to fund library operations
- \$267,513 of earnings on library investments restricted for library operations

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds” (i.e. the noncurrent portion of interfund loans).

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 \$107,644 at June 30, 2023 and is comprised solely of property taxes.

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

H. Prepaid Items

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

I. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the School Cafeteria Fund consists of school food.

J. Capital Assets

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

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

J. Capital Assets: (Continued)

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

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20-40
Vehicles	5
Lease buildings and improvements	2-10
Lease equipment	2-5
Office and Computer Equipment	5
Buses	8
Police Vehicles	3

K. Compensated Absences

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

L. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is 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.

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

M. Fund Equity

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

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

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

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors 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).

In the general fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 20% of the actual GAAP basis expenditures and other financing sources and uses.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

N. 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.

O. 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.

P. Net Position

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

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

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

Q. Deferred Outflows/Inflows of Resources

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

COUNTY OF CHARLOTTE, VIRGINIA

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

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

Q. Deferred Outflows/Inflows of Resources: (Continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple 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 leases and OPIOID settlement are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

R. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's 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.

S. Other Postemployment Benefits (OPEB)

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

T. 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

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

T. Leases: (Continued)

Lessee

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

Lessor

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

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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments:

Deposits

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

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).

The County has no formal investment policy addressing the various risks related to investments.

Credit Risk of Debt Securities

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

County's Rated Debt Investments' Values				
Rated Debt Investments	Fair Quality Ratings			
	AAAm	AAf	Unrated	
Local Government Investment Pool	\$ 10,146,844	\$ -	\$ -	
Virginia Investment Pool - Liquidity Pool	9,388,194	-	-	
Virginia State Non-Arbitrage Program	367,513	-	-	
Total	\$ 19,902,551	\$ -	\$ -	

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

Interest Rate Risk

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

County's Debt Investments' Values		
Debt Investments	Fair Value	Less than 1 year
Local Government Investment Pool	\$ 10,146,844	\$ 10,146,844
Virginia Investment Pool - Liquid General	9,388,194	9,388,194
Virginia State Non-Arbitrage Program	367,513	367,513
Total	\$ 19,902,551	\$ 19,902,551

Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

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

The County has the following recurring fair value measurements as of June 30, 2023:

Investment	6/30/2023
Investments measured at net asset value (NAV)	
Virginia Investment Pool - Liquid General	\$ 9,388,194
Total Investments measured at NAV	\$ 9,388,194

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 2 - Deposits and Investments: (Continued)

External Investment Pools

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

Note 3 - Due From Other Governmental Units:

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

	<u>Primary Government</u>	<u>Component Unit</u>
Commonwealth of Virginia:		
Local and state sales tax	\$ 315,064	\$ 355,729
Communication tax	14,153	-
Rolling stock	77,489	-
Public assistance	63,571	-
Comprehensive services	177,863	-
Mobile home titling tax	16,453	-
Recordation tax	2,343	-
E-911 wireless	8,679	-
Jail	27,796	-
Commonwealth's Attorney	20,166	-
Sheriff	134,690	-
Clerk of the Circuit Court	16,662	-
Commissioner of Revenue	9,169	-
Treasurer	8,595	-
Registrar	53,282	-
Workforce Investment Board	11,179	-
Other state funds	11,250	-
Federal Government:		
School funds	-	1,569,239
Public assistance	124,575	-
Other federal funds	12,876	-
Workforce Investment Board	201,713	-
Total	\$ <u>1,307,568</u>	\$ <u>1,924,968</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4 - Capital Assets:

The following is a summary of capital assets activity for the 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>
Capital assets not being depreciated:				
Land	\$ 250,555	\$ -	\$ -	\$ 250,555
Construction in progress	5,493,138	343,457	5,824,595	12,000
Total capital assets not being depreciated	<u>\$ 5,743,693</u>	<u>\$ 343,457</u>	<u>\$ 5,824,595</u>	<u>\$ 262,555</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 22,189,870	\$ -	\$ -	\$ 22,189,870
Equipment	3,146,346	213,658	37,790	3,322,214
Lease buildings and improvements	196,275	-	-	196,275
Lease equipment	15,650	-	-	15,650
Jointly owned assets	8,642,894	5,824,595	610,000	13,857,489
Total capital assets being depreciated	<u>\$ 34,191,035</u>	<u>\$ 6,038,253</u>	<u>\$ 647,790</u>	<u>\$ 39,581,498</u>
Accumulated depreciation:				
Buildings and improvements	\$ 5,599,189	\$ 659,124	\$ -	\$ 6,258,313
Equipment	2,176,899	283,667	37,790	2,422,776
Lease buildings and improvements	16,058	16,058	-	32,116
Lease equipment	2,922	2,922	-	5,844
Jointly owned assets	870,917	-	52,833	818,084
Total accumulated depreciation	<u>\$ 8,665,985</u>	<u>\$ 961,771</u>	<u>\$ 90,623</u>	<u>\$ 9,537,133</u>
Total capital assets being depreciated, net	<u>\$ 25,525,050</u>	<u>\$ 5,076,482</u>	<u>\$ 557,167</u>	<u>\$ 30,044,365</u>
Governmental activities capital assets, net	<u>\$ 31,268,743</u>	<u>\$ 5,419,939</u>	<u>\$ 6,381,762</u>	<u>\$ 30,306,920</u>

Construction in progress for the primary government and component unit school board are budgeted and expended using funds from the Capital Projects Fund. Once completed, capital projects related to the component unit school board are recorded on entity wide statements for the component unit school board.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 4 - 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	\$ 59,050	\$ -	\$ -	\$ 59,050
Construction in progress	332,121	546,612	94,745	783,988
Total capital assets not being depreciated	\$ 391,171	\$ 546,612	\$ 94,745	\$ 843,038
Capital assets being depreciated:				
Buildings and improvements	\$ 19,016,151	\$ 182,706	\$ -	\$ 19,198,857
Equipment	6,283,268	957,786	-	7,241,054
Lease equipment	273,746	-	-	273,746
Jointly owned assets	1,190,000	610,000	-	1,800,000
Total capital assets being depreciated	\$ 26,763,165	\$ 1,750,492	\$ -	\$ 28,513,657
Accumulated depreciation:				
Buildings and improvements	\$ 9,545,184	\$ 773,457	\$ -	\$ 10,318,641
Equipment	4,882,823	740,842	-	5,623,665
Lease equipment	99,104	99,104	-	198,208
Jointly owned assets	121,917	52,833	-	174,750
Total accumulated depreciation	\$ 14,649,028	\$ 1,666,236	\$ -	\$ 16,315,264
Total capital assets being depreciated, net	\$ 12,114,137	\$ 84,256	\$ -	\$ 12,198,393
Governmental activities capital assets, net	\$ 12,505,308	\$ 630,868	\$ 94,745	\$ 13,041,431

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

Governmental activities:	
General government administration	\$ 89,353
Judicial administration	537,332
Public safety	187,734
Public works	118,299
Health and welfare	21,666
Parks, recreation and cultural	7,387
Total	\$ 961,771
Component Unit-School Board	\$ 1,666,236

Note 5 - Compensated Absences:

The County has accrued the liability arising from compensated absences.

Certain County employees (Department of Social Services employees) earn vacation and sick leave at various rates. The County had outstanding compensated absences pay as follows:

Primary Government	\$ 451,447
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COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations:

Primary Government

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

	<u>Balance at July 1, 2022</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2023</u>	<u>Due Within One Year</u>
Primary Government:					
Direct Borrowings or Placements:					
General obligation bonds	\$ 19,325,000	\$ -	\$ 635,000	\$ 18,690,000	\$ 665,000
Revenue bond	720,000	-	80,000	640,000	80,000
Premium on bonds	2,463,479	-	184,372	2,279,107	184,372
Equipment loans	3,017,637	-	201,416	2,816,221	206,109
Lease liabilities	194,804	-	16,837	177,967	17,209
Compensated absences	467,184	-	15,737	451,447	45,145
Net OPEB liabilities	636,588	178,438	270,499	544,527	-
Net pension liability	-	1,357,484	731,067	626,417	-
Landfill postclosure and corrective action liability	1,467,676	100,416	53,369	1,514,723	-
Total Primary Government	<u>\$ 28,292,368</u>	<u>\$ 1,636,338</u>	<u>\$ 2,188,297</u>	<u>\$ 27,740,409</u>	<u>\$ 1,197,835</u>

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

Year Ending June 30,	Primary Government							
	Direct Borrowings or Placements							
	Lease Liabilities		Revenue Bond		General Obligation Bond		Equipment Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 17,209	\$ 4,020	\$ 80,000	\$ -	\$ 665,000	\$ 817,125	\$ 206,109	\$ 65,618
2025	17,285	3,761	80,000	-	710,000	782,743	210,911	60,815
2026	13,506	3,535	80,000	-	810,000	744,668	215,826	55,901
2027	7,430	3,360	80,000	-	900,000	701,674	220,854	50,873
2028	7,430	3,360	80,000	-	940,000	655,748	226,000	45,727
2029-2033	115,107	46,444	240,000	-	5,260,000	2,550,005	1,211,486	147,149
2034-2038	-	-	-	-	3,855,000	1,569,611	525,035	18,420
2039-2043	-	-	-	-	3,225,000	927,125	-	-
2044-2046	-	-	-	-	2,325,000	169,009	-	-
Total	<u>\$ 177,967</u>	<u>\$ 64,480</u>	<u>\$ 640,000</u>	<u>\$ -</u>	<u>\$ 18,690,000</u>	<u>\$ 8,917,708</u>	<u>\$ 2,816,221</u>	<u>\$ 444,503</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of Long-Term Obligations (Payable from the General Fund):

Direct Borrowings or Placements:

General Obligations Bonds:

\$4,640,000 Virginia Public School Authority Bonds 2020A, issued November 10, 2020, maturing annually through 2036, interest at 5.05% \$ 4,245,000

\$4,065,000 Virginia Public School Authority Bonds 2020B, issued November 10, 2020, maturing annually through 2036, interest at 5.05% 3,520,000

\$11,570,000 Virginia Resources Authority Revenue Bonds 2015, issued June 25, 2015, maturing annually through April 1, 2046, interest at 4.01% 10,925,000

Premium on bonds 2,279,107

Total General Obligation Bonds \$ 20,969,107

Revenue Bonds:

\$1,500,000 Virginia Public School Authority Bonds 2011, issued December 15, 2011, maturing annually through June 1, 2031, interest at 4.25% \$ 640,000

Equipment Loans:

\$3,413,724 issued January 9, 2020 for the purchase of communication system due in annual installments of principal and interest through January 9, 2035, open to prepayment, interest at 2.33% \$ 2,816,221

Lease liabilities

Leased land and land improvements entered into at various dates, for lease terms ranging from 2 to 10 years, with discount rates ranging from 1.00% to 3.00%. \$ 169,534

Leased equipment for the Sheriff's office entered into at various dates, for lease terms ranging from 3 to 5 years, with discount rates ranging from 1.00% to 3.00%. 8,433

Total lease liabilities \$ 177,967

Compensated Absences \$ 451,447

Net OPEB liabilities \$ 544,527

Net pension liability \$ 626,417

Landfill postclosure and corrective action liability \$ 1,514,723

Total Primary Government \$ 27,740,409

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 6 - Long-Term Obligations: (Continued)

Component Unit-School Board:

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

	<u>Balance at July 1, 2022</u>	<u>Issuances/ Additions</u>	<u>Retirements/ Deletions</u>	<u>Balance at June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Lease liabilities	\$ 175,258	\$ -	\$ 99,131	\$ 76,127	\$ 75,206
Net OPEB liabilities	3,814,837	5,080,603	1,954,694	6,940,746	-
Net pension liability	10,493,379	36,844,569	15,489,641	31,848,307	-
	<u>\$ 14,483,474</u>	<u>\$ 41,925,172</u>	<u>\$ 17,543,466</u>	<u>\$ 38,865,180</u>	<u>\$ 75,206</u>

Present value of future minimum lease payments:

<u>Year Ending June 30,</u>	<u>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 75,206	278
2025	921	5
Total	<u>\$ 76,127</u>	<u>\$ 283</u>

Details of long-term obligations (payable from the Component Unit-School Board):

Lease liabilities

Copier lease with Ricoh USA, lease end date of March 2024, discount rate of .845%	\$ 73,989
Postage meter with Pitney Bowes, lease end date of March 2025, discount rate of 1.011%	2,138
Total lease liabilities	<u>\$ 76,127</u>

Net OPEB liabilities \$ 6,940,746

Net pension liability \$ 31,848,307

Total Component Unit - School Board \$ 38,865,180

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 7 - Commitments and Contingencies:

Federal programs in which the County and discretely presented component unit participate were audited in accordance with the provisions of U.S. Office of Management and the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations*. 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 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.

Note 8 - 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 9 - Interfund Obligations:

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

<u>Fund</u>	<u>Due from Component Unit School Board</u>	<u>Due to Primary Government</u>
General	\$ 2,249,539	\$ -
School	-	2,249,539
Total	<u>\$ 2,249,539</u>	<u>\$ 2,249,539</u>

<u>Fund</u>	<u>Due from General Fund</u>	<u>General Fund Due to Other Funds</u>
Library	\$ 20,742	\$ -
General	-	20,742
Total	<u>\$ 20,742</u>	<u>\$ 20,742</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans:

Plan Description

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

Benefit Structures

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	77	35
Inactive members:		
Vested inactive members	11	1
Non-vested inactive members	17	14
Inactive members active elsewhere in VRS	46	6
Total inactive members	74	21
Active members	94	24
Total covered employees	245	80

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 11.92% 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 \$615,702 and \$495,424 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 0.00% 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 \$0 and \$9,677 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Liability (Asset)

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

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 CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

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

Post-Retirement:

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

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 CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target 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. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

**On October 10, 2019 the VRS Board elected a long-term rate of 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 2.5%.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Discount Rate

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

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	\$ 28,959,358	\$ 30,777,809	\$ (1,818,451)
Changes for the year:			
Service cost	\$ 616,410	\$ -	\$ 616,410
Interest	1,947,142	-	1,947,142
Differences between expected and actual experience	566,236	-	566,236
Contributions - employer	-	495,421	(495,421)
Contributions - employee	-	234,941	(234,941)
Net investment income	-	(26,900)	26,900
Benefit payments, including refunds of employee contributions	(1,458,450)	(1,458,450)	-
Administrative expenses	-	(19,247)	19,247
Other changes	-	705	(705)
Net changes	\$ 1,671,338	\$ (773,530)	\$ 2,444,868
Balances at June 30, 2022	\$ 30,630,696	\$ 30,004,279	\$ 626,417

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Changes in Net Pension Liability: (Continued)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 3,450,917	\$ 4,350,575	\$ (899,658)
Changes for the year:			
Service cost	\$ 47,940	\$ -	\$ 47,940
Interest	223,334	-	223,334
Differences between expected and actual experience	(79,588)	-	(79,588)
Contributions - employer	-	8,032	(8,032)
Contributions - employee	-	26,236	(26,236)
Net investment income	-	945	(945)
Benefit payments, including refunds of employee contributions	(380,414)	(380,414)	-
Administrative expenses	-	(2,799)	2,799
Other changes	-	94	(94)
Net changes	\$ (188,728)	\$ (347,906)	\$ 159,178
Balances at June 30, 2022	\$ 3,262,189	\$ 4,002,669	\$ (740,480)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 4,479,271	\$ 626,417	\$ (2,542,674)
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ (405,989)	\$ (740,480)	\$ (1,021,562)

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

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

For the year ended June 30, 2023, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$373,055 and (\$168,249), 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	\$ 401,415	\$ 192,762	\$ -	\$ 38,351
Change of assumptions	265,225	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	890,001	-	137,159
Employer contributions subsequent to the measurement date	615,702	-	-	-
Total	<u>\$ 1,282,342</u>	<u>\$ 1,082,763</u>	<u>\$ -</u>	<u>\$ 175,510</u>

\$615,702 and \$0 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:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2024	\$ (55,172)	\$ (89,471)
2025	(179,241)	(53,682)
2026	(597,549)	(88,546)
2027	415,839	56,189
2028	-	-
Thereafter	-	-

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

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 \$3,273,958 and \$4,969,482 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.

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 \$31,848,307 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 .33452% as compared to .13517% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$6,320,460. 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

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

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	\$ -	\$ 2,196,067
Change of assumptions	3,002,654	-
Net difference between projected and actual earnings on pension plan investments	-	4,152,352
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,290,322	418,790
Employer contributions subsequent to the measurement date	<u>3,273,958</u>	<u>-</u>
Total	\$ <u>25,566,934</u>	\$ <u>6,767,209</u>

\$3,273,958 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:

<u>Year ended June 30</u>	
2024	\$ 3,662,770
2025	3,395,529
2026	2,209,214
2027	6,258,254
2028	-

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

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

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

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

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board 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):

		<u>Teacher Employee Retirement Plan</u>
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 CHARLOTTE, VIRGINIA

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

Note 10 - Pension Plans: (Continued)

Component Unit School Board (professional): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 56,883,514	\$ 31,848,307	\$ 11,464,143

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

VRS Pension Plans:	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
Primary Government	\$ 1,282,342	\$ 1,082,763	\$ 626,417	\$ 373,055
Totals	\$ 1,282,342	\$ 1,082,763	\$ 626,417	\$ 373,055
Component Unit School Board				
School Board Nonprofessional	\$ -	\$ 175,510	\$ (740,480)	\$ (168,249)
School Board Professional	25,566,934	6,767,209	31,848,307	6,320,460
Totals	\$ 25,566,934	\$ 6,942,719	\$ 31,107,827	\$ 6,152,211

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 11 - Deferred/Unavailable Revenue:

Unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future periods are deferred. Unavailable revenue totaling \$2,148,870 is comprised of the following:

- A. Unavailable Property Tax Revenue - Unavailable revenue representing uncollected tax billings not available for funding of current expenditures totaled \$1,970,008.
- B. Prepaid Property Taxes - Property taxes due subsequent to June 30, 2023, but paid in advance by the taxpayers totaled \$178,862 at June 30, 2023.

Note 12 - Surety Bonds:

Fidelity and Deposit Company of Maryland -Surety	
Nan R. Colley, Clerk of Circuit Court	\$ 100,000
Patricia P. Berkeley, Treasurer	400,000
Naisha P. Carter, Commissioner of the Revenue	3,000
Royal S. Freeman, Sheriff	30,000
The above constitutional officer's employees- blanket bond	50,000
Nationwide Insurance Agency- Surety	
Robbie Mason, Superintendent of Schools	10,000
Dana Ramsey, Clerk of the School Board	10,000
All social services employees - employee dishonesty coverage- blanket bond	100,000
Gary D. Walker, Chairman	1,000
Walter Bailey, Vice-Chairman	1,000
Derek Toombs, Supervisor	1,000
Robert L. Shook, Jr., Supervisor	1,000
Hazel Bowman Smith, Supervisor	1,000
Noah Davis, Supervisor	1,000
Henry Carwile, Supervisor	1,000
Daniel N. Witt, County Administrator	1,000

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 13 - 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 Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The County pays Virginia Municipal Group 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 loss. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 14 - Solid Waste Landfill Postclosure Care and Corrective Action Costs:

The County has closed a previously operated solid waste landfill in such a manner as to comply with laws and regulations administered by the United States Environmental Protection Agency and Virginia Department of Environmental Quality. The total \$1,514,723 reported as landfill postclosure care and corrective action liability at June 30, 2023, represents \$1,022,737 for postclosure care liability and \$491,986 for ground water corrective action and remediation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from accumulated funds held in the general fund.

The County has demonstrated financial assurance requirements for postclosure care and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 15 - Other Postemployment Benefits Program:

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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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 plan, it is not included as part of the GLI Plan OPEB.

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 \$28,783 and \$25,736 for the years ended June 30, 2023 and June 30, 2022, respectively, for the County; \$3,338 and \$3,271 for the years ended June 30, 2023 and June 30, 2022, respectively, for the School Board (nonprofessional); and \$109,691 and \$166,491 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 \$263,818, \$33,474 and \$1,706,686 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the participating employer's proportion was .02190%, .00280%, and .14170% for the County, School Board (Professional), and School Board (Nonprofessional), respectively, as compared to .02160%, .00280%, and .05700% for the County, School Board (Nonprofessional), and School Board (Professional), respectively, at June 30, 2021.

For the year ended June 30, 2023, the participating employer recognized GLI OPEB expense of \$5,789, (\$109), and \$244,972 for the County, School Board Nonprofessional, and School Board Professional, respectively. 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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	\$ 20,891	\$ 10,584
Net difference between projected and actual earnings on GLI OPEB program investments	-	16,485
Change in assumptions	9,840	25,697
Changes in proportion	4,652	13,844
Employer contributions subsequent to the measurement date	28,783	-
Total Primary Government	\$ 64,166	\$ 66,610
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	\$ 2,651	\$ 1,343
Net difference between projected and actual earnings on GLI OPEB program investments	-	2,092
Change in assumptions	1,249	3,260
Changes in proportion	604	5,439
Employer contributions subsequent to the measurement date	3,338	-
Total Component Unit School Board (nonprofessional)	\$ 7,842	\$ 12,134
Component Unit School Board (professional)		
Differences between expected and actual experience	\$ 135,148	\$ 68,468
Net difference between projected and actual earnings on GLI OPEB program investments	-	106,643
Change in assumptions	63,657	166,238
Changes in proportion	1,016,592	33,953
Employer contributions subsequent to the measurement date	109,691	-
Total Component Unit School Board (professional)	\$ 1,325,088	\$ 375,302

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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)

\$28,783, \$3,338, and \$109,691 for the County, School Board (Nonprofessional), and School Board (Professional), respectively, are 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:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2024	\$ (7,260)	\$ (2,135)	\$ 162,534
2025	(7,482)	(2,423)	164,965
2026	(16,241)	(2,757)	112,513
2027	967	53	216,560
2028	(1,211)	(368)	183,523
Thereafter	-	-	-

Actuarial Assumptions

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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%.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 383,885	\$ 263,818	\$ 166,786
School Board(nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 48,708	\$ 33,474	\$ 21,162
School Board(professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 2,483,428	\$ 1,706,686	\$ 1,078,972

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 <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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 Program 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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 based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$245,431 and \$372,575 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 Plan 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 \$4,126,475 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan 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 Program OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan 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 .33037% as compared to .13263% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$664,950. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Teacher Employee HIC Plan OPEB Liabilities, Teacher Employee HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Teacher Employee HIC 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 Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 168,202
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	4,142
Change in assumptions	120,555	10,538
Change in proportionate share and differences between actual and expected contributions	2,232,538	85,623
Employer contributions subsequent to the measurement date	<u>245,431</u>	<u>-</u>
Total	\$ <u><u>2,598,524</u></u>	\$ <u><u>268,505</u></u>

\$245,431 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	\$ 322,577
2025	327,212
2026	332,528
2027	352,207
2028	349,237
Thereafter	400,827

Note 15 - Other Postemployment Benefits Program: (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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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%.

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 4,650,585	\$ 4,126,475	\$ 3,682,200

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Employees Covered by Benefit Terms

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>17</u>
Inactive members:	
Vested inactive members	<u>1</u>
Total inactive members	<u>18</u>
Active members	<u>24</u>
Total covered employees	<u>42</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board’s contractually required employer contribution rate for the year ended June 30, 2023 was 1.14% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$7,002 and \$6,602 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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 CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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	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. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 82,954	\$ 7,151	\$ 75,803
Changes for the year:			
Service cost	\$ 755	\$ -	\$ 755
Interest	5,562	-	5,562
Differences between expected and actual experience	(3,122)	-	(3,122)
Assumption changes	5,834	-	5,834
Contributions - employer	-	6,583	(6,583)
Net investment income	-	(116)	116
Benefit payments	(2,610)	(2,610)	-
Administrative expenses	-	(20)	20
Net changes	\$ 6,419	\$ 3,837	\$ 2,582
Balances at June 30, 2022	\$ 89,373	\$ 10,988	\$ 78,385

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School Board's			
Net HIC OPEB Liability	\$ 85,499	\$ 78,385	\$ 72,202

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$7,013. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1	\$ 2,271
Net difference between projected and actual earnings on HIC OPEB plan investments	221	-
Change in assumptions	5,169	-
Employer contributions subsequent to the measurement date	\$ 7,002	-
Total	\$ 12,393	\$ 2,271

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (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 (Continued)***

\$7,002 was reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		
2024	\$	1,292
2025		1,160
2026		520
2027		148
2028		-
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <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.

Medical Insurance - Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 10, the County of Charlotte, Virginia administers a single-employer defined benefit healthcare plan, the Charlotte County OPEB 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 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.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Plan Membership

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

Total active employees with coverage	\$	99
Total retirees with coverage		<u>4</u>
Total	\$	<u><u>103</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 \$19,698.

Total OPEB Liability

The County’s total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	2.50% per year as of June 30, 2022
Salary Increases	4.00% per year for general salary inflations as of June 30, 2022
Discount Rate	3.69% for accounting and funding disclosures as of June 30, 2022
Investment Rate of Return	6.75% as of June 30, 2022

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

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

Discount Rate

The final equivalent single discount rate used for this year’s valuation is 3.69% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Changes in Total OPEB Liability

Balances at June 30, 2021	\$	385,338
Changes for the year:		
Service cost		15,501
Interest		7,522
Difference in experience		(29,475)
Changes in assumptions		(79,997)
Benefit payments		(18,180)
Net changes	\$	(104,629)
Balances at June 30, 2022	\$	280,709

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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 257,746	\$ 280,709	\$ 306,516

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 annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 263,137	\$ 280,709	\$ 297,124

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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 \$28,474. At June 30, 2023, the County had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 9,145	\$ 111,392
Changes in assumptions	80,047	71,108
Employer contributions subsequent to the measurement date	19,698	-
Total	<u>\$ 108,890</u>	<u>\$ 182,500</u>

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	\$ 5,451
2025	5,457
2026	(21,512)
2027	(24,242)
2028	(24,237)
Thereafter	(34,225)

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

School Board

Plan Description

In addition to the pension benefits described in Note 10, the School Board administers a single-employer defined benefit healthcare plan, the Charlotte County School Board OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The plan does not issue a publicly available financial report.

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical 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.

Plan Membership

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

Total active employees with coverage	\$	257
Total retirees with coverage		<u>12</u>
Total	\$	<u><u>269</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 \$65,794.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	2.50% per year as of June 30, 2022
Salary Increases	4.00% per year for general salary inflations as of June 30, 2022
Discount Rate	3.69% for accounting and funding disclosures as of June 30, 2022
Investment Rate of Return	6.75% as of June 30, 2022

Mortality rates are based on the Pub-2010 Healthy Lives (separate tables for pre and post retirement for males and females), projected to change from 2010 by the MP-2021 Scale.

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

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The final equivalent single discount rate used for this year's valuation is 3.69% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Changes in Total OPEB Liability

Balances at June 30, 2022	\$	1,340,053
Changes for the year:		
Service cost		64,005
Interest		26,348
Difference in experience		(99,718)
Changes in assumptions		(271,455)
Benefit payments		(63,507)
Net changes		(344,327)
Balances at June 30, 2023	\$	<u>995,726</u>

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 (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
\$ 1,076,116	\$ 995,726	\$ 921,763

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical 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 (5.00% decreasing annually to an ultimate rate of 3.00%) or one percentage point higher (7.00% decreasing annually to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.00% decreasing to 3.00%)	Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
\$ 943,044	\$ 995,726	\$ 1,040,004

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 \$46,247. At June 30, 2023, the School Board had the following amounts to report as deferred outflows of resources and deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,820	\$ 171,556
Changes in assumptions	132,211	339,177
Employer contributions subsequent to the measurement date	65,794	-
Total	<u>\$ 213,825</u>	<u>\$ 510,733</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 15 - Other Postemployment Benefits Program: (Continued)

Medical Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (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	\$ (44,106)
2025	(44,106)
2026	(44,106)
2027	(44,106)
2028	(44,106)
Thereafter	(142,172)

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

Aggregate OPEB Information

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
County	\$ 64,166	\$ 66,610	\$ 263,818	\$ 5,789
County Stand-Alone Plan (Note 15)	108,890	182,500	280,709	28,474
Totals	<u>\$ 173,056</u>	<u>\$ 249,110</u>	<u>\$ 544,527</u>	<u>\$ 34,263</u>
Component Unit School Board				
VRS OPEB Plans:				
Group Life Insurance Program (Note 15):				
School Board Nonprofessional	\$ 7,842	\$ 12,134	\$ 33,474	\$ (109)
School Board Professional	1,325,088	375,302	1,706,686	244,972
Teacher Health Insurance Credit Program (Note 15)	2,598,524	268,505	4,126,475	664,950
Health Insurance Credit Program (Note 15)	12,393	2,271	78,385	7,013
School Stand-Alone Plan (Note 15)	213,825	510,733	995,726	46,247
Totals	<u>\$ 4,157,672</u>	<u>\$ 1,168,945</u>	<u>\$ 6,940,746</u>	<u>\$ 963,073</u>

COUNTY OF CHARLOTTE, VIRGINIA

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

Note 16 - 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	\$ 583,633	\$ 966,421
Capital Projects Fund	120,142	82
Library Fund	262,728	-
Total	<u>\$ 966,503</u>	<u>\$ 966,503</u>

Note 17—Leases Receivable:

The County leases property to third parties. Lease revenue totaled \$63,126 for the Governmental Activities for the year ended June 30, 2023. Lease interest revenue totaled \$1,760 for the year ended June 30, 2023. Discount rates vary on lease receivables range from .845% to 1.177%. The initial lease terms range from 12 months to 60 months. The following summarizes the balances related to these leases for the year ended June 30, 2023:

	<u>Governmental Activities</u>
USDA Farm Service Agency	\$ 21,820
STEPS, Inc.	60,103
Total	<u>\$ 81,923</u>

Note 18 - Upcoming Pronouncements:

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

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

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

COUNTY OF CHARLOTTE, 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 balances for the following:

		<div>Primary Government Governmental Activities</div>
Net position as reported at July 1, 2022	\$	20,884,628
Restatement for Local Sales Tax Fund		757,843
Net position as restated at July 1, 2022	\$	21,642,471
		<div>Governmental Funds Local Sales Tax Fund</div>
Fund balance as reported at July 1, 2022	\$	-
Restatement for Local Sales Tax Fund		757,843
Fund balance as restated at July 1, 2022	\$	757,843

- 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	\$ 11,870,000	\$ 11,870,000	\$ 12,165,938	\$ 295,938
Other local taxes	1,389,000	1,389,000	1,559,302	170,302
Permits, privilege fees, and regulatory licenses	142,712	142,712	137,229	(5,483)
Fines and forfeitures	150,000	150,000	145,638	(4,362)
Revenue from the use of money and property	271,278	271,278	840,708	569,430
Charges for services	350,033	350,033	283,712	(66,321)
Miscellaneous	245,709	248,615	968,671	720,056
Intergovernmental:				
Commonwealth	7,039,993	7,111,432	5,189,359	(1,922,073)
Federal	2,102,005	2,202,005	2,745,760	543,755
Total revenues	\$ 23,560,730	\$ 23,735,075	\$ 24,036,317	\$ 301,242
EXPENDITURES				
Current:				
General government administration	\$ 1,700,573	\$ 1,751,288	\$ 1,627,124	\$ 124,164
Judicial administration	807,646	855,646	813,846	41,800
Public safety	5,565,406	5,731,247	5,241,421	489,826
Public works	1,951,427	2,052,622	1,809,019	243,603
Health and welfare	6,317,612	6,332,004	4,892,150	1,439,854
Education	4,699,783	4,699,783	3,394,911	1,304,872
Parks, recreation, and cultural	115,868	115,868	106,078	9,790
Community development	417,156	451,654	284,145	167,509
Nondepartmental	774,966	785,966	711,225	74,741
Debt service:				
Principal retirement	731,417	731,417	916,416	(184,999)
Interest and other fiscal charges	451,527	451,527	985,142	(533,615)
Total expenditures	\$ 23,533,381	\$ 23,959,022	\$ 20,781,477	\$ 3,177,545
Excess (deficiency) of revenues over (under) expenditures	\$ 27,349	\$ (223,947)	\$ 3,254,840	\$ 3,478,787
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,147,139	\$ 1,439,275	\$ 583,633	\$ (855,642)
Transfers (out)	(1,200,682)	(1,233,879)	(966,421)	267,458
Total other financing sources (uses)	\$ (53,543)	\$ 205,396	\$ (382,788)	\$ (588,184)
Net change in fund balances	\$ (26,194)	\$ (18,551)	\$ 2,872,052	\$ 2,890,603
Fund balances - beginning	26,194	18,551	14,603,991	14,585,440
Fund balances - ending	\$ -	\$ -	\$ 17,476,043	\$ 17,476,043

CARES Act 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		
REVENUES				
Intergovernmental:				
Federal	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Total revenues	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
EXPENDITURES				
Current:				
Public safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Total expenditures	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

ARPA 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		
REVENUES				
Intergovernmental:				
Federal	\$ 2,307,551	\$ 2,307,551	\$ -	\$ (2,307,551)
Total revenues	\$ 2,307,551	\$ 2,307,551	\$ -	\$ (2,307,551)
EXPENDITURES				
Current:				
General government administration	\$ 1,938,900	\$ 1,938,900	\$ 733,764	\$ 1,205,136
Total expenditures	\$ 1,938,900	\$ 1,938,900	\$ 733,764	\$ 1,205,136
Excess (deficiency) of revenues over (under) expenditures	\$ 368,651	\$ 368,651	\$ (733,764)	\$ (1,102,415)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	\$ (368,651)	\$ (368,651)	\$ -	\$ 368,651
Total other financing sources and (uses)	\$ (368,651)	\$ (368,651)	\$ -	\$ 368,651
Net change in fund balances	\$ -	\$ -	\$ (733,764)	\$ (733,764)
Fund balances - beginning	-	-	2,307,551	2,307,551
Fund balances - ending	\$ -	\$ -	\$ 1,573,787	\$ 1,573,787

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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 616,410	\$ 557,943	\$ 584,241	\$ 521,323	\$ 496,713
Interest	1,947,142	1,821,850	1,711,511	1,674,926	1,621,726
Differences between expected and actual experience	566,236	(553,064)	465,511	(386,303)	(324,168)
Changes in assumptions	-	760,973	-	738,328	-
Benefit payments, including refunds of employee contributions	(1,458,450)	(1,237,439)	(1,015,769)	(1,224,374)	(844,175)
Net change in total pension liability	\$ 1,671,338	\$ 1,350,263	\$ 1,745,494	\$ 1,323,900	\$ 950,096
Total pension liability - beginning	28,959,358	27,609,095	25,863,601	24,539,701	23,589,605
Total pension liability - ending (a)	<u>\$ 30,630,696</u>	<u>\$ 28,959,358</u>	<u>\$ 27,609,095</u>	<u>\$ 25,863,601</u>	<u>\$ 24,539,701</u>
Plan fiduciary net position					
Contributions - employer	\$ 495,421	\$ 466,018	\$ 415,801	\$ 413,711	\$ 429,689
Contributions - employee	234,941	218,842	223,541	222,493	218,822
Net investment income	(26,900)	6,710,668	468,739	1,549,503	1,644,260
Benefit payments, including refunds of employee contributions	(1,458,450)	(1,237,439)	(1,015,769)	(1,224,374)	(844,175)
Administrative expense	(19,247)	(16,785)	(15,997)	(15,561)	(14,104)
Other	705	632	(555)	(980)	(1,466)
Net change in plan fiduciary net position	\$ (773,530)	\$ 6,141,936	\$ 75,760	\$ 944,792	\$ 1,433,026
Plan fiduciary net position - beginning	30,777,809	24,635,873	24,560,113	23,615,321	22,182,295
Plan fiduciary net position - ending (b)	<u>\$ 30,004,279</u>	<u>\$ 30,777,809</u>	<u>\$ 24,635,873</u>	<u>\$ 24,560,113</u>	<u>\$ 23,615,321</u>
County's net pension liability (asset) - ending (a) - (b)	\$ 626,417	\$ (1,818,451)	\$ 2,973,222	\$ 1,303,488	\$ 924,380
Plan fiduciary net position as a percentage of the total pension liability	97.95%	106.28%	89.23%	94.96%	96.23%
Covered payroll	\$ 4,765,897	\$ 4,451,353	\$ 4,536,603	\$ 4,510,811	\$ 4,414,261
County's net pension liability as a percentage of covered payroll	13.14%	-40.85%	65.54%	28.90%	20.94%

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

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

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 499,908	\$ 501,753	\$ 504,280	\$ 517,448
Interest	1,560,574	1,494,782	1,415,451	1,333,403
Differences between expected and actual experience	(215,983)	(363,963)	(138,453)	-
Changes in assumptions	(180,040)	-	-	-
Benefit payments, including refunds of employee contributions	(737,526)	(647,871)	(648,085)	(709,385)
Net change in total pension liability	\$ 926,933	\$ 984,701	\$ 1,133,193	\$ 1,141,466
Total pension liability - beginning	22,662,672	21,677,971	20,544,778	19,403,312
Total pension liability - ending (a)	\$ 23,589,605	\$ 22,662,672	\$ 21,677,971	\$ 20,544,778
Plan fiduciary net position				
Contributions - employer	\$ 413,671	\$ 517,045	\$ 508,216	\$ 536,281
Contributions - employee	210,021	204,950	202,851	206,474
Net investment income	2,430,144	347,483	857,967	2,533,826
Benefit payments, including refunds of employee contributions	(737,526)	(647,871)	(648,085)	(709,385)
Administrative expense	(13,876)	(11,980)	(11,513)	(13,495)
Other	(2,168)	(146)	(182)	134
Net change in plan fiduciary net position	\$ 2,300,266	\$ 409,481	\$ 909,254	\$ 2,553,835
Plan fiduciary net position - beginning	19,882,029	19,472,548	18,563,294	16,009,459
Plan fiduciary net position - ending (b)	\$ 22,182,295	\$ 19,882,029	\$ 19,472,548	\$ 18,563,294
County's net pension liability (asset) - ending (a) - (b)	\$ 1,407,310	\$ 2,780,643	\$ 2,205,423	\$ 1,981,484
Plan fiduciary net position as a percentage of the total pension liability	94.03%	87.73%	89.83%	90.36%
Covered payroll	\$ 4,233,199	\$ 4,129,210	\$ 4,046,086	\$ 4,062,738
County's net pension liability as a percentage of covered payroll	33.24%	67.34%	54.51%	48.77%

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

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 47,940	\$ 54,074	\$ 52,120	\$ 63,516	\$ 65,113
Interest	223,334	227,091	224,349	226,390	228,185
Differences between expected and actual experience	(79,588)	(192,956)	(2,026)	(41,670)	(90,382)
Changes in assumptions	-	112,963	-	73,881	-
Benefit payments, including refunds of employee contributions	(380,414)	(229,128)	(238,527)	(226,619)	(230,491)
Net change in total pension liability	\$ (188,728)	\$ (27,956)	\$ 35,916	\$ 95,498	\$ (27,575)
Total pension liability - beginning	3,450,917	3,478,873	3,442,957	3,347,459	3,375,034
Total pension liability - ending (a)	\$ 3,262,189	\$ 3,450,917	\$ 3,478,873	\$ 3,442,957	\$ 3,347,459
Plan fiduciary net position					
Contributions - employer	\$ 8,032	\$ 8,727	\$ 12,534	\$ 18,186	\$ 21,728
Contributions - employee	26,236	26,428	26,293	27,529	30,988
Net investment income	945	959,220	69,958	237,401	260,691
Benefit payments, including refunds of employee contributions	(380,414)	(229,128)	(238,527)	(226,619)	(230,491)
Administrative expense	(2,799)	(2,510)	(2,507)	(2,490)	(2,352)
Other	94	89	(81)	(149)	(228)
Net change in plan fiduciary net position	\$ (347,906)	\$ 762,826	\$ (132,330)	\$ 53,858	\$ 80,336
Plan fiduciary net position - beginning	4,350,575	3,587,749	3,720,079	3,666,221	3,585,885
Plan fiduciary net position - ending (b)	\$ 4,002,669	\$ 4,350,575	\$ 3,587,749	\$ 3,720,079	\$ 3,666,221
School Division's net pension liability (asset) - ending (a) - (b)	\$ (740,480)	\$ (899,658)	\$ (108,876)	\$ (277,122)	\$ (318,762)
Plan fiduciary net position as a percentage of the total pension liability	122.70%	126.07%	103.13%	108.05%	109.52%
Covered payroll	\$ 605,678	\$ 583,148	\$ 577,123	\$ 595,775	\$ 672,919
School Division's net pension liability (asset) as a percentage of covered payroll	-122.26%	-154.28%	-18.87%	-46.51%	-47.37%

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

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

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 60,843	\$ 50,901	\$ 42,332	\$ 40,341
Interest	227,017	213,445	215,657	211,225
Differences between expected and actual experience	(37,709)	185,909	(50,746)	-
Changes in assumptions	(3,475)	-	-	-
Benefit payments, including refunds of employee contributions	(229,487)	(283,260)	(194,427)	(182,060)
Net change in total pension liability	\$ 17,189	\$ 166,995	\$ 12,816	\$ 69,506
Total pension liability - beginning	3,357,845	3,190,850	3,178,034	3,108,528
Total pension liability - ending (a)	<u>\$ 3,375,034</u>	<u>\$ 3,357,845</u>	<u>\$ 3,190,850</u>	<u>\$ 3,178,034</u>
Plan fiduciary net position				
Contributions - employer	\$ 20,699	\$ 34,751	\$ 30,279	\$ 22,365
Contributions - employee	30,970	28,231	24,557	18,302
Net investment income	399,604	55,649	157,937	490,086
Benefit payments, including refunds of employee contributions	(229,487)	(283,260)	(194,427)	(182,060)
Administrative expense	(2,432)	(2,304)	(2,269)	(2,736)
Other	(350)	(25)	(31)	26
Net change in plan fiduciary net position	\$ 219,004	\$ (166,958)	\$ 16,046	\$ 345,983
Plan fiduciary net position - beginning	3,366,881	3,533,839	3,517,793	3,171,810
Plan fiduciary net position - ending (b)	<u>\$ 3,585,885</u>	<u>\$ 3,366,881</u>	<u>\$ 3,533,839</u>	<u>\$ 3,517,793</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (210,851)	\$ (9,036)	\$ (342,989)	\$ (339,759)
Plan fiduciary net position as a percentage of the total pension liability	106.25%	100.27%	110.75%	110.69%
Covered payroll	\$ 678,586	\$ 612,329	\$ 533,394	\$ 366,041
School Division's net pension liability (asset) as a percentage of covered payroll	-31.07%	-1.48%	-64.30%	-92.82%

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.33%	\$ 31,848,307	\$ 30,795,935	103.42%	82.61%
2021	0.14%	10,493,379	11,729,555	89.46%	85.46%
2020	0.13%	19,101,777	11,324,836	168.67%	71.47%
2019	0.13%	17,566,726	11,081,090	158.53%	73.51%
2018	0.14%	16,719,000	12,836,499	130.25%	74.81%
2017	0.14%	17,424,000	11,008,363	158.28%	72.92%
2016	0.15%	20,293,000	11,009,664	184.32%	68.28%
2015	0.15%	18,417,000	10,885,051	169.20%	70.68%
2014	0.15%	17,891,000	10,326,025	173.26%	70.88%

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

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

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	\$ 615,702	\$ 615,702	\$ -	\$ 5,330,263	11.55%
2022	495,424	495,424	-	4,765,897	10.40%
2021	466,019	466,019	-	4,451,353	10.47%
2020	415,026	415,026	-	4,536,603	9.15%
2019	413,712	413,712	-	4,510,811	9.17%
2018	359,668	359,668	-	4,414,261	8.15%
2017	418,240	418,240	-	4,233,199	9.88%
2016	519,455	519,455	-	4,129,210	12.58%
2015	508,998	508,998	-	4,046,086	12.58%
2014	536,281	536,281	-	4,062,738	13.20%
Component Unit School Board (nonprofessional)					
2023	\$ -	\$ -	\$ -	\$ 614,182	0.00%
2022	9,677	9,677	-	605,678	1.60%
2021	10,356	10,356	-	583,148	1.78%
2020	16,817	16,817	-	577,123	2.91%
2019	18,186	18,186	-	595,775	3.05%
2018	21,576	21,576	-	672,919	3.21%
2017	25,854	25,854	-	678,586	3.81%
2016	37,291	37,291	-	612,329	6.09%
2015	32,484	32,484	-	533,394	6.09%
2014	22,365	22,365	-	366,041	6.11%
Component Unit School Board (professional)					
2023	\$ 3,273,958	\$ 3,273,958	\$ -	\$ 20,283,593	16.14%
2022	4,969,482	4,969,482	-	30,795,935	16.14%
2021	1,912,342	1,912,342	-	11,729,555	16.30%
2020	1,744,225	1,744,225	-	11,324,836	15.40%
2019	1,710,602	1,710,602	-	11,081,090	15.44%
2018	1,832,634	1,832,634	-	12,836,499	14.28%
2017	1,603,700	1,603,700	-	11,088,363	14.46%
2016	1,541,463	1,541,463	-	11,009,664	14.00%
2015	1,547,625	1,547,625	-	10,885,051	14.22%
2014	1,303,017	1,303,017	-	10,326,025	12.62%

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

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

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

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

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of County 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	0.02190%	\$ 263,818	\$ 4,765,897	5.54%	67.21%
2021	0.02160%	251,250	4,455,380	5.64%	67.45%
2020	0.02210%	368,312	4,541,968	8.11%	52.64%
2019	0.02301%	374,434	4,510,811	8.30%	52.00%
2018	0.02328%	354,000	4,426,060	8.00%	51.22%
2017	0.02299%	345,000	4,240,178	8.14%	48.86%
Component Unit School Board (nonprofessional)					
2022	0.00280%	\$ 24,059	\$ 605,578	3.97%	67.21%
2021	0.00280%	32,949	583,148	5.65%	67.45%
2020	0.00280%	46,727	577,123	8.10%	52.64%
2019	0.00306%	49,794	599,742	8.30%	52.00%
2018	0.00354%	54,000	672,919	8.02%	51.22%
2017	0.00368%	55,000	678,586	8.11%	48.86%
Component Unit School Board (professional)					
2022	0.14170%	\$ 1,706,686	\$ 30,831,621	5.54%	67.21%
2021	0.05700%	663,635	11,768,958	5.64%	67.45%
2020	0.05500%	918,694	11,329,284	8.11%	52.64%
2019	0.05657%	920,545	11,088,946	8.30%	52.00%
2018	0.06002%	912,000	11,413,497	7.99%	51.22%
2017	0.06019%	906,000	11,102,273	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	\$ 28,783	\$ 28,783	\$ -	\$ 5,330,263	0.54%
2022	25,736	25,736	-	4,765,897	0.54%
2021	24,059	24,059	-	4,455,380	0.54%
2020	23,618	23,618	-	4,541,968	0.52%
2019	23,456	23,456	-	4,510,811	0.52%
2018	23,016	23,016	-	4,426,060	0.52%
2017	22,049	22,049	-	4,240,178	0.52%
Component Unit School Board (nonprofessional)					
2023	\$ 3,338	\$ 3,338	\$ -	\$ 618,081	0.54%
2022	3,271	3,271	-	605,578	0.54%
2021	3,149	3,149	-	583,148	0.54%
2020	3,001	3,001	-	577,123	0.52%
2019	3,119	3,119	-	599,742	0.52%
2018	3,499	3,499	-	672,919	0.52%
2017	3,529	3,529	-	678,586	0.52%
Component Unit School Board (professional)					
2023	\$ 109,691	\$ 109,691	\$ -	\$ 20,313,202	0.54%
2022	166,491	166,491	-	30,831,621	0.54%
2021	63,552	63,552	-	11,768,958	0.54%
2020	58,912	58,912	-	11,329,284	0.52%
2019	57,663	57,663	-	11,088,946	0.52%
2018	59,350	59,350	-	11,413,497	0.52%
2017	57,732	57,732	-	11,102,273	0.52%

Schedule is intended to show information for 10 years. Information prior to the 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 School Board's Share of Net OPEB Liability

Teacher Employee Health Insurance Credit (HIC) Plan

Component Unit School Board

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	0.33037% \$	4,126,475 \$	30,791,359	13.40%	15.08%
2021	0.13263%	1,702,397	11,729,555	14.51%	13.15%
2020	0.12918%	1,685,175	11,324,836	14.88%	9.95%
2019	0.13211%	1,729,448	11,081,090	15.61%	8.97%
2018	0.14065%	1,786,000	11,375,134	15.70%	8.08%
2017	0.14051%	1,783,000	11,089,399	16.08%	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
Component Unit School Board
For the Years Ended June 30, 2017 through June 30, 2023

		Contributions in Relation to			Contributions	
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	as a % of Covered Payroll	
Date	(1)	(2)	(3)	(4)	(5)	
2023	\$ 245,431	\$ 245,431	\$ -	\$ 20,283,593	1.21%	
2022	372,575	372,575	-	30,791,359	1.21%	
2021	141,928	141,928	-	11,729,555	1.21%	
2020	135,898	135,898	-	11,324,836	1.20%	
2019	132,973	132,973	-	11,081,090	1.20%	
2018	139,914	139,914	-	11,375,134	1.23%	
2017	136,400	123,092	13,308	11,089,399	1.11%	

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
Teacher Employee Health Insurance Credit (HIC) Plan
Component Unit School Board
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 Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 15,501	\$ 13,413	\$ 16,188	\$ 14,716	\$ 14,287	\$ 7,400
Interest	7,522	8,995	14,620	14,771	7,160	6,900
Plan changes	-	-	-	-	2,639	-
Differences between expected and actual experience	(29,475)	-	(136,309)	-	32,000	-
Change of assumptions	(79,997)	18,131	21,538	19,131	156,747	-
Benefit payments	(18,080)	(17,832)	(8,620)	(2,933)	(2,204)	(2,800)
Net change in total OPEB liability	\$ (104,529)	\$ 22,707	\$ (92,583)	\$ 45,685	\$ 210,629	\$ 11,500
Total OPEB liability - beginning	385,238	362,531	455,114	409,429	198,800	187,400
Total OPEB liability - ending	\$ 280,709	\$ 385,238	\$ 362,531	\$ 455,114	\$ 409,429	\$ 198,900
 Covered-employee payroll	 \$ 4,973,578	 \$ 4,430,195	 \$ 4,429,413	 \$ 4,637,076	 \$ 4,267,000	 \$ 4,071,300
 County's total OPEB liability (asset) as a percentage of covered-employee payroll	 5.64%	 8.70%	 8.18%	 9.81%	 9.60%	 4.89%

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 64,005	\$ 56,196	\$ 52,538	\$ 49,689	\$ 50,204	\$ 85,700
Interest	26,348	31,219	38,738	42,818	42,484	47,500
Changes in assumptions	(271,455)	59,448	71,554	49,548	(173,923)	-
Differences between expected and actual experience	(99,718)	-	(112,488)	-	29,000	-
Benefit payments	(63,507)	(49,683)	(90,202)	(84,301)	(78,786)	(50,700)
Net change in total OPEB liability	\$ (344,327)	\$ 97,180	\$ (39,860)	\$ 57,754	\$ (131,021)	\$ 82,500
Total OPEB liability - beginning	1,340,053	1,242,873	1,282,733	1,224,979	1,356,000	1,273,500
Total OPEB liability - ending	\$ 995,726	\$ 1,340,053	\$ 1,242,873	\$ 1,282,733	\$ 1,224,979	\$ 1,356,000
 Covered-employee payroll	 \$ 12,270,762	 \$ 11,704,565	 \$ 11,530,329	 \$ 11,647,480	 \$ 11,308,233	 \$ 10,484,900
 County's total OPEB liability (asset) as a percentage of covered-employee payroll	 8.11%	 11.45%	 10.78%	 11.01%	 10.83%	 12.93%

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

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

County and Component Unit School Board:

Valuation Date: 6/30/2022

Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.69% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2022
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.00% in 2023 and gradually declines to 4.00%
Salary Increase Rates	The salary increase rate starts at 4.00% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service
Retirement Age	The average age at retirement is 62
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the Pub-2010, projected into the future using Scale MP-2021

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2020 through June 30, 2022

	2022	2021	2020
Total HIC OPEB Liability			
Service cost	\$ 755	\$ 912	\$ -
Interest	5,562	5,062	-
Changes in benefit terms	-	-	74,996
Differences between expected and actual experience	(3,122)	1	-
Changes of assumptions	5,834	1,983	-
Benefit payments	(2,610)	-	-
Net change in total HIC OPEB liability	\$ 6,419	\$ 7,958	\$ 74,996
Total HIC OPEB Liability - beginning	82,954	74,996	-
Total HIC OPEB Liability - ending (a)	\$ 89,373	\$ 82,954	\$ 74,996
Plan fiduciary net position			
Contributions - employer	\$ 6,583	\$ 6,356	\$ -
Net investment income	(116)	823	-
Benefit payments	(2,610)	-	-
Administrator charges	(20)	(28)	-
Net change in plan fiduciary net position	\$ 3,837	\$ 7,151	\$ -
Plan fiduciary net position - beginning	7,151	-	-
Plan fiduciary net position - ending (b)	\$ 10,988	\$ 7,151	\$ -
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 78,385	\$ 75,803	\$ 74,996
Plan fiduciary net position as a percentage of the total HIC OPEB liability	12.29%	8.62%	0.00%
Covered payroll	\$ 605,678	\$ 583,148	\$ Unknown
School Board's net HIC OPEB liability as a percentage of covered payroll	12.94%	13.00%	Unknown

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2021 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	\$ 7,002	\$ 7,002	\$ -	\$ 614,182	1.14%
2022	6,602	6,602	-	605,678	1.09%
2021	6,356	6,356	-	583,148	1.09%

Schedule is intended to show information for 10 years. Information prior to the 2021 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information
 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

- Other Supplementary Information -
Combining and Individual Fund Statements and Schedules

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		Permanent	Total
	Library	Local Sales	Fund	Nonmajor
	Fund	Tax Fund		Governmental
				Funds
ASSETS				
Cash and cash equivalents	\$ 55	\$ 1,362,917	\$ -	\$ 1,362,972
Due from other funds	20,742	-	-	20,742
Due from other governments	-	139,665	-	139,665
Restricted assets:				
Investments	-	-	367,513	367,513
Total assets	\$ 20,797	\$ 1,502,582	\$ 367,513	\$ 1,890,892
LIABILITIES				
Accounts payable	\$ 20,742	\$ -	\$ -	\$ 20,742
Total liabilities	\$ 20,742	\$ -	\$ -	\$ 20,742
FUND BALANCES				
Nonspendable:				
Permanent fund corpus	\$ -	\$ -	\$ 100,000	\$ 100,000
Restricted:				
Library operations	-	-	267,513	267,513
Assigned:				
Library operations	55	-	-	55
Education	-	1,502,582	-	1,502,582
Total fund balances	\$ 55	\$ 1,502,582	\$ 367,513	\$ 1,870,150
Total liabilities and fund balances	\$ 20,797	\$ 1,502,582	\$ 367,513	\$ 1,890,892

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue Funds			Total
	Library Fund	Local Sales Tax Fund	Permanent Fund	Nonmajor Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 44,075	\$ 44,075
Charges for services	599	-	-	599
Intergovernmental:				
Commonwealth	69,381	808,531	-	877,912
Federal	4,629	-	-	4,629
Total revenues	<u>\$ 74,609</u>	<u>\$ 808,531</u>	<u>\$ 44,075</u>	<u>\$ 927,215</u>
EXPENDITURES				
Current:				
Education	\$ -	\$ 63,792	\$ -	\$ 63,792
Parks, recreation, and cultural	337,337	-	11,722	349,059
Total expenditures	<u>\$ 337,337</u>	<u>\$ 63,792</u>	<u>\$ 11,722</u>	<u>\$ 412,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (262,728)</u>	<u>\$ 744,739</u>	<u>\$ 32,353</u>	<u>\$ 514,364</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 262,728</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,728</u>
Net change in fund balances	\$ -	\$ 744,739	\$ 32,353	\$ 777,092
Fund balances - beginning, as restated	55	757,843	335,160	1,093,058
Fund balances - ending	<u>\$ 55</u>	<u>\$ 1,502,582</u>	<u>\$ 367,513</u>	<u>\$ 1,870,150</u>

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

	Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 599	\$ 599
Intergovernmental:				
Commonwealth	60,811	69,381	69,381	-
Federal	-	4,629	4,629	-
Total revenues	<u>\$ 60,811</u>	<u>\$ 74,010</u>	<u>\$ 74,609</u>	<u>\$ 599</u>
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ -	\$ -
Parks, recreation, and cultural	<u>305,352</u>	<u>337,356</u>	<u>337,337</u>	<u>19</u>
Total expenditures	<u>\$ 305,352</u>	<u>\$ 337,356</u>	<u>\$ 337,337</u>	<u>\$ 19</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (244,541)</u>	<u>\$ (263,346)</u>	<u>\$ (262,728)</u>	<u>\$ 618</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 244,541</u>	<u>\$ 255,703</u>	<u>\$ 262,728</u>	<u>\$ 7,025</u>
Net change in fund balances	\$ -	\$ (7,643)	\$ -	\$ 7,643
Fund balances - beginning, as restated	<u>-</u>	<u>7,643</u>	<u>55</u>	<u>(7,588)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 55</u>

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

Nonmajor Special Revenue Fund

For the Year Ended June 30, 2023

	Local Sales Tax Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Commonwealth	-	253,519	808,531	555,012
Federal	-	-	-	-
Total revenues	\$ -	\$ 253,519	\$ 808,531	\$ 555,012
EXPENDITURES				
Current:				
Education	\$ -	\$ 253,519	\$ 63,792	\$ 189,727
Parks, recreation, and cultural	-	-	-	-
Total expenditures	\$ -	\$ 253,519	\$ 63,792	\$ 189,727
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 744,739	\$ 744,739
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ 744,739	\$ 744,739
Fund balances - beginning, as restated	-	-	757,843	757,843
Fund balances - ending	\$ -	\$ -	\$ 1,502,582	\$ 1,502,582

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

	Custodial Funds			
	Special Welfare	Virtual Virginia	Inmate Fund	Total
ASSETS				
Cash and cash equivalents	\$ 28,644	\$ 9,158,451	\$ 35,328	\$ 9,222,423
Prepaid expenses	-	19,224	-	19,224
Total assets	<u>\$ 28,644</u>	<u>\$ 9,177,675</u>	<u>\$ 35,328</u>	<u>\$ 9,241,647</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10,403	\$ -	\$ 10,403
Accrued expenses	-	893,838	-	893,838
Total liabilities	<u>\$ -</u>	<u>\$ 904,241</u>	<u>\$ -</u>	<u>\$ 904,241</u>
NET POSITION				
Restricted:				
Amounts held for Virtual Virginia	\$ -	\$ 8,273,434	\$ -	\$ 8,273,434
Amounts held for special welfare	28,644	-	-	28,644
Amounts held for sheriff accounts	-	-	35,328	35,328
Total net position	<u>28,644</u>	<u>8,273,434</u>	<u>35,328</u>	<u>8,337,406</u>

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

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

	Custodial Funds			
	Special Welfare	Virtual Virginia	Inmate Fund	Total
ADDITIONS:				
Charges for services	\$ -	\$ 5,000	\$ -	\$ 5,000
Miscellaneous	37,759	-	339,064	376,823
Intergovernmental:				
Commonwealth	-	14,616,242	-	14,616,242
Federal	-	5,562,500	-	5,562,500
Total additions	<u>37,759</u>	<u>\$ 20,183,742</u>	<u>\$ 339,064</u>	<u>\$ 20,560,565</u>
DEDUCTIONS:				
Inmate personal items	\$ -	\$ -	\$ 474,118	\$ 474,118
Special welfare	35,508	-	-	35,508
Education - administrative	-	10,051,739	-	10,051,739
Education - instruction	-	10,712,187	-	10,712,187
Education - other	-	9,581	-	9,581
Total deductions	<u>\$ 35,508</u>	<u>\$ 20,773,507</u>	<u>\$ 474,118</u>	<u>\$ 21,283,133</u>
Change in net position	\$ 2,251	\$ (589,765)	\$ (135,054)	\$ (722,568)
NET POSITION:				
Net position, beginning of the year	26,393	8,863,199	170,382	9,059,974
Net position, ending of the year	<u>\$ 28,644</u>	<u>\$ 8,273,434</u>	<u>\$ 35,328</u>	<u>\$ 8,337,406</u>

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

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

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,124,479	\$ 189,189	\$ 383,313	\$ 1,696,981
Receivables (net of allowance for uncollectibles):				
Accounts receivable	31,394	-	-	31,394
School food inventory	-	31,214	-	31,214
Due from other governmental units	1,912,428	12,540	-	1,924,968
Prepaid items	393,688	11,385	-	405,073
Total assets	<u>\$ 3,461,989</u>	<u>\$ 244,328</u>	<u>\$ 383,313</u>	<u>\$ 4,089,630</u>
LIABILITIES				
Accounts payable	\$ 87,974	\$ -	\$ -	\$ 87,974
Accrued liabilities	900,934	40,005	-	940,939
Due to primary government	2,249,539	-	-	2,249,539
Total liabilities	<u>\$ 3,238,447</u>	<u>\$ 40,005</u>	<u>\$ -</u>	<u>\$ 3,278,452</u>
FUND BALANCE				
Nonspendable:				
Inventory	\$ -	\$ 31,214	\$ -	\$ 31,214
Prepaid items	393,688	11,385	-	405,073
Assigned to:				
Textbooks	223,542	-	-	223,542
School activity funds	-	-	383,313	383,313
Cafeteria operations	-	161,724	-	161,724
Unassigned	(393,688)	-	-	(393,688)
Total fund balances	<u>\$ 223,542</u>	<u>\$ 204,323</u>	<u>\$ 383,313</u>	<u>\$ 811,178</u>
Total liabilities and fund balances	<u>\$ 3,461,989</u>	<u>\$ 244,328</u>	<u>\$ 383,313</u>	<u>\$ 4,089,630</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above	\$ 811,178
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 29,356,695	
Accumulated depreciation	(16,315,264)	13,041,431

The net pension asset is not an available resource and, therefore, is not reported in the funds	740,480
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred outflows of resources:		
Pension related items	\$ 25,566,934	
OPEB related items	4,157,672	29,724,606

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

Net OPEB liabilities	\$ (6,940,746)	
Net pension liability	(31,848,307)	
Lease liabilities	(76,127)	
Accrued interest payable	(282)	
Deferred inflows of resources:		
Pension related items	(6,942,719)	
OPEB related items	(1,168,945)	(46,977,126)

Net position of governmental activities	\$ (2,659,431)
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	School Operating Fund	School Cafeteria Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ -	\$ 247	\$ -	\$ 247
Charges for services	-	59,029	-	59,029
Miscellaneous	941,297	-	794,923	1,736,220
Intergovernmental:				
Local government	3,389,051	-	-	3,389,051
Commonwealth	18,689,627	11,455	-	18,701,082
Federal	4,589,697	1,096,761	-	5,686,458
Total revenues	\$ 27,609,672	\$ 1,167,492	\$ 794,923	\$ 29,572,087
EXPENDITURES				
Current:				
Education	\$ 27,578,218	\$ 1,255,308	\$ 780,245	\$ 29,613,771
Total expenditures	\$ 27,578,218	\$ 1,255,308	\$ 780,245	\$ 29,613,771
Excess (deficiency) of revenues over (under) expenditures	\$ 31,454	\$ (87,816)	\$ 14,678	\$ (41,684)
Net change in fund balances	\$ 31,454	\$ (87,816)	\$ 14,678	\$ (41,684)
Fund balances - beginning	192,088	292,139	368,635	852,862
Fund balances - ending	\$ 223,542	\$ 204,323	\$ 383,313	\$ 811,178

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 \$ (41,684)

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 outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 1,592,359	
Depreciation expense	(1,613,403)	
Joint assets - net	557,167	536,123

The issuance of equipment loans 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.

Payment of lease liabilities		99,131
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Change in accrued interest payable	\$ 1,536	
Pension expense	(1,400,078)	
OPEB expense	(448,157)	(1,846,699)

Change in net position of governmental activities	\$	(1,253,129)
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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	1,293,010	1,293,010	941,297	(351,713)
Intergovernmental:				
Local government	4,693,923	4,693,923	3,389,051	(1,304,872)
Commonwealth	18,894,003	18,894,003	18,689,627	(204,376)
Federal	8,984,842	8,984,842	4,589,697	(4,395,145)
Total revenues	\$ 33,865,778	\$ 33,865,778	\$ 27,609,672	\$ (6,256,106)
EXPENDITURES				
Current:				
Education	\$ 31,555,470	\$ 33,531,189	\$ 27,578,218	\$ 5,952,971
Debt service:				
Principal retirement	80,000	80,000	-	80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total expenditures	\$ 31,699,220	\$ 33,674,939	\$ 27,578,218	\$ 6,096,721
Excess (deficiency) of revenues over (under) expenditures	\$ 2,166,558	\$ 190,839	\$ 31,454	\$ (159,385)
Net change in fund balances	\$ 2,166,558	\$ 190,839	\$ 31,454	\$ (159,385)
Fund balances - beginning	(2,166,558)	(190,839)	192,088	382,927
Fund balances - ending	\$ -	\$ -	\$ 223,542	\$ 223,542

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

Discretely Presented Component Unit - School Board

For the Year Ended June 30, 2023

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 290	\$ 290	\$ 247	\$ (43)
Charges for services	89,710	89,710	59,029	(30,681)
Miscellaneous	30,000	30,000	-	(30,000)
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	12,910	12,910	11,455	(1,455)
Federal	600,000	600,000	1,096,761	496,761
Total revenues	<u>\$ 732,910</u>	<u>\$ 732,910</u>	<u>\$ 1,167,492</u>	<u>\$ 434,582</u>
EXPENDITURES				
Current:				
Education	\$ 792,910	\$ 792,910	\$ 1,255,308	\$ (462,398)
Debt service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	<u>\$ 792,910</u>	<u>\$ 792,910</u>	<u>\$ 1,255,308</u>	<u>\$ (462,398)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (60,000)</u>	<u>\$ (60,000)</u>	<u>\$ (87,816)</u>	<u>\$ (27,816)</u>
Net change in fund balances	\$ (60,000)	\$ (60,000)	\$ (87,816)	\$ (27,816)
Fund balances - beginning	60,000	60,000	292,139	232,139
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,323</u>	<u>\$ 204,323</u>

- Supporting Schedules -

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 6,293,000	\$ 6,293,000	\$ 6,359,802	\$ 66,802
Real and personal public service corporation taxes	600,000	600,000	721,473	121,473
Personal property taxes	4,150,000	4,150,000	4,093,999	(56,001)
Mobile home taxes	25,000	25,000	28,266	3,266
Machinery and tools taxes	600,000	600,000	709,803	109,803
Merchant's capital taxes	30,000	30,000	49,315	19,315
Penalties	114,000	114,000	136,756	22,756
Interest	58,000	58,000	66,524	8,524
Total general property taxes	\$ 11,870,000	\$ 11,870,000	\$ 12,165,938	\$ 295,938
Other local taxes:				
Local sales and use taxes	\$ 750,000	\$ 750,000	\$ 928,312	\$ 178,312
Consumer utility taxes	205,000	205,000	224,861	19,861
Motor vehicle licenses	324,000	324,000	316,345	(7,655)
Taxes on recordation and wills	82,000	82,000	58,509	(23,491)
Utility consumption taxes	28,000	28,000	31,275	3,275
Total other local taxes	\$ 1,389,000	\$ 1,389,000	\$ 1,559,302	\$ 170,302
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 6,000	\$ 6,000	\$ 5,602	\$ (398)
Transfer fees	500	500	529	29
Permits and other licenses	136,212	136,212	131,098	(5,114)
Total permits, privilege fees, and regulatory licenses	\$ 142,712	\$ 142,712	\$ 137,229	\$ (5,483)
Fines and forfeitures:				
Court fines and forfeitures	\$ 150,000	\$ 150,000	\$ 145,638	\$ (4,362)
Revenue from use of money and property:				
Revenue from use of money	\$ 57,000	\$ 57,000	\$ 628,452	\$ 571,452
Revenue from use of property	214,278	214,278	212,256	(2,022)
Total revenue from use of money and property	\$ 271,278	\$ 271,278	\$ 840,708	\$ 569,430
Charges for services:				
Charges for work release/inmate fees	\$ 80,633	\$ 80,633	\$ 65,639	\$ (14,994)
Charges for law enforcement and traffic control	10,000	10,000	7,914	(2,086)
Jail bed days - other localities	25,000	25,000	1,376	(23,624)
Law library fees	1,100	1,100	908	(192)
Courthouse security fees	38,000	38,000	45,409	7,409
Courthouse maintenance fees	13,500	13,500	13,356	(144)
Charges for Commonwealth's Attorney	1,000	1,000	1,312	312
School charges for sheriff	175,000	175,000	138,325	(36,675)
Charges for sanitation and waste removal	5,800	5,800	9,473	3,673
Total charges for services	\$ 350,033	\$ 350,033	\$ 283,712	\$ (66,321)
Miscellaneous:				
Miscellaneous	\$ 245,709	\$ 248,615	\$ 428,257	\$ 179,642
Solar payments	-	-	500,000	500,000
Sheriff funds	-	-	40,414	40,414
Total miscellaneous revenue	\$ 245,709	\$ 248,615	\$ 968,671	\$ 720,056
Total revenue from local sources	\$ 14,418,732	\$ 14,421,638	\$ 16,101,198	\$ 1,679,560

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carrier tax	\$ 72,000	\$ 72,000	\$ 77,489	\$ 5,489
Mobile home titling tax	12,000	12,000	46,129	34,129
Tax on deeds (grantor tax)	22,000	22,000	19,749	(2,251)
Auto rental tax	1,000	1,000	1,734	734
Communication sales and use tax	93,000	93,000	89,136	(3,864)
Personal property tax relief funds	686,900	686,900	686,910	10
Total noncategorical aid	\$ 886,900	\$ 886,900	\$ 921,147	\$ 34,247
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 234,680	\$ 234,680	\$ 243,177	\$ 8,497
Sheriff	1,609,046	1,609,046	1,495,083	(113,963)
Commissioner of revenue	90,850	90,850	105,075	14,225
Treasurer	96,392	96,392	104,325	7,933
Registrar/electoral board	81,635	81,635	66,084	(15,551)
DMV license agent	39,000	39,000	31,631	(7,369)
Clerk of the Circuit Court	259,864	259,864	264,422	4,558
Total shared expenses	\$ 2,411,467	\$ 2,411,467	\$ 2,309,797	\$ (101,670)
Other categorical aid:				
Litter control	\$ 10,922	\$ 10,922	\$ 15,950	\$ 5,028
Fire programs funds	42,317	42,317	37,922	(4,395)
Prisoner days	161,000	161,000	105,867	(55,133)
VJCCA grant	63,474	63,474	61,540	(1,934)
WIB fiscal agent fees	20,000	20,000	20,000	-
Victim witness	17,332	17,332	17,602	270
E911 wireless	46,000	46,000	49,569	3,569
Public assistance and welfare administration	2,419,078	2,419,078	775,730	(1,643,348)
Comprehensive services act funds	948,400	948,400	777,014	(171,386)
Emergency services	13,103	13,103	-	(13,103)
Other categorical aid	-	71,439	97,221	25,782
Total other categorical aid	\$ 3,741,626	\$ 3,813,065	\$ 1,958,415	\$ (1,854,650)
Total categorical aid	\$ 6,153,093	\$ 6,224,532	\$ 4,268,212	\$ (1,956,320)
Total revenue from the Commonwealth	\$ 7,039,993	\$ 7,111,432	\$ 5,189,359	\$ (1,922,073)
Revenue from the federal government:				
Noncategorical aid:				
BAB subsidy	\$ 63,750	\$ 63,750	\$ 63,750	\$ -
Payments in lieu of taxes	-	-	10,864	10,864
Total noncategorical aid	\$ 63,750	\$ 63,750	\$ 74,614	\$ 10,864
Revenue from the federal government:				
Categorical aid:				
Emergency services	\$ 19,500	\$ 19,500	\$ 10,819	\$ (8,681)
LLE block grant	-	-	5,117	5,117
Victim witness	51,995	51,995	40,719	(11,276)
FEMA grant	-	-	25,014	25,014
DHR grant	-	100,000	89,034	(10,966)
Welfare administration and assistance	50,000	50,000	1,446,916	1,396,916
Workforce investment act	1,916,760	1,916,760	1,053,527	(863,233)
Total categorical aid	\$ 2,038,255	\$ 2,138,255	\$ 2,671,146	\$ 532,891
Total revenue from the federal government	\$ 2,102,005	\$ 2,202,005	\$ 2,745,760	\$ 543,755
Total General Fund	\$ 23,560,730	\$ 23,735,075	\$ 24,036,317	\$ 301,242

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 3,081	\$ 3,081
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,081</u>	<u>\$ 3,081</u>
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
CARES Act funds	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
Total CARES Act Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>
ARPA Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
ARPA funds	\$ 2,307,551	\$ 2,307,551	\$ -	\$ (2,307,551)
Total CARES Act Fund	<u>\$ 2,307,551</u>	<u>\$ 2,307,551</u>	<u>\$ -</u>	<u>\$ (2,307,551)</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund:				
Charges for services:				
Other charges for services	\$ -	\$ -	\$ 599	\$ 599
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 599</u>	<u>\$ 599</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State library funds	\$ 60,811	\$ 69,381	\$ 69,381	\$ -
Total revenue from the Commonwealth	<u>\$ 60,811</u>	<u>\$ 69,381</u>	<u>\$ 69,381</u>	<u>\$ -</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ 4,629	\$ 4,629	\$ -
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 4,629</u>	<u>\$ 4,629</u>	<u>\$ -</u>
Total Library Fund	<u>\$ 60,811</u>	<u>\$ 74,010</u>	<u>\$ 74,609</u>	<u>\$ 599</u>
Special Revenue Fund:				
Local Sales Tax Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Sales Tax	\$ -	\$ 253,519	\$ 808,531	\$ 555,012
Total Local Sales Tax Fund	<u>\$ -</u>	<u>\$ 253,519</u>	<u>\$ 808,531</u>	<u>\$ 555,012</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Nonmajor Funds: (Continued)				
Permanent Fund:				
Library Trust Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 44,075	\$ 44,075
Total revenue from use of money and property	\$ -	\$ -	\$ 44,075	\$ 44,075
Total revenue from local sources	\$ -	\$ -	\$ 44,075	\$ 44,075
Total Library Trust Fund	\$ -	\$ -	\$ 44,075	\$ 44,075
Total Nonmajor funds	\$ 60,811	\$ 327,529	\$ 927,215	\$ 599,686
Total Primary Government	\$ 26,029,092	\$ 26,470,155	\$ 24,966,613	\$ (1,503,542)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Miscellaneous:				
Other miscellaneous	\$ 1,293,010	\$ 1,293,010	\$ 941,297	\$ (351,713)
Total revenue from local sources	\$ 1,293,010	\$ 1,293,010	\$ 941,297	\$ (351,713)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Charlotte, Virginia	\$ 4,693,923	\$ 4,693,923	\$ 3,389,051	\$ (1,304,872)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,385,014	\$ 2,385,014	\$ 2,387,263	\$ 2,249
Basic school aid	6,817,749	6,817,749	6,509,023	(308,726)
Remedial education	258,477	258,477	258,677	200
GED	8,233	8,233	57,942	49,709
Gifted and talented	64,619	64,619	64,669	50
Remedial summer education	54,378	54,378	46,982	(7,396)
Special education	728,434	728,434	782,696	54,262
Textbook payment	155,532	155,532	155,653	121
Vocational education	469,433	469,433	452,837	(16,596)
Fringe Benefits	1,438,070	1,438,070	1,869,025	430,955
Homebound	27,132	27,132	37,097	9,965
Class size reduction	237,064	237,064	250,394	13,330
English as a second language	11,337	11,337	9,069	(2,268)
Algebra readiness	33,894	33,894	33,883	(11)
Technology	180,000	180,000	-	(180,000)
Workplace	-	-	737	737
School construction	-	-	1,476,487	1,476,487
SFSF	-	-	179,819	179,819
Education technology	1,445,627	1,445,627	1,270,688	(174,939)
Hold harmless	562,112	562,112	599,060	36,948
At risk	946,831	946,831	946,831	-
Early reading	108,558	108,558	77,939	(30,619)
Other state funds	2,961,509	2,961,509	1,222,856	(1,738,653)
Total categorical aid	\$ 18,894,003	\$ 18,894,003	\$ 18,689,627	\$ (204,376)
Total revenue from the Commonwealth	\$ 18,894,003	\$ 18,894,003	\$ 18,689,627	\$ (204,376)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
CARES act funds	\$ 6,187,485	\$ 6,187,485	\$ 1,262,902	\$ (4,924,583)
Categorical aid:				
Title I	\$ 829,494	\$ 829,494	\$ 718,862	\$ (110,632)
Title VI-B, special education flow-through	512,733	512,733	480,098	(32,635)
Vocational education	56,368	56,368	92,149	35,781
Title VI-B, special education pre-school	19,194	19,194	19,194	-
EESA - Title II	114,620	114,620	113,363	(1,257)
Rural schools	40,853	40,853	61,921	21,068
Gear up grant	-	-	387,500	387,500
Title IV Part B	601,983	601,983	365,192	(236,791)
Summer food service	60,000	60,000	-	(60,000)
Hold harmless	562,112	562,112	-	(562,112)
ESSER	-	-	1,082,684	1,082,684
Other federal funds	-	-	5,832	5,832
Total categorical aid	\$ 2,797,357	\$ 2,797,357	\$ 3,326,795	\$ 529,438
Total revenue from the federal government	8,984,842	8,984,842	4,589,697	(4,395,145)
Total School Operating Fund	\$ 33,865,778	\$ 33,865,778	\$ 27,609,672	\$ (6,256,106)
Special Revenue Fund:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 290	\$ 290	\$ 247	\$ (43)
Charges for services:				
Cafeteria sales	\$ 89,710	\$ 89,710	\$ 59,029	\$ (30,681)
Total revenue from local sources	\$ 120,000	\$ 120,000	\$ 59,276	\$ (60,724)
Intergovernmental revenues:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 12,910	\$ 12,910	\$ 11,455	\$ (1,455)
Total revenue from the Commonwealth	12,910	12,910	11,455	(1,455)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 600,000	\$ 600,000	\$ 1,096,761	\$ 496,761
Total revenue from the federal government	600,000	600,000	1,096,761	496,761
Total intergovernmental	\$ 612,910	\$ 612,910	\$ 1,108,216	\$ 495,306
Total School Cafeteria Fund	\$ 732,910	\$ 732,910	\$ 1,167,492	\$ 434,582

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 159,410	\$ 164,410	\$ 151,419	\$ 12,991
General and financial administration:				
County administrator	\$ 550,134	\$ 578,344	\$ 562,543	\$ 15,801
Professional services	71,920	82,920	83,624	(704)
Commissioner of revenue	256,624	258,933	241,947	16,986
Reassessment	23,000	23,000	21,303	1,697
Treasurer	355,199	359,395	344,776	14,619
County attorney	71,325	71,325	32,525	38,800
Total general and financial administration	\$ 1,328,202	\$ 1,373,917	\$ 1,286,718	\$ 87,199
Board of elections:				
Electoral board and officials	\$ 60,888	\$ 60,888	\$ 43,897	\$ 16,991
Registrar	152,073	152,073	145,090	6,983
Total board of elections	\$ 212,961	\$ 212,961	\$ 188,987	\$ 23,974
Total general government administration	\$ 1,700,573	\$ 1,751,288	\$ 1,627,124	\$ 124,164
Judicial administration:				
Courts:				
Circuit court	\$ 13,375	\$ 13,613	\$ 19,301	\$ (5,688)
General district court	4,400	4,400	3,649	751
Juvenile and domestic relations court	4,550	4,550	3,752	798
Special magistrates	3,000	3,000	1,660	1,340
Clerk of the circuit court	438,152	477,342	433,489	43,853
Total courts	\$ 463,477	\$ 502,905	\$ 461,851	\$ 41,054
Commonwealth's attorney:				
Commonwealth's attorney	\$ 344,169	\$ 352,741	\$ 351,995	\$ 746
Total judicial administration	\$ 807,646	\$ 855,646	\$ 813,846	\$ 41,800
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,328,392	\$ 2,335,629	\$ 2,136,987	\$ 198,642
Witness assistance	69,327	69,327	58,674	10,653
Dare	-	9,144	3,354	5,790
Asset forfeiture	-	14,894	2,200	12,694
E-911 system	317,284	347,284	283,424	63,860
Total law enforcement and traffic control	\$ 2,715,003	\$ 2,776,278	\$ 2,484,639	\$ 291,639

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire services	\$ 544,392	\$ 544,392	\$ 538,195	\$ 6,197
Rescue squad	285,040	388,829	388,989	(160)
Division of forestry	20,123	20,123	20,123	-
Total fire and rescue services	<u>\$ 849,555</u>	<u>\$ 953,344</u>	<u>\$ 947,307</u>	<u>\$ 6,037</u>
Correction and detention:				
Sheriff	\$ 1,747,313	\$ 1,747,313	\$ 1,621,700	\$ 125,613
VJCCA	151,223	151,223	87,899	63,324
Total correction and detention	<u>\$ 1,898,536</u>	<u>\$ 1,898,536</u>	<u>\$ 1,709,599</u>	<u>\$ 188,937</u>
Inspections:				
Building	\$ 85,250	\$ 86,027	\$ 85,379	\$ 648
Other protection:				
Animal control	\$ 16,812	\$ 16,812	\$ 14,297	\$ 2,515
Medical examiner	250	250	200	50
Total other protection	<u>\$ 17,062</u>	<u>\$ 17,062</u>	<u>\$ 14,497</u>	<u>\$ 2,565</u>
Total public safety	<u>\$ 5,565,406</u>	<u>\$ 5,731,247</u>	<u>\$ 5,241,421</u>	<u>\$ 489,826</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,089,719	\$ 1,090,615	\$ 874,053	\$ 216,562
Maintenance of general buildings and grounds:				
General properties	\$ 860,708	\$ 961,007	\$ 933,966	\$ 27,041
Canneries	1,000	1,000	1,000	-
Total maintenance of general buildings and grounds	<u>\$ 861,708</u>	<u>\$ 962,007</u>	<u>\$ 934,966</u>	<u>\$ 27,041</u>
Total public works	<u>\$ 1,951,427</u>	<u>\$ 2,052,622</u>	<u>\$ 1,809,019</u>	<u>\$ 243,603</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 116,295	\$ 116,295	\$ 101,932	\$ 14,363
Mental health and mental retardation:				
Crossroads Board	\$ 73,000	\$ 73,000	\$ 73,000	-
Welfare:				
Public assistance	\$ 2,935,957	\$ 2,950,349	\$ 2,565,977	\$ 384,372
Workforce investment	1,916,760	1,916,760	1,086,661	830,099
Comprehensive services act	1,275,600	1,275,600	1,064,580	211,020
Total welfare	<u>\$ 6,128,317</u>	<u>\$ 6,142,709</u>	<u>\$ 4,717,218</u>	<u>\$ 1,425,491</u>
Total health and welfare	<u>\$ 6,317,612</u>	<u>\$ 6,332,004</u>	<u>\$ 4,892,150</u>	<u>\$ 1,439,854</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Education:				
Other instructional costs:				
Contributions to Community Colleges	\$ 5,860	\$ 5,860	\$ 5,860	\$ -
Contribution to County school board	4,693,923	4,693,923	3,389,051	1,304,872
Total education	<u>\$ 4,699,783</u>	<u>\$ 4,699,783</u>	<u>\$ 3,394,911</u>	<u>\$ 1,304,872</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation youth league	\$ 24,500	\$ 24,500	\$ 14,710	\$ 9,790
Cultural enrichment:				
Red hill shrine	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Adult programs	88,868	88,868	88,868	-
Total cultural enrichment	<u>\$ 91,368</u>	<u>\$ 91,368</u>	<u>\$ 91,368</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 115,868</u>	<u>\$ 115,868</u>	<u>\$ 106,078</u>	<u>\$ 9,790</u>
Community development:				
Planning and community development:				
Planning	\$ 68,112	\$ 68,112	\$ 33,335	\$ 34,777
Zoning appeals board	1,600	1,600	600	1,000
Economic development	134,100	155,335	24,170	131,165
Total planning and community development	<u>\$ 203,812</u>	<u>\$ 225,047</u>	<u>\$ 58,105</u>	<u>\$ 166,942</u>
Environmental management:				
Contribution to soil and water district	\$ 157,698	\$ 160,474	\$ 160,437	\$ 37
Cooperative extension program:				
Extension office	\$ 55,646	\$ 66,133	\$ 65,603	\$ 530
Total community development	<u>\$ 417,156</u>	<u>\$ 451,654</u>	<u>\$ 284,145</u>	<u>\$ 167,509</u>
Nondepartmental:				
Fixed charges	\$ 171,500	\$ 182,500	\$ 686,786	\$ (504,286)
Other capital outlay	603,466	603,466	24,439	579,027
Total nondepartmental	<u>\$ 774,966</u>	<u>\$ 785,966</u>	<u>\$ 711,225</u>	<u>\$ 74,741</u>
Debt service:				
Principal retirement	\$ 731,417	\$ 731,417	\$ 916,416	\$ (184,999)
Interest and other fiscal charges	451,527	451,527	985,142	(533,615)
Total debt service	<u>\$ 1,182,944</u>	<u>\$ 1,182,944</u>	<u>\$ 1,901,558</u>	<u>\$ (718,614)</u>
Total General Fund	<u><u>\$ 23,533,381</u></u>	<u><u>\$ 23,959,022</u></u>	<u><u>\$ 20,781,477</u></u>	<u><u>\$ 3,177,545</u></u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
CARES Act Fund:				
Public safety	\$ 100,000	\$ 100,000	\$ -	\$ 100,000
Total CARES Act Fund	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
ARPA Fund:				
Broadband project	\$ 1,938,900	\$ 1,938,900	\$ 733,764	\$ 1,205,136
Total ARPA Fund	<u>\$ 1,938,900</u>	<u>\$ 1,938,900</u>	<u>\$ 733,764</u>	<u>\$ 1,205,136</u>
Capital Projects Fund:				
Capital projects:				
School renovations	\$ 199,789	\$ 331,456	\$ 331,374	\$ 82
Total Capital Projects Fund	<u>\$ 199,789</u>	<u>\$ 331,456</u>	<u>\$ 331,374</u>	<u>\$ 82</u>
Nonmajor Funds:				
Special Revenue Fund:				
Library Fund				
Parks, recreation, and cultural:				
Library	\$ 305,352	\$ 337,356	\$ 337,337	\$ 19
Total Library Fund	<u>\$ 305,352</u>	<u>\$ 337,356</u>	<u>\$ 337,337</u>	<u>\$ 19</u>
Special Revenue Fund:				
Local Sales Tax Fund				
Education:				
Education capital projects	\$ -	\$ 253,519	\$ 63,792	\$ 189,727
Total Local Sales Tax Fund	<u>\$ -</u>	<u>\$ 253,519</u>	<u>\$ 63,792</u>	<u>\$ 189,727</u>
Permanent Fund:				
Library Trust Fund				
Parks, recreation, and cultural:				
Library	\$ -	\$ -	\$ 11,722	\$ (11,722)
Total Library Trust Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,722</u>	<u>\$ (11,722)</u>
Total Nonmajor funds	<u>\$ 305,352</u>	<u>\$ 590,875</u>	<u>\$ 412,851</u>	<u>\$ 178,024</u>
Total Primary Government	<u>\$ 26,077,422</u>	<u>\$ 26,920,253</u>	<u>\$ 22,259,466</u>	<u>\$ 4,660,787</u>

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2023 (Continued)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Education costs:				
Elementary and secondary schools	\$ 18,899,923	\$ 19,287,449	\$ 19,062,073	\$ 225,376
Administration attendance and health services	7,602,132	7,859,685	2,587,175	5,272,510
Pupil transportation	2,058,856	3,243,856	3,140,296	103,560
Operation and maintenance of school plant	2,994,559	3,140,199	2,788,674	351,525
Total education	\$ 31,555,470	\$ 33,531,189	\$ 27,578,218	\$ 5,952,971
Debt service:				
Principal retirement	\$ 80,000	\$ 80,000	\$ -	\$ 80,000
Interest and other fiscal charges	63,750	63,750	-	63,750
Total debt service	\$ 143,750	\$ 143,750	\$ -	\$ 143,750
Total School Operating Fund	\$ 31,699,220	\$ 33,674,939	\$ 27,578,218	\$ 6,096,721
Special revenue fund:				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 792,910	\$ 792,910	\$ 1,255,308	\$ (462,398)
Total School Cafeteria Fund	\$ 792,910	\$ 792,910	\$ 1,255,308	\$ (462,398)

- Other Statistical Information -

Table 1

COUNTY OF CHARLOTTE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Admini- stration	Public Safety		Public Works	Health and Welfare		Education	Parks, Recreation, and Cultural		Community Development	Interest on Long- on Term Debt	
	Admini- stration													
2013-14	\$ 1,394,498	\$ 617,495	\$ 4,117,916	\$ 1,210,398	\$ 5,231,004	\$ 3,898,251	\$ 329,270	\$ 333,780	\$ 87,107	\$ 17,219,719				
2014-15	1,323,096	599,410	4,098,244	1,215,782	5,344,807	4,164,205	328,364	265,568	64,552	17,404,028				
2015-16	1,324,440	522,473	4,413,589	1,249,862	5,311,449	3,342,859	322,956	880,479	531,702	17,899,809				
2016-17	1,413,203	200,636	4,244,904	1,474,975	5,650,959	3,496,953	348,367	215,733	444,203	17,489,933				
2017-18	1,484,642	583,483	4,562,360	1,358,053	5,332,595	3,556,731	306,880	236,461	759,288	18,180,493				
2018-19	1,624,064	833,675	4,695,731	1,604,848	4,855,427	8,316,036	275,779	266,351	677,788	23,149,699				
2019-20	1,560,917	1,122,896	4,479,057	1,415,261	5,156,000	7,079,867	355,679	270,920	700,861	22,141,458				
2020-21	1,787,474	1,220,755	5,539,042	1,415,726	5,476,252	3,261,373	486,542	834,713	988,183	21,010,060				
2021-22	2,207,360	1,258,773	4,631,069	1,621,275	4,725,317	4,753,086	425,217	293,851	827,317	20,743,265				
2022-23	3,105,123	1,280,168	5,215,687	1,928,447	4,800,548	4,015,870	445,431	279,403	783,168	21,853,845				

COUNTY OF CHARLOTTE, VIRGINIA

Table 2

Government-Wide Revenues
Last Ten Fiscal Years

PROGRAM REVENUES				GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Contributions Not Restricted to Specific Programs	Total
2013-14	\$ 774,868	\$ 6,514,563	\$ 2,706	\$ 7,623,280	\$ 1,144,264	\$ 252,857	\$ 684,849	\$ 1,034,590	\$ 18,031,977
2014-15	734,320	6,583,012	4,650	7,751,434	1,199,274	247,787	576,435	986,389	18,083,301
2015-16	670,452	6,754,669	-	8,484,155	1,193,246	274,082	414,617	1,483,133	19,274,354
2016-17	870,501	6,907,933	-	8,723,038	1,273,165	385,514	564,923	1,023,144	19,748,218
2017-18	1,100,419	6,828,943	-	8,873,499	1,215,078	383,570	477,171	986,098	19,864,778
2018-19	805,034	6,560,594	-	9,009,416	1,296,251	348,008	515,252	995,199	19,529,754
2019-20	877,512	6,387,721	-	10,817,608	1,409,243	324,275	557,302	1,080,006	21,453,667
2020-21	592,281	6,700,114	-	11,189,481	1,459,643	413,909	697,820	2,864,230	23,917,478
2021-22	594,789	9,206,323	-	10,944,966	1,506,170	218,455	615,365	1,385,808	24,471,876
2022-23	567,178	6,894,691	-	12,828,733	1,559,302	887,864	934,411	1,922,969	25,595,148

COUNTY OF CHARLOTTE, VIRGINIA

Table 3

General Governmental Expenditures by Function (1) (2)

Last Ten Fiscal Years

Fiscal Year	General Government Administration		Judicial Administration	Public Safety		Public Works		Health and Welfare		Parks, Recreation, and Cultural		Community Development		Non-Departmental	Capital Projects		Debt Service	Total		
2013-14	\$	1,258,647	\$	587,717	\$	4,087,186	\$	1,138,119	\$	5,228,491	\$	20,231,367	\$	320,409	\$	333,384	\$	650,993	\$	33,836,313
2014-15		1,387,020		581,314		4,134,125		1,157,675		5,429,748		19,888,924		321,002		270,683		557,717		33,728,208
2015-16		1,214,326		608,872		4,330,787		1,165,377		5,348,625		19,511,653		321,080		896,048		860,330		34,257,098
2016-17		1,314,206		581,723		4,480,463		1,391,332		5,682,287		19,662,452		348,714		217,818		774,628		38,716,220
2017-18		1,243,629		578,725		4,660,161		1,379,335		5,383,706		20,046,339		355,269		243,473		1,021,196		48,785,622
2018-19		1,410,185		582,880		4,858,751		1,664,813		5,059,955		20,574,134		383,383		279,684		1,374,148		39,717,236
2019-20		1,346,157		589,552		4,493,583		1,588,938		5,087,478		20,758,128		360,961		273,267		1,352,559		37,564,320
2020-21		1,490,291		653,815		5,243,528		1,400,716		5,358,757		21,256,403		424,972		507,070		1,285,422		43,114,487
2021-22		1,522,612		749,975		4,889,141		1,585,553		4,967,013		24,366,341		438,357		472,509		2,437,326		45,061,577
2022-23		2,360,888		813,846		5,241,421		1,809,019		4,892,150		29,683,423		455,137		284,145		1,901,558		48,484,186

(1) Includes General, Special Revenue Funds, and Permanent Funds of the primary government and its discretely presented component unit, except for capital projects and nondepartmental.

(2) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 4

General Governmental Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	General Property Taxes (2)	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (3)	Total
2013-14	\$ 8,231,883	\$ 1,144,264	\$ 53,642	\$ 170,134	\$ 253,330	\$ 815,356	\$ 932,933	\$ -	\$ 22,660,056	\$ 34,261,598
2014-15	8,479,959	1,199,274	48,342	163,519	248,172	801,482	1,070,916	-	22,128,720	34,140,384
2015-16	9,024,457	1,193,246	39,231	137,887	274,325	681,461	786,122	-	22,978,904	35,115,633
2016-17	9,355,908	1,273,165	67,514	171,807	385,684	858,970	809,462	-	23,095,127	36,017,637
2017-18	9,532,677	1,215,078	63,086	198,866	383,756	998,847	1,045,150	-	22,604,922	36,042,382
2018-19	9,729,225	1,296,251	70,740	225,331	348,648	671,035	998,765	-	22,803,578	36,143,573
2019-20	11,521,560	1,409,243	110,096	232,630	324,978	678,385	1,068,238	-	23,249,653	38,594,783
2020-21	11,900,883	1,459,643	72,422	192,861	414,101	345,128	1,639,942	-	26,231,451	42,256,431
2021-22	11,642,208	1,506,170	76,158	128,094	218,697	423,230	2,477,816	-	29,230,953	45,703,326
2022-23	12,852,848	1,559,302	137,229	145,638	888,111	343,340	2,704,891	-	32,518,290	51,149,649

(1) Includes General, Special Revenue Funds and Permanent Funds of the primary government and its discretely presented component unit.

(2) Includes Commonwealth of Virginia PPTRA reimbursement.

(3) General fund contributions to the School Board are not included.

COUNTY OF CHARLOTTE, VIRGINIA

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax		Current Tax (1), (3)		Percent of Levy Collected	Delinquent (1)		Total Tax Collections	Percent of Total Tax Collections to Tax Levy		Outstanding (1)		Percent of Delinquent Taxes to Tax Levy
	Levy (1)		Collections			Tax (2)	Collections				Delinquent Taxes		
2013-14	\$	7,463,161	\$	6,821,614	91.40%	\$	723,359	\$	7,544,973	101.10%	\$	769,679	10.31%
2014-15		7,684,759		7,048,066	91.71%		744,983		7,793,049	101.41%		705,643	9.18%
2015-16		8,273,289		7,657,365	92.56%		680,182		8,337,547	100.78%		834,447	10.09%
2016-17		8,607,788		7,943,358	92.28%		563,580		8,506,938	98.83%		855,507	9.94%
2017-18		8,790,027		7,980,087	90.79%		705,776		8,685,863	98.81%		1,028,980	11.71%
2018-19		8,999,397		8,275,813	91.96%		766,502		9,042,315	100.48%		893,352	9.93%
2019-20		10,822,521		9,945,690	91.90%		888,960		10,834,650	100.11%		2,359,096	21.80%
2020-21		10,963,516		10,311,343	94.05%		902,630		11,213,973	102.28%		959,047	8.75%
2021-22		10,771,679		10,114,400	93.90%		840,898		10,955,298	101.70%		1,539,637	14.29%
2022-23		11,753,105		11,273,771	95.92%		892,167		12,165,938	103.51%		2,265,967	19.28%

(1) Exclusive of penalties and interest.

(2) Does not include land redemptions.

(3) Includes Commonwealth of Virginia PPTRA reimbursement.

COUNTY OF CHARLOTTE, VIRGINIA

Table 6

Assessed Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Real Estate	Personal Property	Machinery and Tools				Public Service	Total
			Mobile Homes	Capital	Service	Total		
2013-14	\$ 910,302,065	\$ 86,196,036	\$ 5,770,563	\$ 6,428,450	\$ 817,174	\$ 63,909,257	\$ 1,073,423,545	
2014-15	914,675,911	90,291,046	6,038,431	7,327,130	943,444	65,005,310	1,084,281,272	
2015-16	918,211,760	90,948,657	6,136,918	7,635,331	935,525	79,478,190	1,103,346,381	
2016-17	921,926,484	95,220,649	6,347,614	11,119,083	937,876	89,162,041	1,124,713,747	
2017-18	925,156,500	97,106,146	6,504,781	11,844,083	950,457	95,059,396	1,136,621,363	
2018-19	931,964,828	99,670,743	6,460,738	16,214,741	889,622	94,596,884	1,149,797,556	
2019-20	1,009,946,924	104,112,957	4,194,137	18,039,253	946,620	94,277,236	1,231,517,127	
2020-21	1,014,726,886	105,876,505	4,239,810	17,337,663	1,038,295	102,430,010	1,245,649,169	
2021-22	1,013,653,926	143,845,815	4,351,440	22,078,608	1,149,420	122,487,493	1,307,566,702	
2022-23	1,021,270,334	150,224,246	4,453,989	23,798,858	1,524,133	116,366,714	1,317,638,274	

(1) 100% of fair market value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 7

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Merchant's Capital	
2013-14	\$	0.48	\$	3.75	\$	0.48	\$	3.75	\$	3.20
2014-15		0.48		3.75		0.48		3.75		3.20
2015-16		0.53		3.75		0.53		3.00		3.20
2016-17		0.53		3.75		0.53		3.00		3.20
2017-18		0.53		3.75		0.53		3.00		3.20
2018-19		0.53		3.75		0.53		3.00		3.20
2019-20		0.62		3.95		0.62		3.00		3.20
2020-21		0.62		3.95		0.62		3.00		3.20
2021-22		0.62		2.60		0.62		3.00		3.20
2022-23		0.62		3.25		0.62		3.00		3.20

(1) Per \$100 of assessed value.

COUNTY OF CHARLOTTE, VIRGINIA

Table 8

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

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2013-14	12,305	\$ 1,073,423,545	\$ 1,643,320	0.15%	134
2014-15	12,641	1,084,281,272	1,275,000	0.12%	101
2015-16	12,454	1,103,346,381	12,770,000	1.16%	1,025
2016-17	12,316	1,124,713,747	12,605,000	1.12%	1,023
2017-18	12,231	1,136,621,363	18,535,000	1.63%	1,515
2018-19	12,021	1,149,797,556	18,008,000	1.57%	1,498
2019-20	11,928	1,231,517,127	17,462,000	1.42%	1,464
2020-21	11,936	1,245,649,169	20,635,000	1.66%	1,729
2021-22	11,448	1,307,566,702	20,045,000	1.53%	1,751
2022-23	11,448	1,317,638,274	19,330,000	1.47%	1,689

(1) Weldon Cooper Center for Public Service.

(2) From Table 6.

(3) Includes all long-term general obligation bonded debt and Literary Fund Loans.
Excludes capital leases, premiums on bonds, net OPEB liabilities
net pension liability, landfill postclosure and corrective action liability,

COUNTY OF CHARLOTTE, VIRGINIA

Table 9

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures (2)	Ratio of Debt Service to General Governmental Expenditures
2013-14	\$ 520,631	\$ 130,362	\$ 650,993	\$ 33,836,313	1.92%
2014-15	446,265	111,452	557,717	33,728,208	1.65%
2015-16	173,031	687,299	860,330	34,257,098	2.51%
2016-17	269,973	504,655	774,628	38,716,220	2.00%
2017-18	274,229	746,967	1,021,196	48,785,622	2.09%
2018-19	641,766	732,382	1,374,148	39,717,236	3.46%
2019-20	633,320	719,239	1,352,559	37,564,320	3.60%
2020-21	479,932	805,490	1,285,422	43,114,487	2.98%
2021-22	1,318,782	1,118,544	2,437,326	45,061,577	5.41%
2022-23	916,416	985,142	1,901,558	48,484,186	3.92%

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

(2) Excludes capital projects and nondepartmental.

- Compliance -

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

**To the Honorable Members of
the Board of Supervisors
County of Charlotte, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Charlotte, 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 Charlotte, Virginia's basic financial statements, and have issued our report thereon dated February 12, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Charlotte, 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 Charlotte, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Charlotte, 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 Charlotte, 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
February 12, 2024

**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 Charlotte, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Charlotte, 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 Charlotte, Virginia's major federal programs for the year ended June 30, 2023. County of Charlotte, 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 Charlotte, Virginia's 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 Charlotte, Virginia's 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 Charlotte, 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 Charlotte, 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 Charlotte, 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 Charlotte, 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 Charlotte, 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 Charlotte, 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 Charlotte, 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
February 12, 2024

COUNTY OF CHARLOTTE, 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	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass-Through Payments:				
Virginia Department of Social Services:				
Title IV-E Prevention Program	93.472	0010123 / 0010122	\$ -	\$ 8,966
Guardianship Assistance	93.090	1110123 / 1110122	-	15,020
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950122	-	17,314
Temporary Assistance for Needy Families (TANF)	93.558	0400122 / 0400123	-	166,492
Refugee and Entrant Assistance State/Replacement				
Designee Administered Programs	93.566	0500122 / 0500123	-	704
Low-Income Home Energy Assistance	93.568	0600422 / 0600423	-	33,905
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122 / 0760123	-	38,993
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122 / 0900123	-	296
Foster Care - Title IV-E	93.658	1100122 / 1100123	-	143,896
Adoption Assistance	93.659	1120122 / 1120123	-	248,553
Social Services Block Grant	93.667	1000122 / 1000123	-	181,911
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122 / 9150123	-	5,364
Elder Abuse Prevention Interventions Program	93.747	8000222	-	2,426
Children's Health Insurance Program (CHIP)	93.767	0540122 / 0540123	-	1,407
Medical Assistance Program (Medicaid Cluster)	93.778	1200122 / 1200123	-	166,832
Virginia Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response:				
Public Health Crisis Response	93.354	Unknown	\$ -	\$ 60,879
Total Department of Health and Human Services			\$ -	\$ 1,092,958
Department of Agriculture:				
Pass-Through Payments:				
Virginia Department of Agriculture:				
Summer Food Service Program for Children - Food Distribution (Child Nutrition Cluster)	10.559	Unknown	\$ -	\$ 1,065
Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	-	2,796
National School Lunch Program - Food Distribution (Child Nutrition Cluster)	10.555	Unknown	\$ -	\$ 56,701
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	402540	-	679,062
School Breakfast Program (Child Nutrition Cluster)	10.553	402530	-	326,976
Total Child Nutrition Cluster			\$ -	\$ 1,066,600
Child and Adult Care Food Program	10.558	Unknown	-	14,103
COVID-19 Pandemic EBT Administrative 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 / 0040123	-	323,879
Total Department of Agriculture			\$ -	\$ 1,407,717
Department of Justice:				
Pass-Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	Unknown	\$ -	\$ 40,719

COUNTY OF CHARLOTTE, 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	Pass-Through Entity Identifying Number	Pass-through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass-Through Payments:				
Virginia Community College System:				
WIOA Cluster:				
WIA/WIOA Adult Program	17.258	Unknown	\$ -	\$ 332,169
WIA/WIOA Youth Activities	17.259	Unknown	-	423,632
WIA/WIOA Dislocated Worker Formula Grants	17.278	Unknown	-	297,726
Total WIOA Cluster			\$ -	\$ 1,053,527
Total Department of Labor			\$ -	\$ 1,053,527
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	-	\$ 504,703
Department of Housing and Urban Development:				
Pass-Through Payments:				
Virginia Department of Housing and Community Development:				
Continuum of Care Program	14.267	Unknown	\$ -	\$ 12,945
Institute of Musuem and Library Services				
Pass-Through Payments:				
Virginia Commission for the Arts:				
Grants to States	45.310	Unknown	\$ -	\$ 4,629
Department of Homeland Security				
Pass-Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	Unknown	\$ -	\$ 35,833
Department of Education:				
Pass-Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A220046	\$ -	\$ 718,862
Special Education - Grants to States (IDEA) (Special Education Cluster)	84.027	H027A220107	-	467,127
Special Education - Preschool Grants (IDEA) (Special Education Cluster)	84.173	H173A220112	-	32,165
Total Special Education Cluster (IDEA)			\$ -	\$ 499,292
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	V048A220046	-	92,149
Supporting Effective Instruction State Grants	84.367	S367A220044	-	113,363
Twenty-First Century Community Learning Centers	84.287	S287C220047	-	308,588
Rural Education	84.358	S358B220046	-	61,921
English Language Acquisition State Grants	84.365	Unknown	-	1,737
Student Support and Academic Enrichment Program	84.424	S424A220048	-	56,604
COVID-19-Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	-	2,356,686
Total Department of Education			\$ -	\$ 4,209,202
Total Expenditures of Federal Awards			\$ -	\$ 8,362,233

See accompanying notes to Schedule of Expenditures of Federal Awards.

COUNTY OF CHARLOTTE, 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 Charlotte, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Charlotte, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Charlotte, Virginia.

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures 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 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 - Loan Balances

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

Note 6 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 2,745,760
Library Fund	4,629
Less: Payments in lieu of taxes	(10,864)
Less: BAB Subsidy	(63,750)
Total primary government	\$ <u>2,675,775</u>

Component Unit School Board:

School Operating Fund	\$ 4,589,697
School Cafeteria Fund	1,096,761
Total component unit School Board	\$ <u>5,686,458</u>

Total federal expenditures per basic financial statements	\$ <u>8,362,233</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ <u><u>8,362,233</u></u>
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COUNTY OF CHARLOTTE, 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:

CFDA #	Name of Federal Program or Cluster
17.258/17.259/17.278	WIOA Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
84.425D	COVID-19 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.