

COUNTY OF NOTTOWAY, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED JUNE 30, 2023

County of Nottoway, Virginia

Annual Financial Report

For the Year Ended June 30, 2023

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COUNTY OF NOTTOWAY, VIRGINIA

Board of Supervisors

Lynn K. Shekleton, Chair

Steve W. Bowen, Vice-Chair
John A. Roark

Helen M. Simmons
Sherman C. Vaughn

School Board

Shelli Hinton, Chair

Jamie Higgins, Vice-Chair
Jimmy Fowlkes

Clive Pettis, Sr.
Bill Outlaw

Board of Social Services

Barbara Briggins, Chairperson

Jacqueline Downs, Vice Chairperson
Ronald Scruggs

John A. Roark
Carrie M. Gravely

Other Officials

Philip S. T. Costin, County Administrator
Katy Tomer, Assistant County Administrator/Finance Director
Tameshia V. Grimes, Ph.D., Superintendent of Schools
Shannon Reed, Director of Social Services

Judge of the Circuit Court Honorable Paul W. Cella
Clerk of the Circuit Court Jane L. Brown
Commonwealth's Attorney Leanne Watrous
Treasurer Ellen F. Myatt
Sheriff Robert L. Jones
Commissioner of the Revenue Christy A. Hudson

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FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

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Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Nottoway
Nottoway, 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 County of Nottoway, 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 Nottoway, 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 Nottoway, 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 24 to the financial statements, in 2023, the County restated beginning balances to correct an error in prior year balances. 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Supplementary Information (Continued)

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 Nottoway, 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 Nottoway, 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 Nottoway, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
February 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

To the Honorable Members of the Board of Supervisors
To the Citizens of Nottoway County
County of Nottoway, Virginia

As management of the County of Nottoway, 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 \$37,793,354 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources over expenditures and other financial uses of \$3,501,240 (Exhibit 5) after making contributions totaling \$1,961,908 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$26,335,491, an increase of \$3,501,240 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$20,677,206 or 139% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$712,731 during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, and
3. Notes to the financial statements.

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

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

The statement of net position presents information on all the County's assets and deferred outflows of resources, and 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 Nottoway, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Nottoway, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

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 a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has four major governmental funds - the General Fund, the Landfill Fund, the LRA Land Sale Fund, and the American Rescue Plan 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 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 used to provide accountability of client monies for which the County is custodian.

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 statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and Industrial Development Authority. The School Board and Industrial Development Authority do not issue separate financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 exceeded liabilities by \$37,793,354 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Nottoway, Virginia's Net Position

	Governmental Activities	
	2023	2022
Current and other assets	\$ 33,609,153	\$ 30,777,574
Capital assets	16,982,048	17,495,626
Total assets	\$ 50,591,201	\$ 48,273,200
Deferred outflows of resources	\$ 1,085,857	\$ 1,047,022
Current liabilities	\$ 2,898,927	\$ 3,158,831
Long-term liabilities outstanding	9,536,756	8,824,025
Total liabilities	\$ 12,435,683	\$ 11,982,856
Deferred inflows of resources	\$ 1,448,021	\$ 2,826,835
Net position:		
Net investment in capital assets	\$ 16,104,830	\$ 16,357,832
Restricted for net pension asset	3,140,103	4,285,279
Unrestricted	18,548,421	13,867,420
Total net position	\$ 37,793,354	\$ 34,510,531

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net position increased by \$3,138,823. The following table summarizes the County's Statement of Activities

County of Nottoway, Virginia's Changes in Net Position		
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 882,350	\$ 1,590,371
Operating grants and contributions	5,441,708	5,048,598
General revenues:		
General property taxes	8,908,933	7,916,780
Other local taxes	2,304,083	2,388,856
Grants and other contributions not restricted	1,481,685	1,434,670
Other general revenues	1,422,868	429,893
Total revenues	\$ 20,441,627	\$ 18,809,168
Expenses:		
General government administration	\$ 1,667,327	\$ 2,292,845
Judicial administration	1,095,233	1,020,834
Public safety	5,372,873	4,153,085
Public works	2,317,277	3,046,821
Health and welfare	2,893,923	2,751,565
Education	2,161,942	5,491,977
Parks, recreation, and cultural	538,477	372,497
Community development	1,217,842	1,090,512
Interest and other fiscal charges	37,910	45,760
Total expenses	\$ 17,302,804	\$ 20,265,896
Change in net position	\$ 3,138,823	\$ (1,456,728)
Net position, beginning, as restated	34,654,531	35,967,259
Net position, ending	\$ 37,793,354	\$ 34,510,531

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the County's financing requirements. 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 \$26,355,491, an increase of \$3,501,240 in comparison with the prior year. Approximately 86% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other financing sources were less than budgetary estimates by \$14, and expenditures and other financing uses were less than budgetary estimates by \$7,546,841, resulting in a positive variance of \$7,690,827.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital and leased assets for its governmental operations as of June 30, 2023 amounted to \$16,982,048 (net of accumulated depreciation). This investment includes land, buildings and improvements, leased assets, and machinery and equipment.

Additional information on the County's capital assets can be found in note 5 of this report.

< **Long-term debt** - At the end of the current fiscal year, the County had total bonds and lease assets outstanding of \$897,515. Of this amount, \$845,824 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total long-term obligations increased by \$712,731.

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

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare to national indices.

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

The fiscal year 2024 general fund budget decreased by approximately 16.5 percent. All tax rates remained the same for fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the County of Nottoway, 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, 328 West Court House Road, Nottoway, Virginia 23955.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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County of Nottoway, Virginia
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental	Component Units	
	Activities	School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 22,661,441	\$ 7,969,336	\$ 2,042,150
Receivables (net of allowance for uncollectibles):			
Taxes receivable	1,109,806	-	-
Accounts receivable	335,208	-	-
Leases receivable	36,447	-	-
Interest receivable	66	-	-
Due from component units	4,874,142	-	-
Due from other governmental units	1,451,940	2,061,204	-
Prepaid items	-	-	-
Net pension asset	3,140,103	497,967	-
Other assets:			
Notes receivable	-	-	315,689
Capital assets (net of accumulated depreciation):			
Land	8,716,933	88,670	-
Buildings and improvements	5,544,613	-	-
Lease equipment	51,278	62,425	-
Machinery and equipment	955,844	2,772,922	-
Jointly owned assets	845,824	6,888,317	-
Construction in progress	867,556	-	-
Total assets	<u>\$ 50,591,201</u>	<u>\$ 20,340,841</u>	<u>\$ 2,357,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 144,508	\$ 3,013,101	\$ -
OPEB related items	941,349	384,562	-
Total deferred outflows of resources	<u>\$ 1,085,857</u>	<u>\$ 3,397,663</u>	<u>\$ -</u>
LIABILITIES			
Accounts payable	\$ 142,468	\$ 15,212	\$ -
Unearned revenue	2,737,030	-	-
Accrued interest payable	19,429	-	-
Due to primary government	-	4,797,764	76,378
Long-term liabilities:			
Due within one year	262,035	77,428	-
Due in more than one year	9,274,721	14,376,171	-
Total liabilities	<u>\$ 12,435,683</u>	<u>\$ 19,266,575</u>	<u>\$ 76,378</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 39,876	\$ -	\$ -
Lease related items	32,811	-	-
Pension related items	787,429	3,885,461	-
OPEB related items	587,905	695,428	-
Total deferred inflows of resources	<u>\$ 1,448,021</u>	<u>\$ 4,580,889</u>	<u>\$ -</u>
NET POSITION			
Net investment in capital assets	\$ 16,104,830	\$ 9,812,334	\$ -
Restricted:			
Net pension asset	3,140,103	497,967	-
Unrestricted (deficit)	18,548,421	(10,419,261)	2,281,461
Total net position (deficit)	<u>\$ 37,793,354</u>	<u>\$ (108,960)</u>	<u>\$ 2,281,461</u>

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

County of Nottoway, Virginia
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services		Primary Government	Component Units	
		Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	School Board
PRIMARY GOVERNMENT:						
Governmental activities:						
General government administration	\$ 1,667,327	\$ 56,239	\$ 259,275	\$ -	\$ (1,351,813)	\$ -
Judicial administration	1,095,233	30,873	518,432	-	(545,928)	-
Public safety	5,372,873	190,763	1,783,418	-	(3,398,692)	-
Public works	2,317,277	604,475	20,338	-	(1,692,464)	-
Health and welfare	2,893,923	-	2,481,666	-	(412,257)	-
Education	2,161,942	-	-	-	(2,161,942)	-
Parks, recreation, and cultural	538,477	-	104,395	-	(434,082)	-
Community development	1,217,842	-	274,184	-	(943,658)	-
Interest on long-term debt	37,910	-	-	-	(37,910)	-
Total government activities	\$ 17,302,804	\$ 882,350	\$ 5,441,708	\$ -	\$ (10,978,746)	\$ -
COMPONENT UNITS:						
School Board	\$ 28,034,598	\$ 84,654	\$ 27,834,229	\$ -	\$ -	\$ (115,715)
Industrial Development Authority	-	13,724	-	-	-	13,724
Total component units	\$ 28,034,598	\$ 98,378	\$ 27,834,229	\$ -	\$ -	\$ (115,715)
General revenues:						
General property taxes				\$ 8,908,933	\$ -	\$ -
Local sales and use taxes				1,631,598	-	-
Consumer utility taxes				147,400	-	-
Business licenses				202,403	-	-
Motor vehicle licenses				194,036	-	-
Other local taxes				128,646	-	-
Unrestricted revenues from use of money				580,705	2,605	4,052
Miscellaneous				842,163	555,053	-
Grants and contributions not restricted to specific programs				1,481,685	-	-
Contribution from Nottoway County				-	2,072,983	-
Total general revenues				\$ 14,117,569	\$ 2,630,641	\$ 4,052
Change in net position				3,138,823	2,514,926	17,776
Net position (deficit) - beginning, as restated				34,654,531	(2,623,886)	2,263,685
Net position (deficit) - ending				\$ 37,793,354	\$ (108,960)	\$ 2,281,461

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

FUND FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

County of Nottoway, Virginia
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Landfill Fund</u>	<u>LRA Land Sale Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 14,310,266	\$ -	\$ 5,079,345	\$ 2,737,030	\$ 856,833	\$ 22,983,474
Receivables (net of allowance for uncollectibles):						
Taxes receivable	1,109,806	-	-	-	-	1,109,806
Accounts receivable	311,018	24,190	-	-	-	335,208
Leases receivable	36,447	-	-	-	-	36,447
Interest receivable	66	-	-	-	-	66
Due from component units	4,874,142	-	-	-	-	4,874,142
Due from other governmental units	1,401,501	28,700	-	-	21,739	1,451,940
Total assets	<u>\$ 22,043,246</u>	<u>\$ 52,890</u>	<u>\$ 5,079,345</u>	<u>\$ 2,737,030</u>	<u>\$ 878,572</u>	<u>\$ 30,791,083</u>
LIABILITIES						
Accounts payable	\$ 131,979	\$ 10,489	\$ -	\$ -	\$ -	\$ 142,468
Unearned revenue	-	-	-	2,737,030	-	2,737,030
Reconciled overdraft payable	-	322,033	-	-	-	322,033
Total liabilities	<u>\$ 131,979</u>	<u>\$ 332,522</u>	<u>\$ -</u>	<u>\$ 2,737,030</u>	<u>\$ -</u>	<u>\$ 3,201,531</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 1,021,941	\$ -	\$ -	\$ -	\$ -	\$ 1,021,941
Unavailable revenue - opioid settlement	179,309	-	-	-	-	179,309
Lease related items	32,811	-	-	-	-	32,811
Total deferred inflows of resources	<u>\$ 1,234,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,234,061</u>
FUND BALANCES						
Committed	\$ -	\$ -	\$ 5,079,345	\$ -	\$ 878,572	\$ 5,957,917
Unassigned (deficit)	20,677,206	(279,632)	-	-	-	20,397,574
Total fund balances (deficit)	<u>\$ 20,677,206</u>	<u>\$ (279,632)</u>	<u>\$ 5,079,345</u>	<u>\$ -</u>	<u>\$ 878,572</u>	<u>\$ 26,355,491</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 22,043,246</u>	<u>\$ 52,890</u>	<u>\$ 5,079,345</u>	<u>\$ 2,737,030</u>	<u>\$ 878,572</u>	<u>\$ 30,791,083</u>

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

County of Nottoway, Virginia
 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	\$	26,355,491
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
Capital assets, cost	\$	29,811,532
Accumulated depreciation	(12,829,484)	16,982,048
		3,140,103
The net pension asset is not an available resource and, therefore, is not reported in the funds.		
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	\$	982,065
Unavailable revenue - opioid settlement	179,309	1,161,374
		3,140,103
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	144,508
OPEB related items	941,349	1,085,857
		1,085,857
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds and note payable	\$	(973,924)
Premium on general obligation bond	(31,394)	
Lease liability	(51,691)	
Net OPEB liabilities	(1,378,355)	
Landfill closure liability	(6,873,010)	
Compensated absences	(228,382)	
Accrued interest payable	(19,429)	(9,556,185)
		(9,556,185)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(787,429)
OPEB related items	(587,905)	(1,375,334)
		(1,375,334)
Net position of governmental activities	\$	37,793,354

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

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

	General <u>Fund</u>	Landfill <u>Fund</u>	LRA Land Sale <u>Fund</u>	American Rescue Plan Act <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
REVENUES						
General property taxes	\$ 8,471,883	\$ -	\$ -	\$ -	\$ -	\$ 8,471,883
Other local taxes	2,130,075	174,008	-	-	-	2,304,083
Permits, privilege fees, and regulatory licenses	171,731	-	-	-	-	171,731
Fines and forfeitures	15,664	-	-	-	-	15,664
Revenue from the use of money and property	120,795	-	-	-	516,149	636,944
Charges for services	33,566	604,475	-	-	675	638,716
Miscellaneous	295,510	20,919	-	-	525,735	842,164
Recovered costs	311,771	-	-	-	-	311,771
Intergovernmental:						
Commonwealth	5,042,043	189,481	-	-	128,757	5,360,281
Federal	1,162,196	-	-	221,607	-	1,383,803
Total revenues	<u>\$ 17,755,234</u>	<u>\$ 988,883</u>	<u>\$ -</u>	<u>\$ 221,607</u>	<u>\$ 1,171,316</u>	<u>\$ 20,137,040</u>
EXPENDITURES						
Current:						
General government administration	\$ 1,888,509	\$ -	\$ -	\$ -	\$ -	\$ 1,888,509
Judicial administration	1,070,317	-	-	-	-	1,070,317
Public safety	5,324,006	-	-	-	87,763	5,411,769
Public works	330,185	1,224,313	-	11,607	-	1,566,105
Health and welfare	2,909,089	-	-	-	-	2,909,089
Education	1,961,908	-	-	-	-	1,961,908
Parks, recreation, and cultural	455,179	-	-	-	-	455,179
Community development	378,273	-	-	210,000	661,885	1,250,158
Debt service:						
Principal retirement	218,506	-	-	-	-	218,506
Interest and other fiscal charges	48,260	-	-	-	-	48,260
Total expenditures	<u>\$ 14,584,232</u>	<u>\$ 1,224,313</u>	<u>\$ -</u>	<u>\$ 221,607</u>	<u>\$ 749,648</u>	<u>\$ 16,779,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,171,002</u>	<u>\$ (235,430)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,668</u>	<u>\$ 3,357,240</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 148,843	\$ -	\$ -	\$ -	\$ -	\$ 148,843
Transfers out	-	-	(148,843)	-	-	(148,843)
Issuance of note payable	144,000	-	-	-	-	144,000
Total other financing sources (uses)	<u>\$ 292,843</u>	<u>\$ -</u>	<u>\$ (148,843)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,000</u>
Net change in fund balances	\$ 3,463,845	\$ (235,430)	\$ (148,843)	\$ -	\$ 421,668	\$ 3,501,240
Fund balances (deficit) - beginning, as restated	17,213,361	(44,202)	5,228,188	-	456,904	22,854,251
Fund balances (deficit) - ending	<u>\$ 20,677,206</u>	<u>\$ (279,632)</u>	<u>\$ 5,079,345</u>	<u>\$ -</u>	<u>\$ 878,572</u>	<u>\$ 26,355,491</u>

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

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

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

Net change in fund balances - total governmental funds \$ 3,501,240

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

The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 343,129	
Depreciation expense	(697,217)	
Jointly owned asset allocation	<u>(111,075)</u>	(465,163)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (48,415)

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

(Increase) decrease in unavailable property taxes	\$ 437,050	
(Increase) decrease in unavailable opioid settlement	<u>179,309</u>	616,359

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. The following is a summary of items supporting this adjustment:

Principal retirement on general obligation bonds	\$ 200,034	
Principal retirement on lease liabilities	2,572	
Principal retirement on note payable	15,900	
Issuance of note payable	(144,000)	
(Increase) decrease in landfill closure liability	<u>(747,332)</u>	(672,826)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ 66,188	
Premium on general obligation bond	6,279	
Accrued interest payable	4,071	
Change in pension related items	298,542	
Change in OPEB related items	<u>(167,452)</u>	207,628

Change in net position of governmental activities \$ 3,138,823

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

County of Nottoway, Virginia
 Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2023

		Custodial Fund Special Welfare
ASSETS		
Cash and cash equivalents	\$	4,965
Total assets	\$	4,965
 NET POSITION		
Restricted for individuals	\$	4,965
Total net position	\$	4,965

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

County of Nottoway, Virginia
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Year Ended June 30, 2023

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
ADDITIONS	
Contributions:	
Miscellaneous	\$ 25,860
Total additions	\$ 25,860
DEDUCTIONS	
Recipient payments	\$ 23,421
Total deductions	\$ 23,421
Net increase (decrease) in fiduciary net position	\$ 2,439
Net position, beginning	2,526
Net position, ending	\$ 4,965

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2023

Note 1—Summary of Significant Accounting Policies:

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

The financial statements of the County of Nottoway, Virginia have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia and accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. 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 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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

COUNTY OF NOTTOWAY, 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 comparison 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 the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Nottoway (the primary government) and its component units. 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 government-wide financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units. The School Board members are elected by the citizens of Nottoway County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County can approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2023.

The Industrial Development Authority of Nottoway County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2023. The Industrial Development Authority of Nottoway County does not issue a separate financial report.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF NOTTOWAY, 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

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

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

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

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

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 when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

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

COUNTY OF NOTTOWAY, 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)

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

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

1. Governmental Funds

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

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

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the following funds: Landfill, E-911, LRA Land Sale, LRA, American Rescue Plane Act, Forfeited Assets, and Dare. The Landfill, LRA Land Sale, and American Rescue Plan Act funds are reported as major funds.

2. Fiduciary Funds - (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as 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. Fiduciary funds consist of the Special Welfare Fund.

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COUNTY OF NOTTOWAY, 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

The Nottoway County School Board has the following funds:

Governmental Fund:

School Operating Fund - This fund is the primary operating fund of the School Board and accounts for 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 Northampton School Board and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

Special Revenue Funds:

School Textbook Fund - This fund accounts for the revenues and expenditures for textbook purchases for the School Board. The School Textbook Fund is considered a major fund for financial reporting purposes.

School Cafeteria Fund - This fund is the operating fund of the school cafeteria and accounts for all revenues and expenditures applicable to the general operations of the school nutrition system. Revenues are derived primarily from charges for services and state and federal grants. The School Cafeteria Fund is considered a major fund of the School Board for financial reporting purposes.

School Activity Fund - This fund accounts the revenues and expenditures applicable to the activity funds for the individual schools. Revenues are derived primarily from fundraising and activity fees. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

E. Cash and Cash Equivalents

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

F. Investments

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

G. Receivables and Payables

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 portions of the interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds."

COUNTY OF NOTTOWAY, VIRGINIA

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

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

G. Receivables and Payables (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$18,960 on June 30, 2023 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, lease, subscription, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental activities column in the government-wide financial statements. Capital 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.

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 and Improvements	15-45
Motor vehicles	3-10
Lease equipment	5
Equipment	2-15

COUNTY OF NOTTOWAY, VIRGINIA

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

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

I. Leases

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

Lessee

The County recognizes lease liabilities and intangible right-to-use lease assets (leased equipment) 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 leased equipment 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 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 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 arrangement 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 terms include 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 receivable (lessor) or lease liability (lessee).

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. 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 non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

K. 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.

L. Fund Balance

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

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

COUNTY OF NOTTOWAY, VIRGINIA

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

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

L. Fund Balance (Continued)

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.

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).

The details of governmental fund balances, as presented in aggregate on Exhibit 3, are as follows:

	General Fund	Major Special Revenue Fund Landfill Fund	Major Special Revenue Fund LRA Land Sale Fund	Other Governmental Funds	Total
Fund Balances:					
Committed:					
DARE	\$ -	\$ -	\$ -	\$ 99	\$ 99
E-911	-	-	-	582,159	582,159
Forfeited assets	-	-	-	1,142	1,142
LRA	-	-	-	295,172	295,172
Local Reuse Authority land sale	-	-	5,079,345	-	5,079,345
Total Committed Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,079,345</u>	<u>\$ 878,572</u>	<u>\$ 5,957,917</u>
Unassigned (deficit)	<u>\$ 20,677,206</u>	<u>\$ (279,632)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,397,574</u>
Total Fund Balances (deficit)	<u>\$ 20,677,206</u>	<u>\$ (279,632)</u>	<u>\$ 5,079,345</u>	<u>\$ 878,572</u>	<u>\$ 26,355,491</u>

M. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: Continued

M. Net Position

- 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. To calculate the amounts reported as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to 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 and OPEB. For more detailed information, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of 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 and amounts prepaid on the next year's taxes and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, amounts prepaid on next year's taxes are reported as deferred inflows of resources. In addition, certain items related to pension, OPEB, leases and opioid are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

O. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 1—Summary of Significant Accounting Policies: Continued)

P. Pensions

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

Q. Other Postemployment Benefits (OPEB)

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

Note 2—Stewardship, Compliance, and Accounting:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department 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, Landfill Fund, LRA Land Sale Fund, E911 Fund and the DARE Fund of the primary government and the School Operating Fund, and School Cafeteria Fund of the School Board. The School Activity Fund is not subject to appropriations.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations
Expenditures exceeded appropriations in the Textbook Fund on June 30, 2023.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 3—Deposits and Investments:

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the “Act”) Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits more than 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 had no investments on June 30, 2023.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 4—Due to/from Other Governments:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>	<u>Component Unit Industrial Development Authority</u>
Other Local Governments:			
County of Nottoway School Board	\$ 4,797,764	\$ -	\$ -
Nottoway County Industrial Development Authority	76,378	-	-
Commonwealth of Virginia:			
Local sales tax	274,179	-	-
Shared expenses - elected officials	139,566	-	-
Rolling stock tax	79,148	-	-
Social Services funds	101,731	-	-
State sales tax	-	538,609	-
School resource officer	50,372	-	-
Victim-witness grant	3,790	-	-
Mobile home titling tax	10,799	-	-
Children’s Services Act	542,517	-	-
Wireless grant	12,173	-	-
Communications tax	38,266	-	-
Federal Government:			
School fund grants	-	1,522,595	-
Victim witness grant	8,843	-	-
Social Services funds	187,178	-	-
Transportation safety	3,378	-	-
Total due from other governments	<u>\$ 6,326,082</u>	<u>\$ 2,061,204</u>	<u>\$ -</u>

At June 30, 2023, amounts due to other local governments are as follows:

Other Local Governments:			
County of Nottoway	\$ <u>-</u>	\$ <u>4,797,764</u>	\$ <u>76,378</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets:

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

Primary Government:

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 8,707,733	\$ 9,200	\$ -	\$ 8,716,933
Construction in progress	915,971	-	48,415	867,556
Total capital assets not subject to depreciation	<u>\$ 9,623,704</u>	<u>\$ 9,200</u>	<u>\$ 48,415</u>	<u>\$ 9,584,489</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 10,987,935	\$ 146,352	\$ -	\$ 11,134,287
Machinery and equipment	5,239,259	187,577	-	5,426,836
Lease equipment	57,886	-	-	57,886
Jointly owned assets	4,081,847	-	473,813	3,608,034
Total capital assets subject to depreciation	<u>\$ 20,366,927</u>	<u>\$ 333,929</u>	<u>\$ 473,813</u>	<u>\$ 20,227,043</u>
Accumulated Depreciation:				
Buildings and improvements	\$ 5,289,110	\$ 300,564	\$ -	\$ 5,589,674
Machinery and equipment	4,166,734	304,258	-	4,470,992
Lease equipment	3,172	3,436	-	6,608
Jointly owned assets	3,035,989	88,959	362,738	2,762,210
Total accumulated depreciation	<u>\$ 12,495,005</u>	<u>\$ 697,217</u>	<u>\$ 362,738</u>	<u>\$ 12,829,484</u>
Total capital assets being depreciated, net	<u>\$ 7,871,922</u>	<u>\$ (363,288)</u>	<u>\$ 111,075</u>	<u>\$ 7,397,559</u>
Governmental activities capital assets, net	<u>\$ 17,495,626</u>	<u>\$ (354,088)</u>	<u>\$ 159,490</u>	<u>\$ 16,982,048</u>

	<u>Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Component Unit - School Board:				
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 88,670	\$ -	\$ -	\$ 88,670
Total capital assets not subject to depreciation	<u>\$ 88,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,670</u>
Capital assets subject to depreciation:				
Machinery and equipment	\$ 8,917,293	\$ 1,030,333	\$ 12,800	\$ 9,934,826
Lease equipment	162,303	-	-	162,303
Jointly owned assets	28,909,700	-	(473,813)	29,383,513
Total capital assets subject to depreciation	<u>\$ 37,989,296</u>	<u>\$ 1,030,333</u>	<u>\$ (461,013)</u>	<u>\$ 39,480,642</u>
Accumulated Depreciation:				
Machinery and equipment	\$ 6,567,056	\$ 607,648	\$ 12,800	\$ 7,161,904
Lease equipment	49,939	49,939	-	99,878
Jointly owned assets	21,502,406	630,052	(362,738)	22,495,196
Total accumulated depreciation	<u>\$ 28,119,401</u>	<u>\$ 1,287,639</u>	<u>\$ (349,938)</u>	<u>\$ 29,756,978</u>
Total capital assets being depreciated, net	<u>\$ 9,869,895</u>	<u>\$ (257,306)</u>	<u>\$ (111,075)</u>	<u>\$ 9,723,664</u>
Governmental activities capital assets, net	<u>\$ 9,958,565</u>	<u>\$ (257,306)</u>	<u>\$ (111,075)</u>	<u>\$ 9,812,334</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities:	
General government administration	\$ 20,857
Judicial administration	112,759
Public safety	134,183
Public works	188,453
Health and welfare	41,591
Education	88,959
Parks, recreation and cultural	90,057
Community development	<u>20,358</u>
Total Primary Government	<u>\$ 697,217</u>
Component Unit School Board	<u>\$ 1,287,639</u>

Note 6-Interfund Transfers:

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

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	\$ 148,843	\$ -
LRA Landfill Fund	-	148,843
Total	<u>\$ 148,843</u>	<u>\$ 148,843</u>
Component Unit-School Board:		
School Operating Fund	\$ -	\$ 227,411
School Textbook Fund	227,411	-
Total	<u>\$ 227,411</u>	<u>\$ 227,411</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 294,570	\$ 22,382	\$ 88,570	\$ 228,382	\$ 22,382
Net OPEB liabilities	1,265,983	1,455,555	1,343,183	1,378,355	-
Landfill closure liability	6,125,678	747,332	-	6,873,010	-
Direct borrowings and placements:					
Note payable	-	144,000	15,900	128,100	32,025
Lease liability	54,263	-	2,572	51,691	2,640
Total incurred by County	<u>\$ 7,740,494</u>	<u>\$ 2,369,269</u>	<u>\$ 1,450,225</u>	<u>\$ 8,659,538</u>	<u>\$ 57,047</u>
Incurred by School Board:					
Direct borrowings and placements:					
General obligation bonds	\$ 1,045,858	\$ -	\$ 200,034	\$ 845,824	\$ 204,988
Add issuance premium	37,673	-	6,279	31,394	-
Total incurred by School Board	<u>\$ 1,083,531</u>	<u>\$ -</u>	<u>\$ 206,313</u>	<u>\$ 877,218</u>	<u>\$ 204,988</u>
Total Governmental Activities Obligations	<u>\$ 8,824,025</u>	<u>\$ 2,369,269</u>	<u>\$ 1,656,538</u>	<u>\$ 9,536,756</u>	<u>\$ 262,035</u>

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

Year Ending June 30	Direct Borrowing and Direct Placements	
	School Obligations	
	General Obligation Bonds	
	Principal	Interest
2024	\$ 204,988	\$ 37,347
2025	210,683	27,121
2026	139,109	18,391
2027	143,311	11,189
2028	147,733	3,767
Total	<u>\$ 845,824</u>	<u>\$ 97,815</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Year Ending June 30	County Obligation	
	Note Payable	
	Principal	Interest
2024	\$ 32,025	\$ -
2025	32,025	-
2026	32,025	-
2027	32,025	-
Total	\$ 128,100	\$ -

Year Ending June 30	County Obligations	
	Lease Liability	
	Principal	Interest
2024	\$ 2,640	\$ 1,360
2025	2,709	1,291
2026	2,781	1,219
2027	2,854	1,146
2028	2,929	1,013
2029-2033	15,842	3,846
2034-2038	18,039	1,606
2039-2040	3,897	26
Total	\$ 51,691	\$ 11,507

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Compensated absences (payable from the General Fund)					\$ 228,382	\$ 22,382
Net OPEB liabilities (payable from the General Fund)					\$ 1,378,355	\$ -
Landfill closure and post-closure					\$ 6,873,010	\$ -
Note payable	0%	07/01/22	01/01/27	144,000	\$ 128,100	\$ 32,025
Lease liability - land for solid waste	2.60%	07/01/21	09/01/39	\$ 54,263	\$ 51,691	\$ 2,640
Total long-term obligations incurred by the County					\$ 8,659,538	\$ 57,047
Direct borrowings and placements:						
<u>General Obligation Bonds:</u>						
General Obligation Bond outstanding \$149,231	5.10% - 5.60%	11/10/04	01/15/25	\$ 1,204,354	\$ 149,231	\$ 71,848
General Obligation Bond outstanding \$696,593 plus unamortized premium of \$31,394	5.10%	11/01/07	07/15/27	\$ 2,449,690	727,987	133,140
Total General Obligation Bonds					\$ 877,218	\$ 204,988
Total Direct Borrowings and Placements					\$ 877,218	\$ 204,988
Total long-term obligations incurred by the County					\$ 8,659,538	\$ 57,047
Total long-term obligations incurred by School Board, payable from the General Fund					\$ 877,218	\$ 204,988
Total long-term obligations - governmental activities					\$ 9,536,756	\$ 262,035

Component Unit - School Board:

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

	Balance at July 1, 2022	Issuances/Increases	Retirements/Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Obligations :					
Incurred by School Board:					
Compensated absences	\$ 246,569	\$ 49,025	\$ 24,657	\$ 270,937	\$ 27,094
Net pension liability	9,838,950	9,251,867	7,669,907	11,420,910	-
Net OPEB liabilities	2,790,772	817,493	909,509	2,698,756	-
Lease liabilities	112,830	-	49,834	62,996	50,334
Total Governmental Obligations	\$ 12,989,121	\$ 10,118,385	\$ 8,653,907	\$ 14,453,599	\$ 77,428

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board: (Continued)

Details of long-term obligations are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Installment Amount	Frequency	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Net pension liability							\$ 11,420,910	\$ -
Net OPEB liabilities							\$ 2,698,756	\$ -
Compensated absences (Payable from the School Fund)							\$ 270,937	\$ 27,094
Lease liabilities - copiers	1.00%	7/1/2021	9/30/2024	\$ 4,228	monthly	\$ 162,303	\$ 62,996	\$ 50,334
Total governmental obligations - Component Unit School Board							\$ 14,453,599	\$ 77,428

Year Ending June 30	Component Unit School Board	
	Lease Liabilities	
	Principal	Interest
2024	\$ 50,334	\$ 400
2025	12,662	21
Total	\$ 62,996	\$ 421

Note 8—Leases Receivable:

The County leases several properties to tenants under lease contracts. In fiscal year 2023, the County recognized lease and interest revenue in the amount of \$32,145 and \$400, respectively. The following is a summary of lessor activity of the County for the year ended June 30, 2023:

Lease Revenue	Interest Revenue	Total Revenue
\$ 32,145	\$ 400	\$ 32,545

Details of leases receivable:

Lease Description	Begin Date	End Date	Payment Frequency	Annual Installments
Post Office - Building	2021	2027	Monthly	\$ 6,680
401 Circle West, Pickett Park - Building	2021	2024	Monthly	3,000
2349 Military Road, Pickett Park - Building	2021	2024	Monthly	7,200
				\$ 16,880

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 9—Unearned and Deferred/Unavailable Revenue:

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

	Government- wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 982,065
Prepaid property taxes due in December but paid in advance by taxpayers	39,876	39,876
Unavailable revenue representing opioid settlement income that are not available for funding of current expenditures	-	179,309
Total	<u>\$ 39,876</u>	<u>\$ 1,201,250</u>

Note 10—Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate in were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the provisions of this Guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by 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 11—Litigation:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 12—Risk Management:

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

The County and the School Board are members of the Virginia Risk Sharing Association (VRSA) 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 VRSA 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 also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with VRSA and public officials liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County and Component Unit School Board pay an annual premium to the pools for general insurance through member premiums. The County and Component Unit School Board continue to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 13—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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Benefit Structures (Continued)

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 equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

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

Retirees with an unreduced benefit or with a reduced benefit with at least 20 years of service credit are eligible for an annual COLA beginning July 1 after one full calendar year from the retirement date. Retirees with a reduced benefit and who have less than 20 years of service credit are eligible for an annual COLA beginning on July 1 after one calendar year following the unreduced retirement eligibility date. Under Plan 1, the COLA cannot exceed 5.00%. Under Plan 2 and the Hybrid Plan, the COLA cannot exceed 3.00%. The VRS

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

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

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:

	<u>Primary Government</u>	<u>Component Unit School Board Nonprofessional</u>
Inactive members or their beneficiaries currently receiving benefits	62	36
Inactive members:		
Vested inactive members	17	1
Non-vested inactive members	40	4
Inactive members active elsewhere in VRS	52	13
Total inactive members	109	18
Active members	78	31
Total covered employees	<u>249</u>	<u>85</u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2023 was 2.41% 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 \$83,673 and \$19,243 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 0.99% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Contributions (Continued)

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 \$677 and \$14,813 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Asset

The net pension asset (NPA) 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 assets were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension assets were determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022.

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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:

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.71%	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 expected return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Discount Rate

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Discount Rate (Continued)

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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 17,059,320	\$ 21,344,599	\$ (4,285,279)
Changes for the year:			
Service cost	\$ 383,436	\$ -	\$ 383,436
Interest	1,139,466	-	1,139,466
Differences between expected and actual experience	(187,391)	-	(187,391)
Assumption changes	-	-	-
Contributions - employer	-	25,068	(25,068)
Contributions - employee	-	184,698	(184,698)
Net investment income	-	(6,409)	6,409
Benefit payments, including refunds			
Refunds of employee contributions	(1,123,553)	(1,123,553)	-
Administrative expenses	-	(13,502)	13,502
Other changes	-	480	(480)
Net changes	\$ 211,958	\$ (933,218)	\$ 1,145,176
Balances at June 30, 2022	\$ 17,271,278	\$ 20,411,381	\$ (3,140,103)

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 6,582,306	\$ 7,569,801	\$ (987,495)
Changes for the year:			
Service cost	\$ 67,507	\$ -	\$ 67,507
Interest	436,315	-	436,315
Differences between expected and actual experience	35,756	-	35,756
Assumption changes	-	-	-
Contributions - employer	-	15,471	(15,471)
Contributions - employee	-	41,768	(41,768)
Net investment income	-	(2,571)	2,571
Benefit payments, including refunds			
Refunds of employee contributions	(371,784)	(371,784)	-
Administrative expenses	-	(4,788)	4,788
Other changes	-	170	(170)
Net changes	\$ 167,794	\$ (321,734)	\$ 489,528
Balances at June 30, 2022	\$ 6,750,100	\$ 7,248,067	\$ (497,967)

Sensitivity of the Net Pension Liability (Asset) 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's Net Pension Liability (Asset)	\$ (1,015,068)	\$ (3,140,103)	\$ (4,884,705)
Component Unit School Board (nonprofessional)'s Net Pension Liability (Asset)	\$ 303,671	\$ (497,967)	\$ (1,161,426)

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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 (\$209,045) and (\$77,082) respectively. On 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	\$ 5,408	\$ 110,275	\$ 20,541	\$ 26,284
Changes of assumptions	55,427	-	32,687	-
Net difference between projected and actual earnings on pension plan investments	-	677,154	-	225,845
Employer contributions subsequent to the measurement date	83,673	-	677	-
Total	\$ 144,508	\$ 787,429	\$ 53,905	\$ 252,129

\$83,673 and \$677 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	\$ (272,907)	\$ (64,630)
2025	(300,358)	(84,854)
2026	(436,506)	(149,970)
2027	283,177	100,553
2028	-	-
Thereafter	-	-

Pension Plan Data

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

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

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information 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 \$1,882,136 and \$1,782,149 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 \$11,420,910 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. On June 30, 2022, the school division's proportion was 0.11996% as compared to 0.012674% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of (\$2,572). 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 NOTTOWAY, VIRGINIA

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

Note 13—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)

On 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 \$	-	\$ 787,517
Change in assumptions	1,076,762	-
Net difference between projected and actual earnings on pension plan investments	-	1,489,048
Changes in proportion and differences between employer contributions and proportionate share of contributions	298	1,356,767
Employer contributions subsequent to the measurement date	<u>1,882,136</u>	<u>-</u>
Total	<u>\$ 2,959,196</u>	<u>\$ 3,633,332</u>

\$1,882,136 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	\$ (918,310)
2025	(903,237)
2026	(1,258,840)
2027	524,115
2028	-

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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 expenses, including inflation

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 13—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 action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Net Pension Liability

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

	<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 NOTTOWAY, VIRGINIA

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

Note 13—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 (Asset) \$	20,398,620	\$	11,420,910	\$	4,111,080
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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

	Primary Government				Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension (Asset)	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 144,508	\$ 787,429	\$ (3,140,103)	\$ (209,045)	\$ -	\$ -	\$ -	\$ -	-
School Board Nonprofessional	-	-	-	-	53,905	252,129	(497,967)	-	(77,082)
School Board Professional	-	-	-	-	2,959,196	3,633,332	-	11,420,910	(2,572)
Totals	<u>\$ 144,508</u>	<u>\$ 787,429</u>	<u>\$ (3,140,103)</u>	<u>\$ (209,045)</u>	<u>\$ 3,013,101</u>	<u>\$ 3,885,461</u>	<u>\$ (497,967)</u>	<u>\$ 11,420,910</u>	<u>\$ (79,654)</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—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.

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 program 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 amount is increased annually based on the VRS Plan 2 cost-of-living adjustment. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.

Contributions

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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 County were \$23,991 and \$21,638 for the years ended June 30, 2023 and June 30, 2022, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$63,876 and \$59,943 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$6,141 and \$4,938 for the years ended June 30, 2023 and June 30, 2022, respectively.

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.

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

On June 30, 2023, the County reported a liability of \$221,795 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$614,450 and \$50,572, 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 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. On June 30, 2022, the County's proportion was 0.01840% as compared to 0.01796% at June 30, 2021. On June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05100% and 0.00420%, respectively as compared to 0.05402% and 0.00442% respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$7,040. For the year ended June 30, 2023, the Component Unit School Board professional group recognized GLI OPEB expense of (\$5,770). For the year ended June 30, 2023, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of (\$974). 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 NOTTOWAY, VIRGINIA

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

Note 14—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)

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

	Primary Government		Component School Board (Professional)		Component School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,563	\$ 8,898	\$ 48,657	\$ 24,650	\$ 4,005	\$ 2,029
Net difference between projected and actual earnings on GLI OPEB plan investments	-	13,859	-	38,394	-	3,160
Changes of assumptions	8,273	21,604	22,918	59,850	1,886	4,926
Changes in proportionate share	8,959	6,468	-	80,415	1	7,030
Employer contributions subsequent to the measurement date	23,991	-	63,876	-	6,141	-
Total	\$ 58,786	\$ 50,829	\$ 135,451	\$ 203,309	\$ 12,033	\$ 17,145

\$23,991, \$63,876, and \$6,141, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary	Unit School	Component Unit
	Government	Board (Professional)	School Board (Nonprofessional)
2024	\$ (3,930)	\$ (36,163)	\$ (3,475)
2025	(3,825)	(31,834)	(2,761)
2026	(10,922)	(46,068)	(3,690)
2027	3,233	(6,155)	(442)
2028	(590)	(11,514)	(885)
Thereafter	-	-	-

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

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 NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. 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 is 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 NOTTOWAY, VIRGINIA

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

Note 14—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>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	<u>100.00%</u>		<u>5.33%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return**	<u>7.83%</u>

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

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

Discount Rate

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate (Continued)

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 322,737	\$ 221,795	\$ 140,219
Component School Board (Professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 894,097	\$ 614,450	\$ 388,457
Component School Board (Nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 73,588	\$ 50,572	\$ 31,972

Group Life Insurance 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 NOTTOWAY, VIRGINIA

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

Note 15—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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 15—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>18</u>
Total inactive members	18
Active members	<u>31</u>
Total covered employees	<u><u>49</u></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 1.04% 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 \$11,827 and \$7,590 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 NOTTOWAY, VIRGINIA

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

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (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 NOTTOWAY, VIRGINIA

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

Note 15—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. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

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

Discount Rate

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 124,072	\$ 8,486	\$ 115,586
Changes for the year:			
Service cost	\$ 784	\$ -	\$ 784
Interest	8,384	-	8,384
Differences between expected and actual experience	(1,999)	-	(1,999)
Assumption changes	35,293	-	35,293
Contributions - employer	-	7,615	(7,615)
Net investment income	-	(137)	137
Benefit payments	(1,302)	(1,302)	-
Administrative expenses	-	(28)	28
Other changes	-	44	(44)
Net changes	\$ 41,160	\$ 6,192	\$ 34,968
Balances at June 30, 2022	\$ 165,232	\$ 14,678	\$ 150,554

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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 165,173	\$ 150,554	\$ 137,937

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$17,583. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,504
Net difference between projected and actual earnings on HIC OPEB plan investments	327	-
Change in assumptions	28,510	-
Employer contributions subsequent to the measurement date	<u>11,827</u>	<u>-</u>
Total	<u>\$ 40,664</u>	<u>\$ 1,504</u>

\$11,827 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 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	\$ 9,218
2025	9,218
2026	8,383
2027	514
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 <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 NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$143,053 and \$134,265 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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

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

On June 30, 2023, the school division reported a liability of \$1,487,115 for its proportionate share of the VRS Teacher Employee Health Insurance Credit 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 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 OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 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 Health Insurance Credit Program was 0.11906% as compared to 0.12583% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC OPEB expense of \$74,140. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

On 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	\$ -	\$ 60,617
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,493
Changes of assumptions	43,446	3,798
Change in proportionate share and differences between actual and expected contributions	-	191,228
Employer contributions subsequent to the measurement date	143,053	-
Total	<u>\$ 186,499</u>	<u>\$ 257,136</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$143,053 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	\$ (49,246)
2025	(47,944)
2026	(43,135)
2027	(28,252)
2028	(24,574)
Thereafter	(20,539)

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

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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 NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	5.71%	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 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%.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 16—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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 1,675,995	\$ 1,487,115	\$ 1,327,005

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.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program:

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2023 was \$681.84 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$19,944 and \$42,089 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

On June 30, 2023, the entity reported a liability of \$1,156,560 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2022 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The entity’s proportion of the Net LODA OPEB Liability was based on the entity’s actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. On June 30, 2022, the entity’s proportion was 0.30560% as compared to 0.23970% on June 30, 2021.

For the year ended June 30, 2023, the entity recognized LODA OPEB expense of \$209,950. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2023, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 88,855	\$ 216,159
Net difference between projected and actual earnings on LODA OPEB program investments	-	4,946
Changes of assumptions	322,532	285,261
Change in proportionate	451,232	30,710
Employer contributions subsequent to the measurement date	<u>19,944</u>	<u>-</u>
Total	<u>\$ 882,563</u>	<u>\$ 537,076</u>

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

\$19,944 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 54,410
2025	54,515
2026	54,628
2027	54,794
2028	47,861
Thereafter	59,336

Actuarial Assumptions

The total LODA 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:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.25%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	3.69%, including inflation*

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

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

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 385,669
Plan Fiduciary Net Position	7,214
LODA Net OPEB Liability (Asset)	<u>\$ 378,455</u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.87%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program’s investments was set at 3.69% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments’ 6.75% assumption. Instead, the assumed annual rate of return of 3.69% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2022.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 3.69%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2022, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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COUNTY OF NOTTOWAY, VIRGINIA

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

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

The following presents the covered employer’s proportionate share of the net LODA OPEB liability using the discount rate of 3.69%, as well as what the covered employer’s proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current rate:

	Discount Rate		
	1% Decrease (2.69%)	Current (3.69%)	1% Increase (4.69%)
County’s proportionate share of the LODA Net OPEB Liability	\$ 1,320,202	\$ 1,156,560	\$ 1,022,681

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

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

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
County’s proportionate share of the LODA Net OPEB Liability	\$ 974,653	\$ 1,156,560	\$ 1,384,881

LODA OPEB Fiduciary Net Position

Detailed information about the Line of Duty Act Program 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 NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan):

School Board

Plan Description

In addition to the pension benefits described in Note 13, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Nottoway County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board’s pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits that are provided to eligible School Board retirees include medical and dental 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 with 20 years of service and years of participation in the school’s health plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Mathews County Public School’s retiree medical plan. Retirees are responsible for 100% of the premiums.

Plan Membership

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

	Component Unit School Board
Total active employees with coverage	161
Total active employees without coverage	126
Total retirees with coverage	5
Total	292

Contributions

The School 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 \$30,885.

Total OPEB Liability

The School Board’s total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	2.50% per annum
Discount Rate	4.09% per annum
Investment Rate of Return	N/A

Mortality rates for the School Board were based on the following actuarial assumptions:

Pre-Retirement: Pub-2010 Headcount-Weighted Teachers Employee Rates projected generationally; 110% of rates for males; with 75% of improvement scale MP2022.

Post-Retirement: Pub-2010 Headcount- Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females; with 75% of improvement scale MP2022.

Post-Disablement: Pub-2010 Headcount-Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females with 75% of improvement scale MP2022.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2022 Annual Financial Statement for the Virginia Retirement System.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the S&P 500 Municipal Bond Index as of June 30, 2023.

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balances at June 30, 2022	\$ 379,671
Changes for the year:	
Service cost	31,716
Interest	15,563
Benefit payments	(30,885)
Net changes	\$ 16,394
Balances at June 30, 2023	\$ 396,065

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

	Rate		
	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)

Component Unit School Board:

Total OPEB liability	\$	424,686	\$	396,065	\$	368,810
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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 to 4.50% over 10 years) or one percentage point higher (7.00% decreasing to 6.50% over 10 years) than the current healthcare cost trend rates:

	Rates		
	1% Decrease (5% decreasing to 4.5%)	Healthcare Cost Trend (6% decreasing to 5.5%)	1% Increase (7% decreasing to 6.5%)

Component Unit School Board:

Total OPEB liability	\$	348,575	\$	396,065	\$	451,787
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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 (\$38,930). 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. At June 30 2023, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,915	\$ 77,771
Changes of assumptions	-	138,563
Total	\$ <u>9,915</u>	\$ <u>216,334</u>

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30	Component Unit School Board
2024	\$ (86,209)
2025	(86,212)
2026	(17,000)
2027	(16,998)
2028	-
Thereafter	-

Note 19—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 14):								
County	\$ 58,786	\$ 50,829	\$ 221,795	\$ 7,040	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	12,033	17,145	50,572	(974)
School Board Professional	-	-	-	-	135,451	203,309	614,450	(5,770)
School Board Health Insurance Credit Program (Note 15)	-	-	-	-	40,664	1,504	150,554	17,583
Teacher Health Insurance Credit Program (Note 16)	-	-	-	-	186,499	257,136	1,487,115	74,140
Line of Duty Act Program (Note 17)	882,563	537,076	1,156,560	209,950	-	-	-	-
School Stand-Alone Plan (Note 18)	-	-	-	-	9,915	216,334	396,065	(38,930)
Totals	<u>\$ 941,349</u>	<u>\$ 587,905</u>	<u>\$ 1,378,355</u>	<u>\$ 216,990</u>	<u>\$ 384,562</u>	<u>\$ 695,428</u>	<u>\$ 2,698,756</u>	<u>\$ 46,049</u>

Note 20—Surety Bonds:

	<u>Amount</u>
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Jane L. Brown, Clerk of the Circuit Court	\$ 500,000
Ellen F. Myatt, Treasurer	400,000
Christy A. Hudson, Commissioner of the Revenue	3,000
Robert L. Jones, Sheriff	30,000
State Farm Insurance - Surety	
Lynn K. Shekleton, Chair	2,500
Steve W. Bowen, Vice-Chair	2,500
Sherman C. Vaughn, Supervisor	2,500
Helen M. Simmons, Supervisor	2,500
John A. Roark, Supervisor	2,500
Philip S. T. Costin, County Administrator	5,000

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 20–Surety Bonds: (Continued)

	<u>Amount</u>
Utica Mutual Insurance - Surety	
Clerk of the School Board	15,000
Deputy Clerk of School Board	15,000
Payroll Clerk	15,000
Great American Insurance Company - Surety	
All Social Services Employees - Blanket Bond	100,000

Note 21–Jointly Governed Organizations:

The County in conjunction with other localities, has created the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, the Amelia-Nottoway Vocational Center and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdiction. During the year, the County contributed \$42,000 to the operations of the Crossroads Community Services Board.

Note 22–Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$6,873,010 reported as landfill closure and postclosure care liability at June 30, 2023, represents the cumulative amount reported based on the use of 88% of the estimated capacity of the landfill with the total amount of \$7,810,239 to be recognized over the landfill's remaining life. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. Actual cost may be higher due to inflation, changes in the technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the Landfill Fund.

The County has demonstrated financial assurance requirements for closure, post-closure 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 23–Notes Receivable:

On August 30, 2013, the Industrial Development Authority entered into a purchase agreement with Trout River Plant. The agreement called for monthly installments of principal and interest of \$5,084 for 15 years to be received by the Industrial Development Authority. The total amount financed is \$700,000. On June 30, 2023, the balance of the purchase receivable was \$315,689.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 24—Restatement of Beginning Balances:

The County restated beginning balances to correct an error. As of June 30, 2023, UAV Pro owed the County \$144,000 for a note that was issued. The following balances were restated as of July 1, 2022 related to the note receivable:

	<u>Net Position</u>	<u>Fund Balance</u>
	<u>Primary Government</u>	<u>Primary Government</u>
		<u>Governmental Funds</u>
	<u>Governmental Activities</u>	<u>General Fund</u>
Net position/Fund Balance, July 1, 2022, as previously reported	\$ 34,510,531	\$ 17,069,361
Restatement		
Additions of note receivable - UAV Pro	144,000	144,000
Net position/Fund Balance, July 1, 2022, as restated	<u>\$ 34,654,531</u>	<u>\$ 17,213,361</u>

Note 25—Upcoming Pronouncements:

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

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

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

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.

COUNTY OF NOTTOWAY, VIRGINIA

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

Note 26-COVID-19 Pandemic Funding and Subsequent Events:

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

ARPA Funding

On March 11, 2023, the American Rescue Plan (ARPA) Act of 2023 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2023 and the balance delivered approximately 12 months later.

As of June 30, 2023, the County has received their full amount of \$2,958,637 of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. At June 30, 2023, all \$2,737,030 was reported as unearned revenue and will be recognized in the years expended.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2022 and added \$81.9 billion to the ESF. In March 2023, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

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REQUIRED SUPPLEMENTARY INFORMATION

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County of Nottoway, Virginia
General 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				
General property taxes	\$ 9,840,463	\$ 8,812,945	\$ 8,471,883	\$ (341,062)
Other local taxes	1,697,570	2,062,621	2,130,075	67,454
Permits, privilege fees, and regulatory licenses	153,450	153,450	171,731	18,281
Fines and forfeitures	15,000	15,000	15,664	664
Revenue from the use of money and property	94,241	94,356	120,795	26,439
Charges for services	57,062	57,212	33,566	(23,646)
Miscellaneous	82,985	185,218	295,510	110,292
Recovered costs	228,008	228,008	311,771	83,763
Intergovernmental:				
Commonwealth	5,875,828	6,143,600	5,042,043	(1,101,557)
Federal	-	2,838	1,162,196	1,159,358
Total revenues	\$ 18,044,607	\$ 17,755,248	\$ 17,755,234	\$ (14)
EXPENDITURES				
Current:				
General government administration	\$ 2,319,909	\$ 2,496,602	\$ 1,888,509	\$ 608,093
Judicial administration	1,102,028	1,162,708	1,070,317	92,391
Public safety	4,925,830	5,949,729	5,324,006	625,723
Public works	303,148	550,121	330,185	219,936
Health and welfare	3,136,134	3,143,250	2,909,089	234,161
Education	5,807,915	5,664,291	1,961,908	3,702,383
Parks, recreation, and cultural	301,554	970,915	455,179	515,736
Community development	226,223	1,946,591	378,273	1,568,318
Debt service:				
Principal retirement	200,034	200,034	218,506	(18,472)
Interest and other fiscal charges	46,832	46,832	48,260	(1,428)
Total expenditures	\$ 18,369,607	\$ 22,131,073	\$ 14,584,232	\$ 7,546,841
Excess (deficiency) of revenues over (under) expenditures	\$ (325,000)	\$ (4,375,825)	\$ 3,171,002	\$ 7,546,827
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 148,843	\$ 148,843	\$ -
Issuance of note	-	-	144,000	144,000
Total other financing sources (uses)	\$ -	\$ 148,843	\$ 292,843	\$ 144,000
Net change in fund balances	\$ (325,000)	\$ (4,226,982)	\$ 3,463,845	\$ 7,690,827
Fund balances - beginning balance, as restated	325,000	4,226,982	17,213,361	12,986,379
Fund balances - ending	\$ -	\$ -	\$ 20,677,206	\$ 20,677,206

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

	Landfill Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Other local taxes	\$ 183,000	\$ 183,000	\$ 174,008	\$ (8,992)
Charges for services	902,391	904,121	604,475	(299,646)
Miscellaneous	-	20,920	20,919	(1)
Intergovernmental:				
Commonwealth	199,000	199,000	189,481	(9,519)
Total revenues	<u>\$ 1,284,391</u>	<u>\$ 1,307,041</u>	<u>\$ 988,883</u>	<u>\$ (318,158)</u>
EXPENDITURES				
Current:				
Public works	\$ 1,284,391	\$ 1,308,827	\$ 1,224,313	\$ 84,514
Total expenditures	<u>\$ 1,284,391</u>	<u>\$ 1,308,827</u>	<u>\$ 1,224,313</u>	<u>\$ 84,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,786)</u>	<u>\$ (235,430)</u>	<u>\$ (233,644)</u>
Net change in fund balances	\$ -	\$ (1,786)	\$ (235,430)	\$ (233,644)
Fund balances (deficit) - beginning balance	-	1,786	(44,202)	(45,988)
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279,632)</u>	<u>\$ (279,632)</u>

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

	LRA Land Sale Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ -	\$ (148,843)	\$ (148,843)	\$ -
Total other financing sources (uses)	\$ -	\$ (148,843)	\$ (148,843)	\$ -
Net change in fund balances	\$ -	\$ (148,843)	\$ (148,843)	\$ -
Fund balances - beginning balance	-	148,843	5,228,188	5,079,345
Fund balances - ending	\$ -	\$ -	\$ 5,079,345	\$ 5,079,345

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

	American Rescue Plan Act fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)
Total revenues	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)
EXPENDITURES				
Current:				
Public works	\$ -	\$ 1,479,318	\$ 11,607	\$ 1,467,711
Community development	-	-	210,000	(210,000)
Total expenditures	\$ -	\$ 1,479,318	\$ 221,607	\$ 1,257,711
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning balance	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2022

	2022	2021	2020
Total pension liability			
Service cost	\$ 383,436	\$ 310,741	\$ 306,582
Interest	1,139,466	1,068,692	1,058,565
Differences between expected and actual experience	(187,391)	44,040	(100,885)
Changes of assumptions	-	451,333	-
Benefit payments	(1,123,553)	(1,295,929)	(932,516)
Net change in total pension liability	\$ 211,958	\$ 578,877	\$ 331,746
Total pension liability - beginning	17,059,320	16,480,443	16,148,697
Total pension liability - ending (a)	\$ 17,271,278	\$ 17,059,320	\$ 16,480,443
Plan fiduciary net position			
Contributions - employer	\$ 25,068	\$ 13,829	\$ 25,227
Contributions - employee	184,698	171,007	165,877
Net investment income	(6,409)	4,756,066	350,762
Benefit payments	(1,123,553)	(1,295,929)	(932,516)
Administrator charges	(13,502)	(12,643)	(12,072)
Other	480	438	(399)
Net change in plan fiduciary net position	\$ (933,218)	\$ 3,632,768	\$ (403,121)
Plan fiduciary net position - beginning	21,344,599	17,711,831	18,114,952
Plan fiduciary net position - ending (b)	\$ 20,411,381	\$ 21,344,599	\$ 17,711,831
County's net pension liability (asset) - ending (a) - (b)	\$ (3,140,103)	\$ (4,285,279)	\$ (1,231,388)
Plan fiduciary net position as a percentage of the total pension liability	118.18%	125.12%	107.47%
Covered payroll	\$ 4,007,096	\$ 3,690,150	\$ 3,566,769
County's net pension liability (asset) as a percentage of covered payroll	-78.36%	-116.13%	-34.52%

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

Exhibit 13

2019	2018	2017	2016	2015	2014
\$ 319,547	\$ 292,563	\$ 313,968	\$ 294,153	\$ 298,465	\$ 281,373
1,046,566	1,025,368	1,024,181	1,001,985	1,004,479	951,942
(195,804)	(294,236)	(569,715)	(317,448)	(710,757)	-
428,306	-	(141,997)	-	-	-
(801,712)	(640,030)	(578,927)	(744,286)	(511,345)	(454,219)
<u>\$ 796,903</u>	<u>\$ 383,665</u>	<u>\$ 47,510</u>	<u>\$ 234,404</u>	<u>\$ 80,842</u>	<u>\$ 779,096</u>
15,351,794	14,968,129	14,920,619	14,686,215	14,605,373	13,826,277
<u>\$ 16,148,697</u>	<u>\$ 15,351,794</u>	<u>\$ 14,968,129</u>	<u>\$ 14,920,619</u>	<u>\$ 14,686,215</u>	<u>\$ 14,605,373</u>
\$ 25,696	\$ 58,707	\$ 59,339	\$ 206,557	\$ 209,913	\$ 240,675
166,243	166,195	161,154	158,802	161,754	160,078
1,156,056	1,230,211	1,847,888	258,106	680,665	2,040,771
(801,712)	(640,030)	(578,927)	(744,286)	(511,345)	(454,219)
(11,887)	(10,754)	(10,797)	(9,732)	(9,323)	(10,945)
(723)	(1,091)	(1,640)	(112)	(143)	108
<u>\$ 533,673</u>	<u>\$ 803,238</u>	<u>\$ 1,477,017</u>	<u>\$ (130,665)</u>	<u>\$ 531,521</u>	<u>\$ 1,976,468</u>
17,581,279	16,778,041	15,301,024	15,431,689	14,900,168	12,923,700
<u>\$ 18,114,952</u>	<u>\$ 17,581,279</u>	<u>\$ 16,778,041</u>	<u>\$ 15,301,024</u>	<u>\$ 15,431,689</u>	<u>\$ 14,900,168</u>
\$ (1,966,255)	\$ (2,229,485)	\$ (1,809,912)	\$ (380,405)	\$ (745,474)	\$ (294,795)
112.18%	114.52%	112.09%	102.55%	105.08%	102.02%
\$ 3,530,871	\$ 3,507,488	\$ 3,357,499	\$ 3,270,921	\$ 3,298,543	\$ 3,211,013
-55.69%	-63.56%	-53.91%	-11.63%	-22.60%	-9.18%

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2014 through June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability			
Service cost	\$ 67,507	\$ 73,323	\$ 79,684
Interest	436,315	418,980	402,742
Differences between expected and actual experience	35,756	(201,506)	78,252
Changes of assumptions	-	250,593	-
Benefit payments	(371,784)	(332,382)	(307,853)
Net change in total pension liability	<u>\$ 167,794</u>	<u>\$ 209,008</u>	<u>\$ 252,825</u>
Total pension liability - beginning	6,582,306	6,373,298	6,120,473
Total pension liability - ending (a)	<u><u>\$ 6,750,100</u></u>	<u><u>\$ 6,582,306</u></u>	<u><u>\$ 6,373,298</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 15,471	\$ 15,327	\$ 13,955
Contributions - employee	41,768	41,990	43,309
Net investment income	(2,571)	1,660,877	119,302
Benefit payments	(371,784)	(332,382)	(307,853)
Administrator charges	(4,788)	(4,285)	(4,218)
Other	170	155	(140)
Net change in plan fiduciary net position	<u>\$ (321,734)</u>	<u>\$ 1,381,682</u>	<u>\$ (135,645)</u>
Plan fiduciary net position - beginning	7,569,801	6,188,119	6,323,764
Plan fiduciary net position - ending (b)	<u><u>\$ 7,248,067</u></u>	<u><u>\$ 7,569,801</u></u>	<u><u>\$ 6,188,119</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	<u>\$ (497,967)</u>	<u>\$ (987,495)</u>	<u>\$ 185,179</u>
Plan fiduciary net position as a percentage of the total pension liability	107.38%	115.00%	97.09%
Covered payroll	\$ 914,503	\$ 912,743	\$ 929,141
School Division's net pension liability as a percentage of covered payroll	-54.45%	-108.19%	19.93%

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

Exhibit 14

	2019	2018	2017	2016	2015	2014
\$	75,790	\$ 82,194	\$ 83,092	\$ 98,522	\$ 105,472	\$ 107,776
	400,261	391,078	411,351	398,827	397,914	378,446
	(92,892)	(2,381)	(405,417)	(58,959)	(231,118)	-
	157,717	-	(55,603)	-	-	-
	(276,832)	(402,568)	(243,521)	(275,438)	(243,013)	(173,181)
\$	264,044	\$ 68,323	\$ (210,098)	\$ 162,952	\$ 29,255	\$ 313,041
	5,856,429	5,788,106	5,998,204	5,835,252	5,805,997	5,492,956
\$	6,120,473	\$ 5,856,429	\$ 5,788,106	\$ 5,998,204	\$ 5,835,252	\$ 5,805,997
\$	14,788	\$ 50,613	\$ 55,195	\$ 76,827	\$ 85,134	\$ 97,577
	42,612	43,250	46,424	44,242	49,309	57,300
	402,668	432,669	664,164	93,374	246,344	743,198
	(276,832)	(402,568)	(243,521)	(275,438)	(243,013)	(173,181)
	(4,127)	(3,912)	(3,896)	(3,503)	(3,430)	(3,985)
	(252)	(381)	(589)	(40)	(54)	39
\$	178,857	\$ 119,671	\$ 517,777	\$ (64,538)	\$ 134,290	\$ 720,948
	6,144,907	6,025,236	5,507,459	5,571,997	5,437,707	4,716,759
\$	6,323,764	\$ 6,144,907	\$ 6,025,236	\$ 5,507,459	\$ 5,571,997	\$ 5,437,707
\$	(203,291)	\$ (288,478)	\$ (237,130)	\$ 490,745	\$ 263,255	\$ 368,290
	103.32%	104.93%	104.10%	91.82%	95.49%	93.66%
\$	902,367	\$ 911,302	\$ 969,477	\$ 918,183	\$ 1,009,199	\$ 1,148,431
	-22.53%	-31.66%	-24.46%	53.45%	26.09%	32.07%

County of Nottoway, Virginia

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
 Pension Plans
 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	0.11996%	\$ 11,420,910	\$ 11,096,278	102.93%	82.61%
2021	0.12674%	9,838,950	11,128,081	88.42%	85.46%
2020	0.13030%	18,966,437	11,343,771	167.20%	71.47%
2019	0.13272%	17,466,706	11,109,027	157.23%	73.51%
2018	0.13957%	16,414,000	11,428,307	143.63%	74.81%
2017	0.14409%	17,720,000	11,409,651	155.31%	72.92%
2016	0.14417%	20,204,000	10,656,586	189.59%	68.28%
2015	0.14656%	18,446,000	10,934,055	168.70%	70.68%
2014	0.14748%	17,822,000	10,831,896	164.53%	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.

County of Nottoway, Virginia

Schedule of Employer Contributions

Pension Plans

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

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)
Primary Government					
2023	\$ 83,673	\$ 83,673	\$ -	4,431,673	1.89%
2022	19,243	19,243	-	4,007,096	0.48%
2021	19,942	19,942	-	3,690,150	0.54%
2020	21,577	21,577	-	3,566,769	0.60%
2019	25,065	25,065	-	3,530,871	0.71%
2018	58,675	58,675	-	3,507,488	1.67%
2017	67,821	67,821	-	3,357,499	2.02%
2016	211,302	211,302	-	3,270,921	6.46%
2015	213,086	213,086	-	3,298,543	6.46%
2014	241,147	241,147	-	3,211,013	7.51%
Component Unit School Board (nonprofessional)					
2023	\$ 677	\$ 677	\$ -	1,137,197	0.06%
2022	14,813	14,813	-	914,503	1.62%
2021	14,833	14,833	-	912,743	1.63%
2020	13,532	13,532	-	929,141	1.46%
2019	14,260	14,260	-	902,367	1.58%
2018	50,613	50,613	-	911,302	5.55%
2017	57,781	57,781	-	969,477	5.96%
2016	78,505	78,505	-	918,183	8.55%
2015	86,287	86,287	-	1,009,199	8.55%
2014	97,732	97,732	-	1,148,431	8.51%
Component Unit School Board (professional)					
2023	\$ 1,882,136	\$ 1,882,136	\$ -	11,822,577	15.92%
2022	1,782,149	1,782,149	-	11,096,278	16.06%
2021	1,793,025	1,793,025	-	11,128,081	16.11%
2020	1,731,912	1,731,912	-	11,343,771	15.27%
2019	1,709,337	1,709,337	-	11,109,027	15.39%
2018	1,686,356	1,686,356	-	11,428,307	14.76%
2017	1,658,194	1,658,194	-	11,409,651	14.53%
2016	1,545,205	1,545,205	-	10,656,586	14.50%
2015	1,585,438	1,585,438	-	10,934,055	14.50%
2014	1,262,999	1,262,999	-	10,831,896	11.66%

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

County of Nottoway, Virginia

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'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	0.01840% \$	221,795 \$	4,007,096	5.54%	67.21%
2021	0.01796%	209,103	3,708,082	5.64%	67.45%
2020	0.01760%	293,715	3,622,748	8.11%	52.64%
2019	0.01821%	296,325	3,568,736	8.30%	52.00%
2018	0.01849%	281,000	3,515,613	7.99%	51.22%
2017	0.01828%	275,000	3,372,357	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2022	0.00420% \$	50,572 \$	914,503	5.53%	67.21%
2021	0.00442%	51,461	912,743	5.64%	67.45%
2020	0.00450%	75,431	929,141	8.12%	52.64%
2019	0.00460%	74,854	902,367	8.30%	52.00%
2018	0.00482%	73,000	915,978	7.97%	51.22%
2017	0.00525%	79,000	969,477	8.15%	48.86%
Component Unit School Board (professional):					
2022	0.05100% \$	614,450 \$	11,100,575	5.54%	67.21%
2021	0.05402%	628,939	11,153,579	5.64%	67.45%
2020	0.05200%	920,864	11,355,290	8.11%	52.64%
2019	0.05644%	918,429	11,063,129	8.30%	52.00%
2018	0.05898%	895,000	11,215,533	7.98%	51.22%
2017	0.06141%	924,000	11,328,465	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, 2014 through June 30, 2023

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)			
Primary Government					
2023	\$ 23,991	\$ 23,991	\$ -	4,442,689	0.54%
2022	21,638	21,638	-	4,007,096	0.54%
2021	20,024	20,024	-	3,708,082	0.54%
2020	18,838	18,838	-	3,622,748	0.52%
2019	18,557	18,557	-	3,568,736	0.52%
2018	18,281	18,281	-	3,515,613	0.52%
2017	17,536	17,536	-	3,372,357	0.52%
2016	15,710	15,710	-	3,273,001	0.48%
2015	15,833	15,833	-	3,298,543	0.48%
2014	15,413	15,413	-	3,211,013	0.48%
Component Unit School Board (nonprofessional)					
2023	\$ 6,141	\$ 6,141	\$ -	1,137,197	0.54%
2022	4,938	4,938	-	914,503	0.54%
2021	4,929	4,929	-	912,743	0.54%
2020	4,832	4,832	-	929,141	0.52%
2019	4,692	4,692	-	902,367	0.52%
2018	4,763	4,763	-	915,978	0.52%
2017	5,041	5,041	-	969,477	0.52%
2016	4,429	4,429	-	922,759	0.48%
2015	4,911	4,911	-	1,023,122	0.48%
2014	5,512	5,512	-	1,148,431	0.48%
Component Unit School Board (professional)					
2023	\$ 63,876	\$ 63,876	\$ -	11,828,813	0.54%
2022	59,943	59,943	-	11,100,575	0.54%
2021	60,229	60,229	-	11,153,579	0.54%
2020	59,048	59,048	-	11,355,290	0.52%
2019	57,528	57,528	-	11,063,129	0.52%
2018	58,321	58,321	-	11,215,533	0.52%
2017	58,908	58,908	-	11,328,465	0.52%
2016	52,810	52,810	-	11,002,059	0.48%
2015	52,434	52,434	-	10,923,794	0.48%
2014	52,045	52,045	-	10,842,711	0.48%

County of Nottoway, Virginia

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

County of Nottoway, Virginia

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability			
Service cost	\$ 784	\$ 1,018	\$ -
Interest	8,384	7,540	-
Changes in benefit terms	-	-	111,701
Differences between expected and actual experience	(1,999)	-	-
Changes of assumptions	35,293	3,813	-
Benefit payments	(1,302)	-	-
Net change in total HIC OPEB liability	<u>\$ 41,160</u>	<u>\$ 12,371</u>	<u>\$ 111,701</u>
Total HIC OPEB Liability - beginning	124,072	111,701	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 165,232</u></u>	<u><u>\$ 124,072</u></u>	<u><u>\$ 111,701</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 7,615	\$ 7,576	\$ -
Net investment income	(137)	943	-
Benefit payments	(1,302)	-	-
Administrator charges	(28)	(33)	-
Other	44	-	-
Net change in plan fiduciary net position	<u>\$ 6,192</u>	<u>\$ 8,486</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	8,486	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ 14,678</u></u>	<u><u>\$ 8,486</u></u>	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 150,554	\$ 115,586	\$ 111,701
Plan fiduciary net position as a percentage of the total HIC OPEB liability	91.12%	93.16%	100.00%
Covered payroll	\$ 914,503	\$ 912,743	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	16.46%	12.66%	0.00%

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.

County of Nottoway, Virginia

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2021 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 11,827	\$ 11,827	\$ -	\$ 1,137,197	1.04%
2022	7,590	7,590	-	914,503	0.83%
2021	7,576	7,576	-	912,743	0.83%

Schedule is intended to show information for 10 years. The school board enrolled in non-professional HIC coverage in 2021. Additional years will be included as they become available.

County of Nottoway, Virginia

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

County of Nottoway, Virginia

Schedule of School Board's Share of Net OPEB Liability
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2017 through 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	0.11906% \$	1,487,115 \$	11,096,278	13.40%	15.08%
2021	0.12583%	1,615,115	11,128,081	14.51%	13.15%
2020	0.12940%	1,688,044	11,343,771	14.88%	9.95%
2019	0.13161%	1,722,903	11,039,238	15.61%	8.97%
2018	0.13868%	1,761,000	11,215,959	15.70%	8.08%
2017	0.14331%	1,818,000	11,310,137	16.07%	7.04%

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

County of Nottoway, Virginia

Schedule of Employer Contributions

Teacher Employee Health Insurance Credit (HIC) Plan

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)
2023	\$ 143,053	\$ 143,053	\$ -	\$ 11,822,577	1.21%
2022	134,265	134,265	-	11,096,278	1.21%
2021	134,650	134,650	-	11,128,081	1.21%
2020	136,125	136,125	-	11,343,771	1.20%
2019	132,471	132,471	-	11,039,238	1.20%
2018	137,956	137,956	-	11,215,959	1.23%
2017	125,543	125,543	-	11,310,137	1.11%
2016	116,517	116,517	-	10,992,178	1.06%
2015	115,499	115,499	-	10,896,110	1.06%
2014	119,717	119,717	-	10,785,295	1.11%
2013	120,627	120,627	-	10,867,305	1.11%

County of Nottoway, Virginia

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

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

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

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

County of Nottoway, Virginia

Schedule of Employer's Share of Net LODA OPEB Liability

Line of Duty Act (LODA) Program

For the Measurement Dates of June 30, 2017 through June 30, 2022

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2022	0.30560%	\$ 1,156,560	N/A	N/A	1.87%
2021	0.23970%	1,056,880	N/A	N/A	1.68%
2020	0.18960%	793,864	N/A	N/A	1.02%
2019	0.20377%	731,098	N/A	N/A	0.79%
2018	0.16114%	505,000	N/A	N/A	0.60%
2017	0.15256%	401,000	N/A	N/A	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, one one year of data is available. However, additional years will be added as they become available.

County of Nottoway, Virginia

Schedule of Employer Contributions

Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2023	\$ 19,944	\$ 19,944	\$ -	N/A	N/A
2022	42,089	42,089	-	N/A	N/A
2021	32,996	32,996	-	N/A	N/A
2020	25,761	25,761	-	N/A	N/A
2019	27,349	27,349	-	N/A	N/A
2018	17,163	17,163	-	N/A	N/A
2017	16,454	16,454	-	N/A	N/A
2016	14,268	14,268	-	N/A	N/A

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

Schedule is intended to show information for 10 years. However, additional years will be added as they become available.

County of Nottoway, Virginia

Notes to Required Supplementary Information

Line of Duty Act (LODA) Program

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 results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

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

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

County of Nottoway, Virginia

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	\$ 31,716	\$ 51,191	\$ 49,865	\$ 48,649	\$ 74,394	\$ 70,851
Interest	15,563	12,480	11,586	21,233	23,153	21,465
Changes of assumptions	(30,885)	(116,871)	-	(181,946)	-	-
Differences between expected and actual experience	-	14,873	-	(233,311)	-	-
Benefit payments	-	(29,137)	(18,514)	(18,062)	(41,583)	(38,503)
Net change in total OPEB liability	\$ 16,394	\$ (67,464)	\$ 42,937	\$ (363,437)	\$ 55,964	\$ 53,813
Total OPEB liability - beginning	379,671	447,135	404,198	767,635	711,671	657,858
Total OPEB liability - ending	\$ 396,065	\$ 379,671	\$ 447,135	\$ 404,198	\$ 767,635	\$ 711,671
Covered-employee payroll	\$ 7,933,787	\$ 7,740,280	\$ N/A	\$ N/A	\$ N/A	\$ N/A
School's total OPEB liability (asset) as a percentage of covered-employee payroll	4.99%	4.91%	N/A	N/A	N/A	N/A

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

County of Nottoway, Virginia
 Notes to Required Supplementary Information - Component Unit School Board
 For the Year Ended June 30, 2023

Valuation Date: 7/1/2022
 Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal
Discount Rate	4.09% per year as of June 30, 2022
Healthcare Trend Rate	6.0% grading to 5.5% uniformly over 2 years and following the Getzen model thereafter.

OTHER SUPPLEMENTARY INFORMATION

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*COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES*

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County of Nottoway, Virginia
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2023

		<u>E-911</u>	<u>LRA</u>	<u>Dare</u>	<u>Forfeited</u>	<u>Total</u>
	\$	Fund	Fund	Fund	Assets	Fund
ASSETS						
Cash and cash equivalents	\$	560,420	\$ 295,172	\$ 99	\$ 1,142	\$ 856,833
Due from other governmental units		21,739	-	-	-	21,739
Total assets	\$	<u>582,159</u>	<u>\$ 295,172</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 878,572</u>
 FUND BALANCES						
Fund balances:						
Committed	\$	582,159	\$ 295,172	\$ 99	\$ 1,142	\$ 878,572
Total fund balances	\$	<u>582,159</u>	<u>\$ 295,172</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 878,572</u>

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

	<u>E-911</u> <u>Fund</u>	<u>LRA</u> <u>Fund</u>	<u>Dare</u> <u>Fund</u>	<u>Forfeited</u> <u>Assets</u> <u>Fund</u>	<u>Total</u>
REVENUES					
Revenue from the use of money and property	\$ -	\$ 516,149	\$ -	\$ -	\$ 516,149
Charges for services	675	-	-	-	675
Miscellaneous	84,827	440,908	-	-	525,735
Intergovernmental:					
Commonwealth	128,757	-	-	-	128,757
Total revenues	<u>\$ 214,259</u>	<u>\$ 957,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,171,316</u>
EXPENDITURES					
Current:					
Public safety	\$ 87,763	\$ -	\$ -	\$ -	\$ 87,763
Community development	-	661,885	-	-	661,885
Total expenditures	<u>\$ 87,763</u>	<u>\$ 661,885</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 126,496</u>	<u>\$ 295,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 421,668</u>
Net change in fund balances	\$ 126,496	\$ 295,172	\$ -	\$ -	\$ 421,668
Fund balances - beginning	455,663	-	99	1,142	456,904
Fund balances - ending	<u>\$ 582,159</u>	<u>\$ 295,172</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 878,572</u>

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

	E-911 Fund				LRA Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -	\$ 499,600	\$ 499,600	\$ 516,149	\$ 16,549
Charges for services	625	625	675	50	-	-	-	-
Miscellaneous	-	-	84,827	84,827	-	440,908	440,908	-
Intergovernmental:								
Commonwealth	134,262	134,262	128,757	(5,505)	-	-	-	-
Total revenues	\$ 134,887	\$ 134,887	\$ 214,259	\$ 79,372	\$ 499,600	\$ 940,508	\$ 957,057	\$ 16,549
EXPENDITURES								
Current:								
Public safety	\$ 134,887	\$ 139,627	\$ 87,763	\$ 51,864	\$ -	\$ -	\$ -	\$ -
Community development	-	-	-	-	694,600	1,135,013	661,885	473,128
Total expenditures	\$ 134,887	\$ 139,627	\$ 87,763	\$ 51,864	\$ 694,600	\$ 1,135,013	\$ 661,885	\$ 473,128
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (4,740)	\$ 126,496	\$ 131,236	\$ (195,000)	\$ (194,505)	\$ 295,172	\$ 489,677
Net change in fund balances	\$ -	\$ (4,740)	\$ 126,496	\$ 131,236	\$ (195,000)	\$ (194,505)	\$ 295,172	\$ 489,677
Fund balances - beginning	-	4,740	455,663	450,923	195,000	194,505	-	(194,505)
Fund balances - ending	\$ -	\$ -	\$ 582,159	\$ 582,159	\$ -	\$ -	\$ 295,172	\$ 295,172

Dare Fund				Forfeited Asset Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	99	99	-	-	1,142	1,142
\$ -	\$ -	\$ 99	\$ 99	\$ -	\$ -	\$ 1,142	\$ 1,142

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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County of Nottoway, Virginia
 Combining Balance Sheet - Governmental Funds
 Discretely Presented Component Unit - School Board
 June 30, 2023

	School Operating Fund	School Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,057,802	\$ 2,025,205	\$ 622,330	\$ 263,999	\$ 7,969,336
Due from other governmental units	2,023,982	-	37,222	-	2,061,204
Total assets	<u>\$ 7,081,784</u>	<u>\$ 2,025,205</u>	<u>\$ 659,552</u>	<u>\$ 263,999</u>	<u>\$ 10,030,540</u>
LIABILITIES					
Accounts payable	\$ 15,212	\$ -	\$ -	\$ -	\$ 15,212
Due to Nottoway County	4,797,764	-	-	-	4,797,764
Total liabilities	<u>\$ 4,812,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,812,976</u>
FUND BALANCES					
Committed	\$ 1,497,734	\$ 2,025,205	\$ 659,552	\$ 263,999	\$ 4,446,490
Unassigned	771,074	-	-	-	771,074
Total fund balances	<u>\$ 2,268,808</u>	<u>\$ 2,025,205</u>	<u>\$ 659,552</u>	<u>\$ 263,999</u>	<u>\$ 5,217,564</u>
Total liabilities and fund balances	<u>\$ 7,081,784</u>	<u>\$ 2,025,205</u>	<u>\$ 659,552</u>	<u>\$ 263,999</u>	<u>\$ 10,030,540</u>

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

Total fund balances per above \$ 5,217,564

The net pension asset is not an available resource and, therefore, is not reported in the funds. 497,967

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 39,569,312	
Accumulated depreciation	<u>(29,756,978)</u>	9,812,334

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

Pension related items	\$ 3,013,101	
OPEB related items	<u>384,562</u>	3,397,663

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

Compensated absences	\$ (270,937)	
Lease liabilities	(62,996)	
Net pension liabilities	(11,420,910)	
Net OPEB liabilities	<u>(2,698,756)</u>	(14,453,599)

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

Pension related items	\$ (3,885,461)	
OPEB related items	<u>(695,428)</u>	(4,580,889)

Net position of governmental activities \$ (108,960)

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

	School Operating Fund	School Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ -	\$ 203	\$ 2,402	\$ -	\$ 2,605
Charges for services	-	-	84,654	-	84,654
Miscellaneous	121,666	-	20,602	412,785	555,053
Intergovernmental:					
Local government	1,961,908	-	-	-	1,961,908
Commonwealth	19,284,361	-	19,924	-	19,304,285
Federal	6,709,731	-	1,289,545	-	7,999,276
Total revenues	<u>\$ 28,077,666</u>	<u>\$ 203</u>	<u>\$ 1,417,127</u>	<u>\$ 412,785</u>	<u>\$ 29,907,781</u>
EXPENDITURES					
Current:					
Education	\$ 28,012,041	\$ 246,847	\$ 1,261,152	\$ 436,787	\$ 29,956,827
Debt service:					
Principal retirement	49,834	-	-	-	49,834
Interest and other fiscal charges	94	-	-	-	94
Total expenditures	<u>\$ 28,061,969</u>	<u>\$ 246,847</u>	<u>\$ 1,261,152</u>	<u>\$ 436,787</u>	<u>\$ 30,006,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 15,697</u>	<u>\$ (246,644)</u>	<u>\$ 155,975</u>	<u>\$ (24,002)</u>	<u>\$ (98,974)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 227,411	\$ -	\$ -	\$ 227,411
Transfers out	(227,411)	-	-	-	(227,411)
Total other financing sources (uses)	<u>\$ (227,411)</u>	<u>\$ 227,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ (211,714)	\$ (19,233)	\$ 155,975	\$ (24,002)	\$ (98,974)
Fund balances - beginning	2,480,522	2,044,438	503,577	288,001	5,316,538
Fund balances - ending	<u>\$ 2,268,808</u>	<u>\$ 2,025,205</u>	<u>\$ 659,552</u>	<u>\$ 263,999</u>	<u>\$ 5,217,564</u>

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

Net change in fund balances - total governmental funds - per above \$ (98,974)

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 asset additions	\$ 1,030,333	
Depreciation expense	(1,287,639)	
Jointly owned asset allocation	111,075	(146,231)

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. The following is a summary of items supporting this adjustment:

Principal retirement on lease liabilities	49,834
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Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds. 530,668

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 pension related items	\$ 1,963,125	
Change in OPEB related items	240,872	
Compensated absences	(24,368)	2,179,629

Change in net position of governmental activities \$ 2,514,926

County of Nottoway, Virginia
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			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Charges for services	3,000	3,000	-	(3,000)
Miscellaneous	25,000	80,490	121,666	41,176
Recovered costs	-	-	-	-
Intergovernmental:				
Local government	5,801,537	5,657,913	1,961,908	(3,696,005)
Commonwealth	18,342,592	20,216,748	19,284,361	(932,387)
Federal	5,651,933	7,377,426	6,709,731	(667,695)
Total revenues	\$ 29,827,062	\$ 33,338,577	\$ 28,077,666	\$ (5,260,911)
EXPENDITURES				
Current:				
Education	\$ 29,508,726	\$ 33,759,211	\$ 28,012,041	\$ 5,747,170
Capital projects	318,354	1,876,837	-	1,876,837
Debt service:				
Principal retirement	-	-	49,834	(49,834)
Interest and other fiscal charges	-	-	94	(94)
Total expenditures	\$ 29,827,080	\$ 35,636,048	\$ 28,061,969	\$ 7,574,079
Excess (deficiency) of revenues over (under) expenditures	\$ (18)	\$ (2,297,471)	\$ 15,697	\$ 2,313,168
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	(227,411)	(227,411)
Total other financing sources (uses)	\$ -	\$ -	\$ (227,411)	\$ (227,411)
Net change in fund balances	\$ (18)	\$ (2,297,471)	\$ (211,714)	\$ 2,085,757
Fund balances - beginning	18	2,297,471	2,480,522	183,051
Fund balances - ending	\$ -	\$ -	\$ 2,268,808	\$ 2,268,808

Textbook Fund				School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final			Original	Final		
\$ -	\$ -	\$ 203	\$ 203	\$ 3,000	\$ 3,000	\$ 2,402	\$ (598)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	163,200	163,200	84,654	(78,546)	-	-	-	-
-	-	-	-	45,000	45,000	20,602	(24,398)	-	-	412,785	412,785
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	14,588	14,588	19,924	5,336	-	-	-	-
-	-	-	-	987,868	1,092,728	1,289,545	196,817	-	-	-	-
\$ -	\$ -	\$ 203	\$ 203	\$ 1,213,656	\$ 1,318,516	\$ 1,417,127	\$ 98,611	\$ -	\$ -	\$ 412,785	\$ 412,785
\$ -	\$ -	\$ 246,847	\$ (246,847)	\$ 1,303,656	\$ 1,640,386	\$ 1,261,152	\$ 379,234	\$ -	\$ -	\$ 436,787	\$ (436,787)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 246,847	\$ (246,847)	\$ 1,303,656	\$ 1,640,386	\$ 1,261,152	\$ 379,234	\$ -	\$ -	\$ 436,787	\$ (436,787)
\$ -	\$ -	\$ (246,644)	\$ (246,644)	\$ (90,000)	\$ (321,870)	\$ 155,975	\$ 477,845	\$ -	\$ -	\$ (24,002)	\$ (24,002)
\$ -	\$ -	\$ 227,411	\$ 227,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 227,411	\$ 227,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (19,233)	\$ (19,233)	\$ (90,000)	\$ (321,870)	\$ 155,975	\$ 477,845	\$ -	\$ -	\$ (24,002)	\$ (24,002)
-	-	2,044,438	2,044,438	90,000	321,870	503,577	181,707	-	-	347,928	347,928
\$ -	\$ -	\$ 2,025,205	\$ 2,025,205	\$ -	\$ -	\$ 659,552	\$ 659,552	\$ -	\$ -	\$ 323,926	\$ 323,926

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*DISCRETELY PRESENTED COMPONENT UNIT
INDUSTRIAL DEVELOPMENT AUTHORITY*

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County of Nottoway, Virginia
Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,042,150
Notes receivable - current portion	71,098
Total current assets	\$ 2,113,248

Noncurrent assets:

Notes receivable - net of current portion	\$ 244,591
Total noncurrent assets	\$ 244,591
Total assets	\$ 2,357,839

LIABILITIES

Current liabilities:

Due to Nottoway County	\$ 76,378
Total current liabilities	\$ 76,378
Total liabilities	\$ 76,378

NET POSITION

Unrestricted	\$ 2,281,461
Total net position	\$ 2,281,461

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

OPERATING REVENUES

Charges for services:

Rents

\$ 13,724

Total operating revenues

\$ 13,724

Operating income (loss)

\$ 13,724**NONOPERATING REVENUES (EXPENSES)**

Investment income

\$ 4,052

Total nonoperating revenues (expenses)

\$ 4,052

Change in net position

\$ 17,776

Net position - beginning

2,263,685

Net position - ending

\$ 2,281,461

County of Nottoway, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 66,086
Net cash provided by (used for) operating activities	\$ 66,086

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 4,052
Net cash provided by (used for) investing activities	\$ 4,052

Net increase (decrease) in cash and cash equivalents \$ 70,138

Cash and cash equivalents - beginning 1,972,012
Cash and cash equivalents - ending \$ 2,042,150

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss)	\$ 13,724
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in notes receivable	\$ 52,362
Total adjustments	\$ 52,362

Net cash provided by (used for) operating activities \$ 66,086

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OTHER SUPPLEMENTARY INFORMATION

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SUPPORTING SCHEDULES

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,577,060	\$ 4,577,060	\$ 4,686,439	\$ 109,379
Real and personal public service corporation taxes	560,000	560,000	500,252	(59,748)
Personal property taxes	4,372,512	3,344,994	2,933,619	(411,375)
Mobile home taxes	5,891	5,891	10,542	4,651
Machinery and tools taxes	175,000	175,000	160,510	(14,490)
Penalties	81,000	81,000	106,273	25,273
Interest	69,000	69,000	74,248	5,248
Total general property taxes	<u>\$ 9,840,463</u>	<u>\$ 8,812,945</u>	<u>\$ 8,471,883</u>	<u>\$ (341,062)</u>
Other local taxes:				
Local sales and use taxes	\$ 1,200,000	\$ 1,565,051	\$ 1,631,598	\$ 66,547
Business license taxes	187,350	187,350	202,403	15,053
Motor vehicle licenses	200,000	200,000	194,036	(5,964)
Taxes on recordation and wills	107,720	107,720	98,355	(9,365)
Hotel and motel room taxes	2,500	2,500	3,683	1,183
Total other local taxes	<u>\$ 1,697,570</u>	<u>\$ 2,062,621</u>	<u>\$ 2,130,075</u>	<u>\$ 67,454</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 8,500	\$ 8,500	\$ 23,674	\$ 15,174
Permits and other licenses	144,950	144,950	148,057	3,107
Total permits, privilege fees, and regulatory licenses	<u>\$ 153,450</u>	<u>\$ 153,450</u>	<u>\$ 171,731</u>	<u>\$ 18,281</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 15,000	\$ 15,000	\$ 15,664	\$ 664
Total fines and forfeitures	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,664</u>	<u>\$ 664</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 35,000	\$ 35,000	\$ 64,556	\$ 29,556
Revenue from use of property	59,241	59,356	56,239	(3,117)
Total revenue from use of money and property	<u>\$ 94,241</u>	<u>\$ 94,356</u>	<u>\$ 120,795</u>	<u>\$ 26,439</u>
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,042	\$ 1,042	\$ 1,042	\$ -
Charges for court costs	5,000	5,000	6,525	1,525
Charges for courthouse security	35,000	35,000	21,243	(13,757)
Charges for Commonwealth's Attorney	2,000	2,000	1,380	(620)
Charges for law library	1,500	1,500	1,725	225
Charges for other protection	12,520	12,670	1,651	(11,019)
Total charges for services	<u>\$ 57,062</u>	<u>\$ 57,212</u>	<u>\$ 33,566</u>	<u>\$ (23,646)</u>
Miscellaneous:				
Miscellaneous	\$ 82,985	\$ 185,218	\$ 295,509	\$ 110,291
Total miscellaneous	<u>\$ 82,985</u>	<u>\$ 185,218</u>	<u>\$ 295,509</u>	<u>\$ 110,291</u>
Recovered costs:				
Dispatching - Towns	\$ 39,508	\$ 39,508	\$ 63,840	\$ 24,332
Library contribution	3,500	3,500	5,500	2,000
Cost allocation plan	185,000	185,000	242,431	57,431
Total recovered costs	<u>\$ 228,008</u>	<u>\$ 228,008</u>	<u>\$ 311,771</u>	<u>\$ 83,763</u>
Total revenue from local sources	<u>\$ 12,168,779</u>	<u>\$ 11,608,810</u>	<u>\$ 11,550,994</u>	<u>\$ (57,816)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 75,000	\$ 75,000	\$ 79,148	\$ 4,148
Mobile home titling tax	15,000	15,000	36,065	21,065
Tax on Deeds	25,000	25,000	28,371	3,371
Moped ATV sales tax	10,000	10,000	7,666	(2,334)
National opioid settlement	-	39,645	39,645	-
Personal property tax relief funds	1,049,790	1,049,790	1,049,790	-
Total noncategorical aid	\$ 1,174,790	\$ 1,214,435	\$ 1,240,685	\$ 26,250
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 250,839	\$ 250,839	\$ 250,445	\$ (394)
Sheriff	945,000	945,000	982,763	37,763
Commissioner of revenue	84,629	84,629	97,110	12,481
Treasurer	85,000	85,000	96,081	11,081
Registrar/electoral board	65,000	65,000	66,084	1,084
Clerk of the Circuit Court	172,169	172,169	245,441	73,272
Total shared expenses	\$ 1,602,637	\$ 1,602,637	\$ 1,737,924	\$ 135,287
Other categorical aid:				
Public assistance and welfare administration	\$ 1,788,100	\$ 1,788,100	\$ 586,972	\$ (1,201,128)
Children's services act	731,400	736,276	724,779	(11,497)
Circuit court records grant	-	72,726	72,726	-
Virginia center for rehabilitation	215,939	215,939	215,939	-
Victim witness grant	62,693	62,693	22,546	(40,147)
Library grant	66,711	66,711	76,113	9,402
VJCCCS grant	20,016	20,016	19,399	(617)
Emergency preparedness grant	62,795	104,639	85,274	(19,365)
School resource officer	98,101	205,310	200,736	(4,574)
EMS	12,500	13,972	13,972	-
Fire programs	40,146	40,146	38,560	(1,586)
Disaster assistance	-	-	6,418	6,418
Total other categorical aid	\$ 3,098,401	\$ 3,326,528	\$ 2,063,434	\$ (1,263,094)
Total categorical aid	\$ 4,701,038	\$ 4,929,165	\$ 3,801,358	\$ (1,127,807)
Total revenue from the Commonwealth	\$ 5,875,828	\$ 6,143,600	\$ 5,042,043	\$ (1,101,557)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 976,583	\$ 976,583
Children's services act	-	-	14,023	14,023
Disaster assistance	-	-	57,766	57,766
Victim witness	-	-	56,527	56,527
Emergency management preparation	-	-	28,282	28,282
Ground transportation safety	-	-	22,480	22,480
Byrne justice assistance	-	2,838	6,535	3,697
Total categorical aid	\$ -	\$ 2,838	\$ 1,162,196	\$ 1,159,358
Total revenue from the federal government	\$ -	\$ 2,838	\$ 1,162,196	\$ 1,159,358
Total General Fund	\$ 18,044,607	\$ 17,755,248	\$ 17,755,233	\$ (15)
Special Revenue Funds:				
Landfill Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility tax	\$ 156,000	\$ 156,000	\$ 147,400	\$ (8,600)
Consumption tax	27,000	27,000	26,608	(392)
Total other local taxes	\$ 183,000	\$ 183,000	\$ 174,008	\$ (8,992)
Charges for services:				
Landfill use fees	\$ 902,391	\$ 904,121	\$ 604,475	\$ (299,646)
Total charges for services	\$ 902,391	\$ 904,121	\$ 604,475	\$ (299,646)
Miscellaneous:				
Other miscellaneous	\$ -	\$ 20,920	\$ 20,919	\$ (1)
Total revenue from local sources	\$ 1,085,391	\$ 1,108,041	\$ 799,402	\$ (308,639)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 192,000	\$ 192,000	\$ 180,750	\$ (11,250)
Total noncategorical aid	\$ 192,000	\$ 192,000	\$ 180,750	\$ (11,250)
Categorical aid:				
Litter control grant	\$ 7,000	\$ 7,000	\$ 8,731	\$ 1,731
Total categorical aid	\$ 7,000	\$ 7,000	\$ 8,731	\$ 1,731
Total revenue from the Commonwealth	\$ 199,000	\$ 199,000	\$ 189,481	\$ (9,519)
Total Landfill Fund	\$ 1,284,391	\$ 1,307,041	\$ 988,883	\$ (318,158)
American Rescue Plan Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
American Rescue Plan Act	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)
Total categorical aid	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)
Total revenue from the federal government	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)
Total American Rescue Plan Act Fund	\$ -	\$ 1,479,318	\$ 221,607	\$ (1,257,711)

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds: (Continued)				
E-911 Fund:				
Revenue from local sources:				
Charges for services:				
E-911 fees	\$ 625	\$ 625	\$ 675	\$ 50
Total charges for services	<u>\$ 625</u>	<u>\$ 625</u>	<u>\$ 675</u>	<u>\$ 50</u>
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 84,827	\$ 84,827
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,827</u>	<u>\$ 84,827</u>
Total revenue from local sources	<u>\$ 625</u>	<u>\$ 625</u>	<u>\$ 85,502</u>	<u>\$ 84,877</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications Tax	\$ 62,262	\$ 62,262	\$ 60,250	\$ (2,012)
Total noncategorical aid	<u>\$ 62,262</u>	<u>\$ 62,262</u>	<u>\$ 60,250</u>	<u>\$ (2,012)</u>
Categorical aid:				
Wireless grant funds	\$ 72,000	\$ 72,000	\$ 68,507	\$ (3,493)
Total categorical aid	<u>\$ 72,000</u>	<u>\$ 72,000</u>	<u>\$ 68,507</u>	<u>\$ (3,493)</u>
Total revenue from the Commonwealth	<u>\$ 134,262</u>	<u>\$ 134,262</u>	<u>\$ 128,757</u>	<u>\$ (5,505)</u>
Total E-911 Fund	<u><u>\$ 134,887</u></u>	<u><u>\$ 134,887</u></u>	<u><u>\$ 214,259</u></u>	<u><u>\$ 79,372</u></u>
LRA Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 19,600	\$ 19,600	\$ -	\$ (19,600)
Revenue from the use of property	480,000	480,000	516,149	36,149
Total revenue from use of money and property	<u>\$ 499,600</u>	<u>\$ 499,600</u>	<u>\$ 516,149</u>	<u>\$ 16,549</u>
Miscellaneous:				
Miscellaneous	\$ -	\$ 440,908	\$ 440,908	\$ -
Total miscellaneous	<u>\$ -</u>	<u>\$ 440,908</u>	<u>\$ 440,908</u>	<u>\$ -</u>
Total revenue from local sources	<u>\$ 499,600</u>	<u>\$ 940,508</u>	<u>\$ 957,057</u>	<u>\$ 16,549</u>
Total LRA Fund	<u><u>\$ 499,600</u></u>	<u><u>\$ 940,508</u></u>	<u><u>\$ 957,057</u></u>	<u><u>\$ 16,549</u></u>
Total Primary Government	<u><u>\$ 19,963,485</u></u>	<u><u>\$ 21,617,002</u></u>	<u><u>\$ 20,137,039</u></u>	<u><u>\$ (1,479,963)</u></u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total revenue from use of money and property	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Charges for services:				
Charges for education	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total charges for services	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (3,000)</u>
Miscellaneous:				
Other miscellaneous	\$ 25,000	\$ 80,490	\$ 121,666	\$ 41,176
Other miscellaneous	-	-	-	-
Total miscellaneous	<u>\$ 25,000</u>	<u>\$ 80,490</u>	<u>\$ 121,666</u>	<u>\$ 41,176</u>
Total revenue from local sources	<u><u>\$ 31,000</u></u>	<u><u>\$ 86,490</u></u>	<u><u>\$ 121,666</u></u>	<u><u>\$ 35,176</u></u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Nottoway, Virginia	\$ 5,801,537	\$ 5,657,913	\$ 1,961,908	\$ (3,696,005)
Total revenues from local governments	<u>\$ 5,801,537</u>	<u>\$ 5,657,913</u>	<u>\$ 1,961,908</u>	<u>\$ (3,696,005)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,818,733	\$ 2,814,687	\$ 2,948,927	\$ 134,240
Basic school aid	6,917,412	7,172,144	6,635,722	(536,422)
Remedial education	396,911	396,911	389,623	(7,288)
Regular foster care	4,279	4,279	-	(4,279)
Gifted and talented	70,648	70,648	69,350	(1,298)
Preschool and 4 year old at risk	306,775	306,775	347,270	40,495
Special education	885,021	885,021	868,772	(16,249)
Project Graduation	5,497	10,598	5,497	(5,101)
Vocational education	168,270	169,554	166,441	(3,113)
Textbook payments	170,042	170,042	166,920	(3,122)
Social security and retirement fringe benefits	1,990,409	1,980,283	1,943,898	(36,385)
GED payments	8,233	8,233	8,203	(30)
State lottery payments	626,846	626,846	509,398	(117,448)
Early reading intervention	249,596	148,112	120,684	(27,428)
Homebound education	4,222	4,222	7,090	2,868
Remedial summer	33,435	33,435	74,586	41,151
At risk payments	2,070,972	1,552,065	1,524,427	(27,638)
VPSA technology funds	232,000	427,486	195,486	(232,000)
Security grant	-	-	180,000	180,000
Primary class size	508,489	508,489	496,149	(12,340)
Standards of Learning algebra readiness	44,382	44,381	44,666	285
English as a second language	100,537	91,600	81,546	(10,054)
Mentor teacher program	1,442	1,442	2,494	1,052
Hold harmless	394,818	394,818	426,444	31,626
School construction	174,855	1,672,589	1,497,734	(174,855)
Other grants	158,768	722,088	573,034	(149,054)
Total categorical aid	<u>\$ 18,342,592</u>	<u>\$ 20,216,748</u>	<u>\$ 19,284,361</u>	<u>\$ (932,387)</u>
Total revenue from the Commonwealth	<u>\$ 18,342,592</u>	<u>\$ 20,216,748</u>	<u>\$ 19,284,361</u>	<u>\$ (932,387)</u>
Categorical aid:				
Rural education	\$ 45,819	\$ 45,819	\$ 57,002	\$ 11,183
Title I	1,095,236	1,095,236	1,013,527	(81,709)
Title II, Part A	130,470	130,470	115,441	(15,029)
Title III, Part A	-	-	9,658	9,658
Title VI-B, special education flow-through	865,274	734,697	568,304	(166,393)
Vocational education	57,600	57,600	50,248	(7,352)
Preschool special education	16,336	17,116	17,393	277
School improvement	-	173,725	-	(173,725)
21st century grant	509,650	509,650	491,374	(18,276)
ESSER	2,750,000	4,100,000	3,880,018	(219,982)
Leasing of land - PILT	20,854	81,603	59,288	(22,315)
ROTC	55,108	55,108	12,926	(42,182)
ESEA Title IV	91,836	65,904	-	(65,904)
School reform grant	-	-	63,108	63,108
Coronavirus relief	-	251,535	349,039	97,504
Other federal	-	45,213	-	(45,213)
Project Hope grant	13,750	13,750	22,405	8,655
Total categorical aid	<u>\$ 5,651,933</u>	<u>\$ 7,377,426</u>	<u>\$ 6,709,731</u>	<u>\$ (667,695)</u>
Total revenue from the federal government	<u>\$ 5,651,933</u>	<u>\$ 7,377,426</u>	<u>\$ 6,709,731</u>	<u>\$ (667,695)</u>
Total School Operating Fund	<u>\$ 29,827,062</u>	<u>\$ 33,338,577</u>	<u>\$ 28,077,666</u>	<u>\$ (5,260,911)</u>

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

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,000	\$ 3,000	\$ 2,402	\$ (598)
Charges for services:				
Cafeteria sales	\$ 163,200	\$ 163,200	\$ 84,654	\$ (78,546)
Miscellaneous:				
Other miscellaneous	\$ 45,000	\$ 45,000	\$ 20,602	\$ (24,398)
Total revenue from local sources	\$ 211,200	\$ 211,200	\$ 107,658	\$ (103,542)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 14,588	\$ 14,588	\$ 19,924	\$ 5,336
Total categorical aid	\$ 14,588	\$ 14,588	\$ 19,924	\$ 5,336
Total revenue from the Commonwealth	\$ 14,588	\$ 14,588	\$ 19,924	\$ 5,336
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 987,868	\$ 987,868	\$ 1,181,550	\$ 193,682
Pandemic EBT	-	-	3,135	3,135
Commodities	-	104,860	104,860	-
Total categorical aid	987,868	1,092,728	1,289,545	196,817
Total revenue from the federal government	\$ 987,868	\$ 1,092,728	\$ 1,289,545	\$ 196,817
Total School Cafeteria Fund	\$ 1,213,656	\$ 1,318,516	\$ 1,417,127	\$ 98,611
School Textbook Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 203	\$ 203
Total revenue from use of money and property	\$ -	\$ -	\$ 203	\$ 203
Total revenue from local sources	\$ -	\$ -	\$ 203	\$ 203
Total School Textbook Fund	\$ -	\$ -	\$ 203	\$ 203
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 412,785	\$ 412,785
Total miscellaneous	\$ -	\$ -	\$ 412,785	\$ 412,785
Total School Activity Fund	\$ -	\$ -	\$ 412,785	\$ 412,785
Total Discretely Presented Component Unit - School Board	\$ 31,040,718	\$ 34,657,093	\$ 29,907,781	\$ (4,749,312)

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 320,712	\$ 403,539	\$ 198,729	\$ 204,810
Total legislative	<u>\$ 320,712</u>	<u>\$ 403,539</u>	<u>\$ 198,729</u>	<u>\$ 204,810</u>
General and financial administration:				
County administrator	\$ 800,195	\$ 844,295	\$ 545,757	\$ 298,538
Legal services	100,000	100,000	233,214	(133,214)
Commissioner of revenue	225,013	225,013	213,257	11,756
Treasurer	275,791	275,791	247,512	28,279
Data processing	-	12,923	4,596	8,327
Other general and financial administration	296,500	291,500	156,144	135,356
Total general and financial administration	<u>\$ 1,697,499</u>	<u>\$ 1,749,522</u>	<u>\$ 1,400,480</u>	<u>\$ 349,042</u>
Board of elections:				
Electoral board and officials	\$ 301,698	\$ 343,541	\$ 289,300	\$ 54,241
Total board of elections	<u>\$ 301,698</u>	<u>\$ 343,541</u>	<u>\$ 289,300</u>	<u>\$ 54,241</u>
Total general government administration	<u>\$ 2,319,909</u>	<u>\$ 2,496,602</u>	<u>\$ 1,888,509</u>	<u>\$ 608,093</u>
Judicial administration:				
Courts:				
Circuit court	\$ 16,200	\$ 16,200	\$ 15,680	\$ 520
General district court	12,335	13,835	8,752	5,083
Commissioner of accounts	50	50	-	50
Magistrate	50	50	-	50
Juvenile and domestic relations district court	15,090	15,090	1,993	13,097
Clerk of the circuit court	370,398	418,898	386,259	32,639
Jurors and witnesses	9,412	9,412	2,610	6,802
Sheriff	203,967	203,967	203,051	916
Law library	-	7,465	-	7,465
Total courts	<u>\$ 627,502</u>	<u>\$ 684,967</u>	<u>\$ 618,345</u>	<u>\$ 66,622</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 474,526	\$ 477,741	\$ 451,972	\$ 25,769
Total commonwealth's attorney	<u>\$ 474,526</u>	<u>\$ 477,741</u>	<u>\$ 451,972</u>	<u>\$ 25,769</u>
Total judicial administration	<u>\$ 1,102,028</u>	<u>\$ 1,162,708</u>	<u>\$ 1,070,317</u>	<u>\$ 92,391</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,392,158	\$ 1,691,180	\$ 1,571,543	\$ 119,637
Central dispatching	799,493	719,475	639,194	80,281
School resource officer	292,148	401,348	319,018	82,330
Total law enforcement and traffic control	<u>\$ 2,483,799</u>	<u>\$ 2,812,003</u>	<u>\$ 2,529,755</u>	<u>\$ 282,248</u>
Fire and rescue services:				
Volunteer fire department	\$ 368,450	\$ 368,645	\$ 363,956	\$ 4,689
Rescue service	245,150	245,928	229,946	15,982
State forestry service	12,529	12,529	12,529	-
Office of emergency services	722,445	439,972	404,836	35,136
Total fire and rescue services	<u>\$ 1,348,574</u>	<u>\$ 1,067,074</u>	<u>\$ 1,011,267</u>	<u>\$ 55,807</u>
Correction and detention:				
Detention home	\$ 50,000	\$ 95,000	\$ 87,037	\$ 7,963
Piedmont regional jail	800,000	1,480,214	1,294,996	185,218
Total correction and detention	<u>\$ 850,000</u>	<u>\$ 1,575,214</u>	<u>\$ 1,382,033</u>	<u>\$ 193,181</u>
Inspections:				
Building	\$ 106,596	\$ 103,233	\$ 86,195	\$ 17,038
Total inspections	<u>\$ 106,596</u>	<u>\$ 103,233</u>	<u>\$ 86,195</u>	<u>\$ 17,038</u>
Other protection:				
Animal control	\$ 136,661	\$ 392,005	\$ 314,576	\$ 77,429
Medical examiner	200	200	180	20
Total other protection	<u>\$ 136,861</u>	<u>\$ 392,205</u>	<u>\$ 314,756</u>	<u>\$ 77,449</u>
Total public safety	<u>\$ 4,925,830</u>	<u>\$ 5,949,729</u>	<u>\$ 5,324,006</u>	<u>\$ 625,723</u>
Public works:				
Maintenance of general buildings and grounds:				
General properties	\$ 303,148	\$ 550,121	\$ 330,185	\$ 219,936
Total maintenance of general buildings and grounds	<u>\$ 303,148</u>	<u>\$ 550,121</u>	<u>\$ 330,185</u>	<u>\$ 219,936</u>
Total public works	<u>\$ 303,148</u>	<u>\$ 550,121</u>	<u>\$ 330,185</u>	<u>\$ 219,936</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 98,442	\$ 98,442	\$ 75,126	\$ 23,316
Total health	<u>\$ 98,442</u>	<u>\$ 98,442</u>	<u>\$ 75,126</u>	<u>\$ 23,316</u>
Mental health and mental retardation:				
Community services board	\$ 42,000	\$ 42,000	\$ 42,000	\$ -
STEPS, Inc.	20,939	20,939	20,939	-
Total mental health and mental retardation	<u>\$ 62,939</u>	<u>\$ 62,939</u>	<u>\$ 62,939</u>	<u>\$ -</u>
Welfare:				
Public assistance and welfare administration	\$ 1,942,961	\$ 1,942,961	\$ 1,805,540	\$ 137,421
Comprehensive Services Act	1,031,792	1,038,908	965,484	73,424
Total welfare	<u>\$ 2,974,753</u>	<u>\$ 2,981,869</u>	<u>\$ 2,771,024</u>	<u>\$ 210,845</u>
Total health and welfare	<u>\$ 3,136,134</u>	<u>\$ 3,143,250</u>	<u>\$ 2,909,089</u>	<u>\$ 234,161</u>
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 6,378	\$ 6,378	-	\$ 6,378
Contribution to County School Board	5,801,537	5,657,913	1,961,908	3,696,005
Total education	<u>\$ 5,807,915</u>	<u>\$ 5,664,291</u>	<u>\$ 1,961,908</u>	<u>\$ 3,702,383</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 25,340	\$ 673,090	\$ 161,898	\$ 511,192
Total parks and recreation	<u>\$ 25,340</u>	<u>\$ 673,090</u>	<u>\$ 161,898</u>	<u>\$ 511,192</u>
Library:				
Library administration	\$ 276,214	\$ 297,825	\$ 293,281	\$ 4,544
Total library	<u>\$ 276,214</u>	<u>\$ 297,825</u>	<u>\$ 293,281</u>	<u>\$ 4,544</u>
Total parks, recreation, and cultural	<u>\$ 301,554</u>	<u>\$ 970,915</u>	<u>\$ 455,179</u>	<u>\$ 515,736</u>
Community development:				
Planning and community development:				
Economic development	\$ 15,488	\$ 31,388	\$ 12,658	\$ 18,730
Planning commission	142,468	168,369	167,891	478
Zoning board	4,000	4,000	615	3,385
Total planning and community development	<u>\$ 161,956</u>	<u>\$ 203,757</u>	<u>\$ 181,164</u>	<u>\$ 22,593</u>
Environmental management:				
Soil and water conservation district	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Total environmental management	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ 8,500</u>	<u>\$ -</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 54,767	\$ 54,767	\$ 47,067	\$ 7,700
Total cooperative extension program	<u>\$ 54,767</u>	<u>\$ 54,767</u>	<u>\$ 47,067</u>	<u>\$ 7,700</u>
Other community development:				
Ft. Pickett local reuse authority	\$ -	\$ 100,428	\$ 83,044	\$ 17,384
Community development block grant	1,000	51,000	50,047	953
Lodge at Ft. Pickett	-	600	-	600
Other	-	1,527,539	8,451	1,519,088
Total other community development	<u>\$ 1,000</u>	<u>\$ 1,679,567</u>	<u>\$ 141,542</u>	<u>\$ 1,538,025</u>
Total community development	<u>\$ 226,223</u>	<u>\$ 1,946,591</u>	<u>\$ 378,273</u>	<u>\$ 1,568,318</u>
Debt service:				
Principal retirement	\$ 200,034	\$ 200,034	\$ 218,506	\$ (18,472)
Interest and other fiscal charges	46,832	46,832	48,260	(1,428)
Total debt service	<u>\$ 246,866</u>	<u>\$ 246,866</u>	<u>\$ 266,766</u>	<u>\$ (19,900)</u>
Total General Fund	<u>\$ 18,369,607</u>	<u>\$ 22,131,073</u>	<u>\$ 14,584,232</u>	<u>\$ 7,546,841</u>
Special Revenue Funds:				
Landfill Fund:				
Public works:				
Sanitation and waste removal:				
Landfill	\$ 1,284,391	\$ 1,308,827	\$ 1,224,313	\$ 84,514
Total Landfill Fund	<u>\$ 1,284,391</u>	<u>\$ 1,308,827</u>	<u>\$ 1,224,313</u>	<u>\$ 84,514</u>
American Rescue Plan Act Fund:				
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Courthouse area ramp	\$ -	\$ 1,479,318	\$ 11,607	\$ 1,467,711
Total maintenance of highways, streets, bridges & sidewalks	<u>\$ -</u>	<u>\$ 1,479,318</u>	<u>\$ 11,607</u>	<u>\$ 1,467,711</u>
Total public works	<u>\$ -</u>	<u>\$ 1,479,318</u>	<u>\$ 11,607</u>	<u>\$ 1,467,711</u>
Other community development:				
Crewe	\$ -	\$ -	\$ 200,000	\$ (200,000)
Burkeville	-	-	10,000	(10,000)
Total other community development	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ (210,000)</u>
Total community development	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ (210,000)</u>
Total Amrecian Rescue Plan Act fund	<u>\$ -</u>	<u>\$ 1,479,318</u>	<u>\$ 221,607</u>	<u>\$ 1,257,711</u>
E-911 Fund:				
Public safety:				
Law enforcement and traffic control:				
Emergency 911 services	\$ 134,887	\$ 139,627	\$ 87,763	\$ 51,864
Total E-911 Fund	<u>\$ 134,887</u>	<u>\$ 139,627</u>	<u>\$ 87,763</u>	<u>\$ 51,864</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
LRA Fund:				
Community Development:				
Other Community Development:				
Fort Pickett LRA	\$ 694,600	\$ 1,135,013	\$ 661,885	\$ 473,128
Other parks and recreation				-
Other parks and recreation				-
Total parks and recreation	694,600	1,135,013	661,885	473,128
Total community development	\$ 694,600	\$ 1,135,013	\$ 661,885	\$ 473,128
Total LRA Fund	\$ 694,600	\$ 1,135,013	\$ 661,885	\$ 473,128
 Total Primary Government	 \$ 19,788,885	 \$ 23,579,527	 \$ 15,896,308	 \$ 7,683,219

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 21,878,254	\$ 23,905,491	\$ 18,359,688	\$ 5,545,803
Total instruction costs	<u>\$ 21,878,254</u>	<u>\$ 23,905,491</u>	<u>\$ 18,359,688</u>	<u>\$ 5,545,803</u>
Operating costs:				
Administration, attendance and health services	\$ 2,031,069	\$ 2,146,951	\$ 3,907,136	\$ (1,760,185)
Pupil transportation	1,732,478	2,189,266	1,796,246	393,020
Operation and maintenance of school plant	3,866,925	5,517,503	3,948,971	1,568,532
Total operating costs	<u>\$ 7,630,472</u>	<u>\$ 9,853,720</u>	<u>\$ 9,652,353</u>	<u>\$ 201,367</u>
Total education	<u>\$ 29,508,726</u>	<u>\$ 33,759,211</u>	<u>\$ 28,012,041</u>	<u>\$ 5,747,170</u>
Capital projects:				
School capital projects	\$ 318,354	\$ 1,876,837	\$ -	\$ 1,876,837
Total capital projects	<u>\$ 318,354</u>	<u>\$ 1,876,837</u>	<u>\$ -</u>	<u>\$ 1,876,837</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 49,834	\$ (49,834)
Interest and other fiscal charges	-	-	94	(94)
Total debt service	<u>-</u>	<u>-</u>	<u>\$ 49,928</u>	<u>\$ (49,928)</u>
Total School Operating Fund	<u>\$ 29,827,080</u>	<u>\$ 35,636,048</u>	<u>\$ 28,061,969</u>	<u>\$ 7,574,079</u>
Special Revenue Funds:				
School Textbook Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ -	\$ -	\$ 246,847	\$ (246,847)
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,847</u>	<u>\$ (246,847)</u>
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,303,656	\$ 1,535,526	\$ 1,156,292	\$ 379,234
Commodities	-	104,860	104,860	-
Total School Cafeteria Fund	<u>\$ 1,303,656</u>	<u>\$ 1,640,386</u>	<u>\$ 1,261,152</u>	<u>\$ 379,234</u>

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

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Activity Fund:				
Education:				
Instructional services:				
School activity accounts	\$ -	\$ -	\$ 436,787	\$ (436,787)
Total instructional services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,787</u>	<u>\$ (436,787)</u>
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,787</u>	<u>\$ (436,787)</u>
 Total School Activity Fund	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 436,787</u>	 <u>\$ (436,787)</u>
 Total Discretely Presented Component Unit - School Board	 <u>\$ 31,130,736</u>	 <u>\$ 37,276,434</u>	 <u>\$ 30,006,755</u>	 <u>\$ 7,269,679</u>

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OTHER STATISTICAL INFORMATION

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Table 1

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

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2014	\$ 1,161,580	\$ 766,111	\$ 2,788,375	\$ 1,776,879	\$ 2,440,221	\$ 5,262,880	\$ 358,507	\$ 774,358	\$ 161,935	\$ 15,490,846
2015	1,232,743	753,595	2,589,898	1,543,166	2,263,211	4,834,848	361,174	771,383	131,132	14,481,150
2016	936,027	768,920	2,530,134	1,074,068	1,996,214	5,231,092	338,200	608,120	130,484	13,613,259
2017	1,631,110	816,258	2,517,124	1,046,610	2,188,527	4,704,799	357,724	659,625	110,433	14,032,210
2018	1,159,579	755,430	2,527,622	1,697,197	2,306,603	5,589,509	326,545	993,620	97,538	15,453,643
2019	971,169	758,707	2,779,286	2,625,662	2,572,616	5,378,240	329,198	948,845	79,856	16,443,579
2020	1,181,734	869,583	3,189,310	1,604,449	2,713,014	4,986,918	364,639	779,363	64,558	15,753,568
2021	1,035,420	944,915	4,636,802	1,892,872	2,880,258	4,764,460	410,145	1,490,862	55,112	18,110,846
2022	2,292,845	1,020,834	4,153,085	3,046,821	2,751,565	5,491,977	372,497	1,090,512	45,760	20,265,896
2023	1,667,327	1,095,233	5,372,874	2,317,277	2,893,923	2,161,942	538,477	1,217,842	37,910	17,302,805

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain/ (Loss) on Disposal of Capital Assets		
2014	\$ 477,320	\$ 3,489,580	\$ -	\$ 6,666,598	\$ 1,586,886	\$ 727,700	\$ 81,512	\$ 1,440,129	\$ -	\$ 14,469,725		
2015	583,206	3,125,217	-	6,653,238	1,556,878	711,772	68,162	1,625,711	(3,756,634)	10,567,550		
2016	523,796	3,188,576	-	6,833,044	1,612,326	629,974	74,480	1,511,423	-	14,373,619		
2017	560,025	3,374,947	-	6,918,150	1,703,463	640,964	205,802	1,508,408	-	14,911,759		
2018	651,315	3,617,923	280,000	7,415,503	1,673,112	705,220	112,929	1,424,397	-	15,880,399		
2019	702,511	3,727,846	-	7,364,578	1,941,382	878,172	431,237	1,578,472	-	16,624,198		
2020	740,213	3,827,260	-	7,728,549	1,985,544	949,264	133,715	1,491,597	-	16,856,142		
2021	672,408	5,589,226	-	7,761,041	2,108,720	668,351	266,947	1,444,154	-	18,510,847		
2022	1,590,371	5,048,598	-	7,916,780	2,388,856	76,554	353,339	1,434,670	-	18,809,168		
2023	881,675	5,432,977	-	8,908,933	2,304,083	580,705	842,164	1,491,091	-	20,441,628		

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

Fiscal Year	General				Parks, Recreation, and Cultural				Debt Service	Total
	Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Community Development	Community Development		
2014	\$ 1,136,864	\$ 667,960	\$ 2,683,293	\$ 1,146,247	\$ 2,368,329	\$ 21,925,848	\$ 276,770	\$ 758,808	\$ 924,557	\$ 31,888,676
2015	1,340,100	675,769	2,560,867	1,104,173	2,285,888	21,667,654	277,835	976,404	888,881	31,777,571
2016	1,204,371	726,542	2,617,795	1,270,202	2,153,350	22,071,187	264,371	690,964	932,866	31,931,648
2017	1,332,833	749,325	2,547,557	954,865	2,189,144	23,113,450	275,677	802,912	624,071	32,589,834
2018	1,495,583	731,994	2,709,387	1,435,031	2,399,535	21,888,576	270,303	996,084	638,142	32,564,635
2019	1,287,921	752,658	2,977,257	3,275,820	2,661,704	22,695,512	280,906	960,520	429,504	35,321,802
2020	1,392,864	798,503	3,234,902	1,580,621	2,691,624	23,276,816	274,609	774,396	421,870	34,446,205
2021	1,547,222	820,113	4,914,831	1,713,490	2,816,464	24,738,510	314,395	1,463,869	414,195	38,743,089
2022	2,450,178	907,781	4,264,034	2,226,650	2,800,207	26,680,485	337,342	1,078,102	255,397	41,000,176
2023	1,888,509	1,070,317	5,411,769	1,566,105	2,909,089	30,006,755	455,179	1,250,158	266,766	44,824,647

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

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

Table 4

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

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2013	\$ 6,054,653	\$ 1,555,276	\$ 79,368	\$ 7,972	\$ 720,347	\$ 617,069	\$ 362,340	\$ 17,747	\$ 22,796,756	\$ 32,211,528
2014	6,735,452	1,586,886	83,156	5,574	730,188	592,821	274,961	421,890	21,881,997	32,312,925
2015	6,611,983	1,556,878	87,022	3,848	715,020	689,876	242,480	131,576	21,934,976	31,973,659
2016	6,641,274	1,612,326	70,251	4,007	631,785	655,673	172,295	375,401	22,190,197	32,353,209
2017	6,806,196	1,703,463	75,720	10,984	642,575	682,891	273,178	216,534	22,917,302	33,328,843
2018	7,403,795	1,673,112	110,295	11,291	707,712	734,810	194,142	203,498	23,229,771	34,268,426
2019	7,747,405	1,941,382	104,183	14,301	886,934	798,217	499,307	249,109	23,692,236	35,933,074
2020	7,672,218	1,985,544	112,580	12,578	958,656	712,428	203,420	363,383	24,114,357	36,135,164
2021	7,801,081	2,108,720	116,092	5,637	671,272	554,516	629,538	213,553	26,966,625	39,067,034
2022	7,908,865	2,388,856	207,992	15,127	623,784	882,570	1,140,152	221,659	29,057,400	42,446,405
2023	8,471,883	2,304,083	171,731	15,664	639,549	723,370	1,397,217	311,771	34,047,645	48,082,913

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

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

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax (1,2) Collections	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)		
2014	\$ 7,697,598	\$ 7,201,515	93.56%	\$ 327,871	\$ 7,529,386	97.81%	\$ 716,349	9.31%	
2015	7,662,773	7,292,723	95.17%	250,767	7,543,490	98.44%	747,240	9.75%	
2016	7,827,966	7,306,097	93.33%	289,698	7,595,795	97.03%	844,418	10.79%	
2017	7,793,788	7,311,127	93.81%	303,828	7,614,955	97.71%	837,051	10.74%	
2018	8,272,472	7,758,973	93.79%	475,727	8,234,700	99.54%	954,993	11.54%	
2019	8,622,445	8,057,921	93.45%	492,584	8,550,505	99.17%	748,907	8.69%	
2020	8,677,024	8,179,818	94.27%	314,255	8,494,073	97.89%	881,691	10.16%	
2021	8,799,657	8,302,069	94.35%	334,893	8,636,962	98.15%	759,819	8.63%	
2022	9,195,953	8,565,100	93.14%	228,194	8,793,294	95.62%	790,754	8.60%	
2023	9,697,588	8,851,682	91.28%	489,470	9,341,152	96.32%	1,026,151	10.58%	

(1) Exclusive of penalties and interest. Includes personal property tax relief funds.

(2) Does not include land redemptions.

Table 6

County of Nottoway, Virginia
Assessed Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (2)	Total
2014	\$ 878,681	\$ 77,330	\$ 14,849	\$ 84,102	\$ 1,054,962
2015	878,668	80,115	10,050	90,207	1,059,040
2016	892,421	90,649	9,280	90,207	1,082,557
2017	814,187	83,507	9,661	113,068	1,020,423
2018	916,201	85,174	6,548	101,546	1,109,469
2019	942,863	88,760	8,466	118,048	1,158,137
2020	946,223	91,671	9,094	119,080	1,166,068
2021	954,193	95,132	10,867	104,350	1,164,541
2022	968,562	101,176	12,563	102,139	1,184,441
2023	972,155	138,152	11,882	96,840	1,219,029

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Utility	
				Real Estate	Personal Property
2014	\$ 0.47	\$ 3.75	\$ 1.35	\$ 0.47	\$ 3.75
2015	0.47	3.75	1.35	0.47	3.75
2016	0.47	3.75	1.35	0.47	3.75
2017	0.47	3.75	1.35	0.47	3.75
2018	0.50	3.75	1.35	0.50	3.75
2019	0.48	3.75	1.35	0.48	3.75
2020	0.48	3.75	1.35	0.48	3.75
2021	0.48	3.75	1.35	0.48	3.75
2022	0.48	3.75	1.35	0.48	3.75
2023	0.48	3.15	1.35	0.48	3.15

(1) Per \$100 of assessed value.

Table 8

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

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2013	15,853	\$ 1,109,024	\$ 5,301,684	\$ 5,301,684	0.48%	\$ 334
2014	15,853	1,054,962	4,609,783	4,609,783	0.44%	291
2015	15,853	1,059,040	4,609,783	4,609,783	0.44%	291
2016	15,853	1,082,557	3,214,548	3,214,548	0.30%	203
2017	15,853	1,020,423	2,760,811	2,760,811	0.27%	174
2018	15,853	1,109,469	2,327,709	2,327,709	0.21%	147
2019	15,853	1,158,137	1,985,013	1,985,013	0.17%	125
2020	15,413	1,166,068	1,637,482	1,637,482	0.14%	106
2021	15,413	1,164,541	1,285,258	1,285,258	0.11%	83
2022	15,604	1,184,441	1,083,531	1,083,531	0.09%	69
2023	15,608	1,219,029	877,218	877,218	0.07%	56

(1) Weldon Cooper Center for Public Service - University of Virginia

(2) From Table 6

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, lease liabilities, notes payable, landfill closure liability and compensated absences.

COMPLIANCE

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Nottoway
Nottoway, 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 County of Nottoway, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County of Nottoway, Virginia's basic financial statements, and have issued our report thereon dated Draft.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Nottoway, 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

Richmond, Virginia
February 12, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Nottoway
Nottoway, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Nottoway, Virginia's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of County of Nottoway, Virginia's major federal programs for the year ended June 30, 2023. County of Nottoway, 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 Nottoway, Virginia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended Draft.

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 Nottoway, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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

Richmond, Virginia
February 12, 2024

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia's Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400121/0400122	\$ 161,557	\$ -
Guardianship Assistance	93.090	1110121/1110122	59	-
Title IV-E Prevention Services	93.472	1140122	2,334	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122	11,611	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121/0500122	714	-
Low Income Home Energy Assistance	93.568	0600421/0600422	32,176	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	241	-
Foster Care - Title IV-E	93.658	1100121/1100122	150,678	-
Adoption Assistance	93.659	1130121/1130122	31,626	-
Social Services Block Grant	93.667	1000121/1000122	136,619	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122	10,053	-
Elder Abuse Prevention Interventions Program	93.747	8000221	5,805	-
Children's Health Insurance Program	93.767	0540121/0540122	1,213	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122	139,366	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	36,516	-
Total Department of Health and Human Services			\$ 720,568	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Agriculture:				
Food Distribution--School	10.555	17901-45707	\$ 104,860	\$ -
Virginia Department of Education:				
National School Lunch Program	10.555	17901-40623	846,912	-
Total AL# 10.555			\$ 951,772	\$ -
School Breakfast Program	10.553	17901-40591	\$ 298,948	\$ -
Summer Food Service Program for Children	10.559	10559-301-10	29,352	-
Total Child Nutrition Cluster			\$ 1,280,072	\$ -
Child and Adult Care Food Program (CACFP)	10.558	202323N11994-1	\$ 6,338	\$ -
Virginia Department of Agriculture:				
COVID-19 Pandemic EBT Administrative Costs	10.649	10649-301-10	3,135	-
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010121/0010122	270,037	-
Total Department of Agriculture			\$ 1,559,582	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
Disaster Grants Public Assistance (Presidentially Declared Disasters)	97.036	5014340-776002	\$ 57,766	\$ -
Emergency Management Performance Grants	97.042	5014340-776002	7,500	-
State Homeland Security Program (SHSP)	97.067	5014310-775001	20,782	-
Total Department of Homeland Security			\$ 86,048	\$ -
Department of Justice:				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	39001-76000	\$ 56,528	\$ -
Edward Byrne Memorial Justice Assistance Grant Program	16.738	5014510-390002	6,535	-
Total Department of Justice			\$ 63,063	\$ -

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

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Treasury:				
Direct:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 221,607	\$ -
Pass Through Payments:				
Virginia Department of Education:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1026	349,039	-
Total AL# 21.027			<u>\$ 570,646</u>	<u>\$ -</u>
Total Department of Treasury			<u>\$ 570,646</u>	<u>\$ -</u>
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	605007-53000	\$ 22,480	\$ -
Department of the Defense:				
Direct Payments:				
JROTC	12.357	N/A	\$ 12,926	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 1,013,527	\$ -
Special Education Cluster:				
Special Education - Grants to States	84.027	17901-43071	568,304	-
Special Education - Preschool Grants	84.173	17901-62521	17,393	-
Total Special Education Cluster			<u>\$ 585,697</u>	<u>\$ -</u>
Career and Technical Education - Basic Grants to States	84.048	17901-61095	\$ 50,248	\$ -
Twenty-First Century Community Learning Centers	84.287	17901-60565	491,374	-
English Language Acquisition State Grants	84.365	17901-60512	9,658	-
Education for Homeless Children and Youth	84.196	unavailable	22,405	-
Rural Education	84.358	17901-43481	57,002	-
Supporting Effective Instruction State Grants	84.367	17901-61480	115,441	-
Student Support and Academic Enrichment Program	84.424	S424A180048	63,108	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	10110-728021	13,672	-
COVID-19 - American Rescue PlanElementary and Secondary School Emergency Relief ARP (ESSER) Fund	84.425U	84425-197-10	2,222,863	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	84425-197-10	1,643,483	-
Total AL# 84.425			<u>\$ 3,880,018</u>	<u>\$ -</u>
Total Department of Education			<u>\$ 6,288,478</u>	<u>\$ -</u>
Total Expenditures of Federal Awards			<u>\$ 9,323,791</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

County of Nottoway, 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 County of Nottoway, 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 Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of County of Nottoway, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Nottoway, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

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

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of commodities received or disbursed.

Note 4 - Loan Balances

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

Note 5 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$	1,162,196
American Rescue Plan Act Fund		221,607
Total primary government	\$	<u>1,383,803</u>

Component Unit School Board:

School Operating Fund	\$	6,709,731
School Cafeteria Fund		1,289,545
Total component unit school board	\$	<u>7,999,276</u>

Total federal expenditures per basic financial statements \$ 9,383,079

Less: Payment in Lieu of Taxes 59,288

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 9,323,791

County of Nottoway, 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? ✓ yes no
 Significant deficiency(ies) identified? yes ✓ none reported
 Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes ✓ no
 Significant deficiency(ies) identified? yes ✓ none reported
 Type of auditors' report issued on compliance
 for major programs: unmodified
 Any findings disclosed that are required to be
 reported in accordance 2 CFR section 200.516(a)? yes ✓ no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster
84.010	Title I
84.425	Education Stabilization Fund (ESF)

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

Auditee qualified as low-risk auditee? yes ✓ no

County of Nottoway, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section II-Financial Statement Findings

2023-001 (material weakness)

- Criteria:** Identification of material adjustments to the financial statements that were not detected by the entity's internal controls indicates that a material weakness exists.
- Condition:** The financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP).
- Effect:** There is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
- Cause:** Internal controls were not in place over financial reporting and year-end adjusting entries were not identified prior to the auditor's arrival to conduct the audit.
- Recommendation:** The County should implement steps and controls to improve its financial reporting process.
- Management's Response:** The County is taking corrective action for FY24.

Section III-Federal Award Findings and Questioned Costs

None

County of Nottoway, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

There were no prior year findings.

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