**Notes To The Comparative Report of Local Government**

**Revenues and Expenditures**

**Year Ended June 30, 2023**

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NOTES TO THE COMPARATIVE REPORT OF LOCAL GOVERNMENT REVENUES AND EXPENDITURES

**Year Ended June 30, 2023**

**NOTE 1. Significant Accounting Policies and Procedures**

A. Organization of Report

This report presents local government operations for the general government and enterprise activities. General government includes the functions of general government administration; judicial administration; public safety; public works; health and human services; education; parks, recreation, and cultural; and community development.

**General Government: Exhibit A** presents a summary of the revenues and expenditures. Details of major sources of revenue available for general government are presented on **Exhibit B** - Local Revenues, **Exhibit B-1** - Inter-Governmental Revenues and **Exhibit B-2** - Other Local Taxes. **Exhibit C** presents an overview of expenditures by function; additional detail for each function is provided in **Exhibits C-1 through C-8. Exhibits D and E** provide information about capital project and debt service activities, respectively, related to general government functions.

**Enterprise Activities: Exhibit F** provides summary information for enterprise activities, which include utility services (water, sewer, electric, gas and steam); airports, harbors and other transportation services; nursing homes; hospitals, coliseums, and communications (internet and cable). This exhibit combines all such activities in which a local government participates.

**Outstanding Debt:** In addition to information on the operations of general government and enterprise activities described above, **Exhibit G** presents a summary of all outstanding debt and long term liabilities of a locality. This information is detailed by type of debt (bonds, temporary loans, etc.) and other long-term liabilities (retirement benefits, leases, etc.) as well as by the function for which debt was issued (education; streets, roads, and bridges; and enterprise activities).

B. Sources of Data Presented

Data in this report comes from information submitted by cities, counties, and towns pursuant to Code of Virginia § 15.2-2510, along with other agencies of the Commonwealth.

Local governments prepare the information following the requirements of the *Uniform Financial Reporting Manual.* The locality’s independent auditors review the information.

"Expenditures Made on Behalf of the Local Government" represent funds spent directly by the state that do not flow through the local government's accounting records. Expenditures on behalf of the local government are identified as being funded by either the state or federal government. This data has been provided by state agencies and is unaudited. Examples of this data include payments for assistance to needy families and state maintenance of local highways.

Population counts included on Exhibit A for cities and counties reflect the July 1, 2022, provisional estimates obtained from: University of Virginia Weldon Cooper Center, Demographics Research Group. (2023). Virginia Population Estimates. Retrieved from: <https://demographics.coopercenter.org/virginia-population-estimates>.

Population counts included on Exhibit A for towns reflect the 2020 decennial census from the April 1, 2020, results published by the U.S. Census Bureau, since population estimates are not calculated for towns. The 2020 decennial census data was retrieved from the University of Virginia Weldon Cooper Center since the Center provides more user-friendly data tables for Virginia’s populations (retrieved from: <https://demographics.coopercenter.org/census2020#data>). As described in Note 2 below, the report uses these population counts to calculate per capita amounts throughout the various exhibits.

*Note: For those localities who are delayed in submitting their required FY2023 reporting and not included in the final version of this report, their population counts have been removed from the per capita calculations. The per capita calculations will be revised in an amended version of the report after the late localities submit their required financial reporting.*

C. Joint Activities and Elements

Joint activities and elements consist of services provided by a local government in partnership with one or more other local governments. For example, a county may participate in a regional jail that serves residents of the county and a nearby city. For purposes of this report, the revenues and costs associated with joint activities and elements have been allocated to participating localities based on the percentage of contributions made to the entity's operations by each participating local government.

*Note: In July 2022, the Alleghany County Public Schools and the City of Covington Public Schools were consolidated into a new school division, the Alleghany Highlands Public School Division. The Alleghany Highlands School Board is considered a component unit of the County of Allegany for financial reporting purposes, and the School Board’s activity is currently included as part of the County in the FY2023 Comparative Report at the Exhibit C-6 data. Due to timing and delays that have impacted the FY2023 report, the Auditor of Public Accounts has not yet received the joint activities reporting to allocate the Alleghany Highlands School Division’s financial activity between the County of Alleghany and City of Covington. Our Office will allocate the Alleghany Highlands Public School activity accordingly between the County and City in an amended version of the 2023 report that will be published at a later time.*

**NOTE 2. Definitions of Key Terms**

The following are brief definitions of key terminology and type of activity used in this report. This listing has been organized by Exhibit to assist the user in understanding various classifications and calculations contained in the report.

**EXHIBIT A - GENERAL GOVERNMENT**

**Local Revenue -** Total revenue received by general government from local sources. Local revenue is reported in detail by major and some minor sources on Exhibit B.

**Revenue from the Commonwealth -** Total revenue received by general government from the Commonwealth. This does not include federal funds originally received by the Commonwealth which are reported as federal pass-thru, nor does it include revenue specifically designated by the Commonwealth for capital projects, which is reported on Exhibit D. Revenue from the Commonwealth is detailed by major sources on Exhibit B-1.

**Revenue from the Federal Government -** Total revenue received by general government from federal sources. This revenue has been classified as federal pass-thru (revenue of federal origin received from the Commonwealth) and direct federal aid (revenue received directly from the federal government). Revenue from the federal government is detailed by major sources on Exhibit B-1.

**Percent of Revenue -** The percentage of the revenue type to total local revenues.

**Total Revenue -** Total revenue received by the local government except revenue specifically designated for capital projects, debt service, and enterprise activities, which is reported on Exhibits D, E, and F, respectively.

**Non-Revenue Receipts -** Collections that are not anticipated for support of normal operations, including funds received from the sale of land and buildings and insurance recoveries. These receipts tend to be non-recurring in nature.

**Transfers to General Government -** Transfers from capital projects, debt service or enterprise activities to general government.

**Maintenance and Operation Expenditures -** Summary total of expenditures for the operation of general government. These expenditures are detailed by function (for example, Public Safety) on Exhibit C and by activity (for example, Law Enforcement and Traffic Control) on Exhibits C-1 through C-8.

**Per Capita -** This calculation represents the division of the applicable amount for each locality by the population for that locality. Per capita amounts are presented to enhance analysis of the report by providing an indication of the cost of providing services per resident. The county per capita amounts use their total population which includes towns. Counties provide certain services for the towns within their boundaries and some towns provide services separate from their county. This report does not separately identify the per capita amounts for those applicable services. In addition, the report includes an average per capita for all counties, cities, and towns. The total per capita represents the division of the total amount of all cities, counties, and towns by the total populations for all cities, counties, and towns, respectively. For certain activities, in which the majority of localities have no expenditures, average per capita is a computation that uses total population of only those localities with expenditures in the activity. Such averages are highlighted (\*) in the exhibits. Population counts used for the per capita calculations for cities and counties reflect the Weldon Cooper July 1, 2022, provisional estimates; population counts for towns reflect the 2020 decennial census count results published by the U.S. Census Bureau.

**Percent of Average -** Refers to the percent of average per capita. The individual per capita amount for a city, county, or town is divided by the average per capita of all cities, counties, or towns, respectively.

**Transfers and Contributions -** Payments made by general government to support or subsidize capital projects, debt service, or enterprise activities. Enterprise activity transfers and contributions may include transfers to enterprise funds, contributions to authorities, and contributions to the enterprise activities of other local governments.

**EXHIBIT B - LOCAL REVENUE**

**General Property Taxes:**

**Real Property -** Revenue from current and delinquent taxes on real property and land redemptions.

**Public Service Corporations -** Current and delinquent real and personal property taxes on public service corporations.

**Personal Property -** Current and delinquent taxes on personal property and mobile homes. The reimbursement from the Commonwealth is reported as Non-Categorical State Aid on Exhibit B-1.

**Machinery and Tools** - Current and delinquent taxes on machinery and tools.

**Merchants' Capital** - Current and delinquent taxes on merchants' capital.

**Penalties and Interest** - Penalties and interest collected on all property taxes.

**Other Local Taxes -** Other Local Taxes are detailed by source on Exhibit B-2.

**Permits, Privilege Fees, and Regulatory Licenses -** Includes revenues from animal licenses; bicycle licenses; and building, electrical, and other similar permits.

**Fines and Forfeitures -** Includes revenue received by the local government from court fines and forfeitures and parking fines.

**Charges for Services -** Includes fees charged for various government operations. Examples include charges for Sanitation and Waste Removal (i.e., waste collection and disposal charges) and charges for Parks and Recreation (i.e., recreation fees). Charges for Services are structured so they can be reflected on Exhibits C-l through C-8 of this report on the same line as the expenditure activity which generated the revenue. For example, recreation fees are reported with expenditures for Parks and Recreation.

**Revenue from Use of Money and Property:**

**Interest -** Interest on investments received by general government. It does not include interest credited to capital projects, debt service, and enterprise funds, which is reported on Exhibits D, E, and F, respectively.

**Use of Property -** Income from general property rentals, concession rentals, and commissions.

**Miscellaneous -** Includes payments in lieu of taxes from enterprise activities and other localities and authorities, annexation payments for loss of net tax revenue, and gifts and donations from private sources. Miscellaneous revenue also includes income from the sale of property if the type of sale is of a recurring nature.

**Percent of Revenue -** The percentage of the revenue type to total local revenues.

**EXHIBIT B-1 - INTERGOVERNMENTAL REVENUE**

**Payments in Lieu of Taxes -** Revenue received from the state or federal government in lieu of property taxes for services such as police and fire protection.

**Non-categorical Aid -** Revenue received from the state or federal government that may be spent at the local government’s discretion. Non-categorical aid from the state includes communication sales and use taxes, auto rental taxes, motor vehicle carriers' taxes, mobile home titling taxes, personal property tax reimbursement, tax on deeds (grantor tax), and the recovery of indirect costs. Non-categorical aid from the federal government includes Community Development Block Grants administrative monies and indirect cost recoveries. For FY2023, non-categorical aid also includes the federal CARES Act and American Rescue Plan Act funds that localities received in response to the COVID-19 pandemic.

**Categorical Aid -** Revenue received from the state or federal government designated for specific use by the local government. Examples of state categorical aid are Basic School Aid funds and the state's share of public assistance payments. An example of federal categorical aid is Impacted Area Aid grants that are to be used for Education.

**Shared Expenses (Categorical) -** Revenue received from the state for its share of expenditures in activities that are considered to be a shared state/local responsibility. Sources include the state's share of Commonwealth's Attorney, Sheriff, Commissioner of the Revenue, Treasurer, Medical Examiner, and Registrar/Electoral Board expenditures.

**Expenditures Made on Behalf of the Local Government -** As described in Note 1, expenditures made on behalf of the local government represent the amount of direct state expenditures made to support general government operations. They do not include capital project expenditures.

**EXHIBIT B-2 - OTHER LOCAL TAXES**

**Other Local Taxes -** Includes revenue received from local taxes other than general property taxes.

**Local Sales and Use Taxes -** Includes revenue received from local sales taxes. All counties and cities assess an optional one percent local tax in addition to state sales tax.

**Consumer Utility Taxes -** Includes taxes on gas, water, and electric services. Utility companies add this tax to their bills and remit the tax to the local government when received.

**Business License Taxes -** Includes license taxes on businesses, professions, and occupations. Local governments that do not levy a merchants' capital tax may impose a local license tax on businesses, occupations and professions operating within their jurisdiction.

**Franchise License Taxes -** Includes license taxes collected from public service corporations. Unlike the consumer utility tax which is paid by individuals, this tax is paid by utility companies based on a percentage of their gross receipts.

**Motor Vehicle License Taxes -** Includes license taxes paid on motor vehicles, including automobiles, motorcycles, trucks, trailers, and semi-trailers.

**Bank Franchise Taxes -** Includes local revenues derived from the bank franchise tax (also known as bank stock tax). Banks pay a tax based on their net capital.

**Recordation and Will Taxes -** Includes local revenues collected by the Clerk of the Circuit Court for the recording of deeds, deeds of trust, mortgages, leases, and contracts. Also includes the local tax on the probate of wills and grants of administration. The state tax on deeds, one-half of which is shared with localities, is reported as Non-Categorical State Aid on Exhibit B-1.

**Tobacco Taxes -** Includes taxes on the sale or use of cigarettes. Retailers add a flat fee onto the price of each pack of cigarettes before they are sold.

**Admission Taxes -** Includes taxes assessed on events that charge admissions, such as sporting events, museums, zoos, amusement parks, etc.

**Hotel and Motel Room Taxes -** Includes taxes paid on hotel and motel rooms, boarding houses, travel campgrounds, and other facilities that provide lodging for less than thirty days. Also referred to as the Transient Occupancy Tax.

**Restaurant Food Taxes -** Includes taxes levied on food and beverages offered for human consumption. Also referred to as Meal Taxes or Prepared Food Taxes.

**Coal Taxes -** Includes coal, oil and gas severance taxes. Also includes license taxes assessed on businesses that remove coal, oil and gas that are paid into a special fund for the improvement of certain public roads and those paid to the Coalfield Economic Development Authority.

**Other Taxes -** Includes various other local taxes authorized by the Code of Virginia, not separately captured above.

**Percent of Average -** Refers to the percent of average per capita. The individual per capita amount for a city, county, or town is divided by the average per capita of all cities, counties, or towns, respectively.

**EXHIBIT C - SUMMARY OF MAINTENANCE AND OPERATION EXPENDITURES - BY FUNCTION**

**Function -** A group of related activities aimed at accomplishing a major service or regulatory program for which a locality is responsible. Examples of functions are Judicial Administration, Public Safety, and Health and Human Services. There are eight functions and the expenditures of the activities within each function are detailed on Exhibits C-1 through C-8 of this report.

**Nondepartmental -** Expenditures made by general government that are not specifically related to a particular function. Examples include costs incurred in annexation proceedings, donations to towns not designated for a specific purpose, and settlements made in tort claims settled out of court.

**Percent of Average -** Refers to the percent of a locality's per capita expenditures of the average per capita of all cities, counties or towns, as applicable. The per capita calculation is described in more detail under the "Exhibit A" section of these notes.

**EXHIBITS C-1 THROUGH C-8 - FUNCTION EXPENDITURES - BY ACTIVITY**

The report headings in these Exhibits disclose each activity for the functions reported on Exhibit C. For example, Exhibit C-1 details legislative and general financial administrative activities within the General Government Administration function. There are eight Exhibits, one for each function reflected on Exhibit C. In addition to reporting expenditures by activity, some Exhibits provide *Memo Only* totals for certain expenditures. For example, Exhibit C-1 reports total General and Financial Administration expenditures. It details expenditures for the Commissioner of Revenue, Treasurer, Data Processing, Automotive Motor Pool, Central Purchasing, Print Shop, and Risk Management/Self Insurance. These expenditures are titled Reported Elements (Memo Only) to indicate they are included in the General Financial Administration total and are highlighted only for analytical purposes.

**Percent of Average -** Percent of average per capita. The per capita calculation is described in more detail under the "Exhibit A" section of these notes.

**Sources of Funds for Expenditures -** Sources of funds for expenditures are not intended to equal total expenditures. Sources may exceed or be less than expenditures. The percent of expenditures is the percentage of each source to total expenditures of the function.

**Commonwealth Categorical Aid -** The amount of state aid or shared expenses received specifically for the function.

**Federal Categorical Aid -** The amount of federal categorical aid received specifically for the function. Federal pass-thru aid that the state distributes to the local government is reported separately from direct federal aid that the locality receives directly from the federal government.

**Local Charges for Services -** The amount of user charges for services provided by the function. These charges may be part of required local matching for state and federal grant programs.

**Expenditures Made on Behalf of the Local Government -** The amount of state expenditures made on behalf of the reporting local government for the function. State expenditures on behalf of local governments are included on Exhibits C-4, C-5, and C-6 as follows:

C-4 Expenditures by the state Department of Transportation for maintenance of streets, roads, and bridges.

C-5 Expenditures by the state Department of Health for the operation of the local health departments and by the state Department of Social Services from state and federal funds for assistance to needy families and from federal funds for emergency heating and cooling assistance.

C-6 Expenditures by the state Department of Education for the School for the Deaf and Blind tuition, mental health, and driver’s education programs.

***Note applicable to Exhibit C-6, Education:*** *In July 2022, the Alleghany County Public Schools and the City of Covington Public Schools were consolidated into a new school division, the Alleghany Highlands Public School Division. The Alleghany Highlands School Board is considered a component unit of the County of Allegany for financial reporting purposes, and the School Board’s activity is currently included as part of the County in the FY2023 Comparative Report at the Exhibit C-6 data. Due to timing and delays that have impacted the FY2023 report, the Auditor of Public Accounts has not yet received the joint activities reporting to allocate the Alleghany Highlands School Division’s financial activity between the County of Alleghany and City of Covington. Our Office will allocate the Alleghany Highlands Public School activity accordingly between the County and City in an amended version of the 2023 report that will be published at a later time.*

**EXHIBIT D - CAPITAL PROJECTS FOR GENERAL GOVERNMENT**

This exhibit reports general government capital projects only. It does not include enterprise activity capital expenditures for projects such as sewage plants, hospitals, water treatment facilities, etc. which are excluded from the Comparative Report.

**Source of Funds:**

**State and Federal Grants -** State and federal grants that have been received specifically for use on general government capital projects, except those capital projects related to enterprise activities. These amounts include state and federal categorical grants only. Non-categorical state and federal grants, if any, are included in Transfers from General Government.

**Debt Proceeds -** Proceeds received from the sale of bonds or other debt intended to finance capital projects.

**Interest Income -** Revenue from the investment of funds currently held for use on capital projects.

**Sale of Property -** Funds received from the sale of property and equipment that are recorded directly in the capital projects funds.

**Transfers from General Government -** General government transfers for capital projects.

**Payments from Other Governments -** Payments from other local governments or authorities for their portion of a locality's capital projects.

**Other Sources -** Any other source of funds not readily identified in the categories described above.

**Application of Funds:**

**Education -** The expenditure of funds for the construction of schools and other education related projects.

**Streets, Roads, and Bridges -** The expenditure of funds for the construction of streets, roads, and bridges. Expenditures for maintenance of existing streets, roads, and bridges are reported on Exhibit C-4.

**Other General Government -** The expenditure of funds for the construction of other general government facilities.

**Transfers to Other Funds -** Funds transferred to the general government or debt service fund, usually when the capital project is completed.

**Payments to Other Governments -** Funds provided to other local governments or authorities for a portion of their capital projects.

**Expenditures Made on Behalf of the Local Government -** The amount of state expenditures made on behalf of the reporting local government for this function. These expenditures are funded by both state and federal sources. Information is not available from the Department of Transportation to allocate the funding source separately between federal and state by locality, but the funding rates for the construction of highways, streets, roads, bridges are approximately 65% state and 35% federal, and the funding rates for the maintenance of highways, streets, roads, bridges are approximately 79% state and 21% federal. Additional construction expenditures of $1,916,396,716 and maintenance expenditures of $1,640,011,109, are identified as allocated to Highway Department Districts and are not identified by locality. This data was obtained from the Virginia Department of Transportation and is unaudited.

**EXHIBIT E - DEBT SERVICE FOR GENERAL GOVERNMENT**

This exhibit reports the sources and applications of funds for general government debt service payments. It does not include enterprise activity principal and interest payments on debt.

**Source of Funds -** Funds received or designated during the reported fiscal year for debt service costs (excluding enterprise activities).

**Direct Sources -** Funds such as investment interest income and proceeds from the issuance of refunding bonds designated to retire debt and pay debt service costs. These sources are not transferred from any other fund of the local government.

**Transfers from Other Funds -** Funds transferred from general government and capital project funds for debt service costs. School fund transfers are included as transfers from general government.

**Payments From Other Governments -** Contributions from other local governments or authorities for their portion of debt service.

**Application of Funds:**

**Redemption of Debt -** Funds expended to retire outstanding debt principal of the local government, except debt incurred for enterprise activities. The redemption of debt relating to education and streets, roads, and bridges is separately reported because it is usually a major portion of local government debt costs.

**Debt Interest Costs -** Funds expended for interest payments on debt incurred by the general government. Does not include debt interest costs for enterprise activity debt.

**Payments to Other Governments -** Payments to other local governments or authorities for a portion of their debt service costs.

**EXHIBIT F - SUMMARY OF ENTERPRISE ACTIVITIES**

All local government enterprise type activities have been separated from general government reporting to make general government more comparable. These activities have been combined for reporting on this exhibit. The following are reported as enterprise activities for the comparative report:

|  |  |  |  |
| --- | --- | --- | --- |
| Water & Sewer Utilities | Steam Plants | Airports | Harbors/Ports |
| Electric Utilities | Communication Services (telephone, internet, and cable) | Hospitals | Coliseums (stadiums and arenas) |
| Gas Utilities | Public Transportation | Nursing Homes | Parking Facilities |

**Payments to Enterprise Type Activities -** Local government contributions to an enterprise activity organized and operated as an authority and not managed by the locality. Payments are usually from the general fund. Payments to support general operating and interest expenses are reported separately from contributions specified for enterprise activity capital projects and debt service.

**Payments to Other Local Governments for Enterprise Activities -** Local government contributions to enterprise activities operated by other local governments. Payments to support general operating and interest expenses are reported separately from payments and contributions specified for enterprise activity capital projects.

**Revenues from Direct Charges and Contributions -** Revenues received for enterprise activities operated by the local government.

**User Charges -** Direct charges to users for services provided by local government enterprise activities. This includes direct charges to users in other localities for services they received.

**Transfers From (To) General Government -** The net balance of transfers (to) and from the general government for enterprise activities operated by the local government. This does not include capital contributions by the local government.

**Contributions/Payments in Support of Operating Expenditures -** Revenues received from other governments to support the services provided by the locality's enterprise activities (not through direct charges or bills.) These amounts are separated by other local government contributions, direct contributions from the Commonwealth and contributions from the federal government (including federal "pass-thru" dollars.) This does not include contributions for capital projects or capital outlays.

**Miscellaneous Revenue -** Other revenue received by enterprise activities.

**Funds Available for Operations -** The total funds available to the locally-operated enterprise activities including all direct charges for services, general government subsidies and operating contributions/payments from other governments

**Local Government Enterprise Expenses:**

**General Operating Expenses -** Total direct operating expenses required to provide enterprise activity services. General operating expenses exclude fixed asset depreciation, debt interest costs and payments in lieu of taxes. They include the cost of goods sold or services rendered, cost of materials and supplies and all administrative costs.

**Depreciation -** The portion of the cost of all enterprise activity fixed assets charged as depreciation expense in the reported fiscal year.

**Debt Interest Expenses -** The total interest expense incurred on outstanding debt for enterprise activities, including interest on financed leases.

**EXHIBIT G - SUMMARY OF OUTSTANDING DEBT**

This Exhibit reflects the balance of all debt and long-term liabilities for the reporting locality, including debt, if any, to be partially retired by funds received from other local governments.

**Bonds and Bond Issue Anticipation Loans -** The gross outstanding balance of term bonds, sinking fund bonds, serial bonds and bond anticipation loans. Bond anticipation loans are issued with the intention of issuing long-term bonds at a later date.

**Literary Fund Loans -** The gross outstanding balance of loans from the Commonwealth for the construction of schools.

**Other Long-term Obligations -** The gross outstanding balance of other long-term debt for the reporting local government. This includes notes payable, leases, the locality’s liability for its early retirement incentive program costs, the locality and school board’s net pension liability, the liability associated with closure and post-closure monitoring of solid waste landfills, the balance of annexation settlements and the liability for accrued compensated absences.

**Temporary Loans -** The gross outstanding balance of debt that has a principal maturity of less than one year.

**Gross Debt by Function -** The outstanding balance of indebtedness segregated by the function (purpose) for which the debt proceeds were expended.

**Funds Restricted -** Available funds at year end restricted for the payment of indebtedness.

**Balance of Net Debt -** The total gross debt less the funds restricted at the end of the reported fiscal year. This represents the amount required to fund the outstanding balance of indebtedness of the reporting government.

**EXHIBIT H - DEMOGRAPHIC AND TAX DATA**

This Exhibit provides additional variables to assist users in performing analyses of local government revenues and expenditures. The town data is not included in this exhibit because we determined it is generally limited and incomplete.

**Source and Definition of Data Elements:**

**Populations** for cities and countiesinclude the July 1, 2022, provisional estimates obtained from the University of Virginia Weldon Cooper Center (citation: Demographics Research Group (2023). Virginia Population Estimates. Retrieved from: <https://demographics.coopercenter.org/virginia-population-estimates>). Population counts also include the results from the U.S. Census Bureau April 1, 2020, decennial census, for comparison purposes.

The University of Virginia Weldon Cooper Center notes the following about the 2020 decennial census results compared to its population estimates:

*Across the country, localities with relatively large college populations, including some Virginia localities, were often undercounted in the April 1st, 2020, Census Count. In order to correct this undercount, we have benchmarked the 2020 and 2021 population estimates on the Weldon Cooper Center estimates instead of the 2020 Census count for localities with populations that are comprised of over 20 percent college students. This includes Charlottesville, Harrisonburg, Lexington, Lynchburg, Montgomery County, Prince Edward County, Radford, and Williamsburg. Once the remainder of the 2020 Census data is released later this year, we will further examine the discrepancies in college town populations and make additional adjustments if needed.*

**Land Area** presented in square miles is from the U.S. Census Bureau, 2020 decennial census.

**Population density** is a calculated value of population estimates divided by land area.

**Unemployment rates** include the monthly period, unadjusted rates as of June 2023 (not seasonally adjusted). The rates are retrieved from the Virginia’s Career and Workforce- Labor Market Information data, available at <https://virginiaworks.com>. The source of Virginia LMI’s data is derived from the U.S. Bureau of Labor Statistics’ (BLS), Local Area Unemployment Statistics. Per BLS, the rate is based on the portion of the civilian labor force that is unemployed. The civilian labor force includes all persons in the civilian non-institutional population classified as either employed or unemployed.

**Average Daily Membership (ADM)** in Public Schools for the 2022-2023 school year is data provided directly from the Virginia Department of Education. They include K-12, special education, and post-graduate membership, but they exclude pre-kindergarten and pupils in local programs such as vocational and alternative education centers.

*Note: In July 2022, the Alleghany County Public Schools and the City of Covington Public Schools were consolidated into a new school division, the Alleghany Highlands Public School Division. The Department of Education allocates the new School Division’s ADM data as part of the County of Alleghany.*

**Composite fiscal stress rank scores** included in this report are from the Commission on Local Government’s most recently published FY2021 fiscal stress report, available at the Department of Housing and Community Development’s website, <https://www.dhcd.virginia.gov/clg>. The Commission’s FY2021 report is the most recently published report available at the time of the 2023 Comparative Report issuance. The fiscal stress index illustrates a locality’s ability to generate additional local revenues from its current tax base relative to the rest of the Commonwealth. The index weighs the following three variables: revenue capacity, revenue effort, and median household income. Revenue capacity is further defined below. Revenue effort is a ratio of actual tax collections by a locality to its computed revenue capacity. Median household income represents the level at which exactly half of the households in a jurisdiction earn more and the other half earns less. The fiscal stress index scores are ranked. A ranking score of 1 represents the highest stress compared to the ranking score of 133, which represents the lowest stress. Composite scores above 100 indicate fiscal stress that is above the state average, while scores below 100 imply fiscal stress conditions that are lower than the state average.

**Revenue capacity per capita rank scores** included in this report are from the Commission on Local Government’s FY2021 fiscal stress report, available at the Virginia Department of Housing and Community Development’s website, <https://www.dhcd.virginia.gov/clg>. Revenue capacity per capita measures how much tax revenue a locality could collect per person from its base if it used statewide average rates. There are five primary factors that are involved in the computation: true value of real estate, true value of public service corporation real estate, registered vehicles, local option sales tax receipts, and adjusted gross income. Statewide average rates are applied to all factors except for local option sales receipts to compute average tax estimates. The average tax estimates for all five factors are added together and then divided by the population of the jurisdiction. The revenue capacity scores are ranked.

***Note that the Commission changed its scoring methodology starting with its FY2019 report to reflect that a ranking score of 1 represents the highest revenue capacity compared to the ranking score of 133, which represents the lowest revenue capacity. The Commission’s reports issued prior to FY2019 instead reflect that a ranking of 1 represents the lowest revenue capacity.*** ***Users of the Comparative Report should consider this when reviewing prior year data for comparability.***

**Real estate tax rates** for the 2022 tax year are from the Department of Taxation’s *2022 Local Tax Rates Survey* data, available at [www.tax.virginia.gov/local-tax-rates](http://www.tax.virginia.gov/local-tax-rates). The nominal tax rates levied are per $100 of assessed real estate value. Note that prior Comparative Report publications included tax rates obtained from the *Virginia Local Tax Rates* publication by the University of Virginia’s Weldon Cooper Center for Economic and Policy Studies, <https://ceps.coopercenter.org/va-tax-rates>. However, the Center has not published a recent version of this book; the latest available copy is the 2019 publication. Accordingly, the Comparative Report Exhibit H now uses the data collected from the Department of Taxation in efforts to provide more updated tax rate data.

**Real estate taxable valuations** for the 2022 tax year are from the Department of Taxation’s fiscal year 2023 Annual Report, available at [www.tax.virginia.gov/annual-reports](http://www.tax.virginia.gov/annual-reports).

**NOTE 3: Analysis of Locality Delayed Transmittal Forms and Audited Financial Reports**

Table 1 presents information on the 68 localities that were late submitting their required FY2023 Comparative Report transmittal data to the Auditor of Public Accounts by the statutory deadline of December 15. Table 1 also shows the number of times these localities have been late with submitting their data over the past ten fiscal years, to include the current fiscal year 2023.

**Table 1- Delayed Locality Transmittal Data Submissions**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Transmittal Forms  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY13 to FY23** |
|  |  |  |  |  |
| City of: |  |  |  |  |
| Buena Vista | - | - | XX | 1 |
| Colonial Heights\* | - | - | XX | 2 |
| Danville | XX | - | - | 4 |
| Emporia\* | - | - | XX | 7 |
| Galax | - | XX | - | 2 |
| Hopewell\* | - | - | XX | 11 |
| Martinsville | - | - | XX | 1 |
| Norton\* | - | - | XX | 6 |
| Petersburg\* | - | - | XX | 7 |
| Portsmouth\* | - | - | XX | 6 |
| Radford | - | XX | - | 5 |
| Roanoke | - | - | XX | 7 |
| Williamsburg | - | - | XX | 1 |
|  |  |  |  |  |
| County of: |  |  |  |  |
| Accomack\* | - | - | XX | 5 |
| Alleghany | - | - | XX | 7 |
| Amelia | - | - | XX | 2 |
| Amherst\* | - | - | XX | 4 |
| Bland | XX | - | - | 2 |
| Brunswick | - | - | XX | 5 |
| Buchanan | XX | - | - | 9 |
| Buckingham\* | - | - | XX | 5 |
| Carroll | - | - | XX | 4 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Transmittal Forms  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY13 to FY23** |
|  |  |  |  |  |
| County of: |  |  |  |  |
| Prince William | - | - | XX | 11 |
| Pulaski\* | - | - | XX | 6 |
| Richmond | - | XX | - | 1 |
| Russell | - | - | XX | 5 |
| Scott\* | - | - | XX | 8 |
| Spotsylvania | XX | - | - | 4 |
| Sussex | - | XX | - | 2 |
| Tazewell | - | - | XX | 1 |
| Warren\* | - | - | XX | 5 |
| Westmoreland\* | - | - | XX | 4 |
| Wise | - | XX | - | 6 |
|  |  |  |  |  |
| Town of: |  |  |  |  |
| Berryville | - | - | XX | 3 |
| Big Stone Gap\* | - | - | XX | 5 |
| Clifton Forge\* | - | - | XX | 3 |
| Dumfries | - | XX | - | 6 |
| Front Royal | - | - | XX | 1 |
| Marion | - | XX | - | 8 |
| Richlands\* | - | - | XX | 2 |
| South Hill | - | - | XX | 2 |
| Vinton\* | - | - | XX | 2 |
| West Point | - | XX | - | 9 |
| Wise | XX | - | - | 3 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Transmittal Forms  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY13 to FY23** |
|  |  |  |  |  |
| County of: |  |  |  |  |
| Charlotte | - | - | XX | 2 |
| Culpeper | - | XX | - | 1 |
| Cumberland | - | - | XX | 1 |
| Dickenson\* | - | - | XX | 3 |
| Floyd | - | XX | - | 2 |
| Frederick | - | XX | - | 1 |
| Giles | - | - | XX | 5 |
| Grayson | - | - | XX | 5 |
| Greene | - | XX | - | 1 |
| Greensville\* | - | - | XX | 3 |
| Isle of Wight | - | XX | - | 3 |
| James City | - | XX | - | 3 |
| King & Queen | - | XX | - | 1 |
| King George | - | XX | - | 3 |
| Lee | - | - | XX | 6 |
| Madison | - | - | XX | 2 |
| Mathews | - | XX | - | 1 |
| Mecklenburg | - | XX | - | 1 |
| Nelson | - | - | XX | 2 |
| Northumberland | - | - | XX | 2 |
| Nottoway | - | XX | - | 1 |
| Patrick | - | XX | - | 1 |
| Prince Edward | - | - | XX | 6 |
| Prince George | XX | - | - | 1 |

**\*** These 20 localities have not yet submitted their FY2023 transmittal data. See further information below.

As of the date of this report, the **Cities of Colonial Heights, Emporia, Hopewell, Norton, and Petersburg; the Counties of Accomack, Amherst, Buckingham, Dickenson, Greensville, Lee, Pulaski, Warren, and Westmoreland; and the Towns of Big Stone Gap, Clifton Forge, Richlands, and Vinton** have not yet submitted their transmittal data nor their audited annual financial reports to our Office. In addition, the **City of Portsmouth** and the **County of Scott** have not yet submitted their transmittal data but have submitted their audited annual financial reports. Accordingly, we have not included the data for these 20 localities in the final report publication. Table 2 presents information on the 75 localities that were late submitting their FY2023 audited financial report to the Auditor of Public Accounts by the statutory deadline of December 15. Table 2 also shows the number of times these localities have been late with submitting their audited financial reports since fiscal year 2016. Beginning in FY2016, the Auditor of Public Accounts accepts only the locality’s final, audited financial report to comply with the statutory audit submission requirement.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Financial Reports  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY16 to FY23** |
|  |  |  |  |  |
| City of: |  |  |  |  |
| Buena Vista | - | XX | - | 8 |
| Colonial Heights | - | - | XX | 2 |
| Danville | XX | - | - | 3 |
| Emporia | - | - | XX | 8 |
| Galax | - | XX | - | 3 |
| Hopewell | - | - | XX | 8 |
| Martinsville | - | - | XX | 1 |
| Norton | - | - | XX | 8 |
| Petersburg | - | - | XX | 6 |
| Portsmouth | - | - | XX | 6 |
| Radford | - | XX | - | 8 |
| Roanoke | - | - | XX | 6 |
| Williamsburg | - | - | XX | 1 |
|  |  |  |  |  |
| County Of: |  |  |  |  |
| Accomack | - | - | XX | 8 |
| Alleghany | - | - | XX | 7 |
| Amelia | - | - | XX | 4 |
| Amherst | - | - | XX | 6 |
| Bath | XX | - | - | 8 |
| Bland | XX | - | - | 6 |
| Brunswick | - | - | XX | 8 |
| Buchanan | XX | - | - | 8 |
| Buckingham | - | - | XX | 8 |
| Carroll | - | - | XX | 8 |
| Charlotte | - | - | XX | 3 |
| Culpeper | - | XX | - | 1 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Financial Reports  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY16 to FY23** |
|  |  |  |  |  |
| County Of: |  |  |  |  |
| Cumberland | - | - | XX | 1 |
| Dickenson | - | - | XX | 7 |
| Floyd | - | XX | - | 3 |
| Frederick | - | XX | - | 7 |
| Giles | - | - | XX | 8 |
| Grayson | - | - | XX | 8 |
| Greene | - | XX | - | 5 |
| Greensville | - | - | XX | 7 |
| Highland | - | XX | - | 5 |
| Isle Of Wight | - | XX | - | 3 |
| James City | XX | - | - | 3 |
| King & Queen | - | XX | - | 3 |
| King George | - | XX | - | 3 |
| Lee | - | - | XX | 8 |
| Madison | - | - | XX | 6 |
| Mathews | - | XX | - | 2 |
| Mecklenburg | - | XX | - | 2 |
| Nelson | - | - | XX | 6 |
| Northumberland | - | - | XX | 3 |
| Nottoway | - | - | XX | 2 |
| Page | XX | - | - | 8 |
| Patrick | - | XX | - | 3 |
| Prince Edward | - | XX | - | 8 |
| Prince William | - | - | XX | 8 |
| Pulaski | - | - | XX | 8 |
| Richmond | - | XX | - | 3 |
| Rockbridge | XX | - | - | 8 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FY2023 Financial Reports  Number of Days Late | | | | Years Late |
| Locality | **1–30** | **31–60** | **Over 60** | **FY16 to FY23** |
|  |  |  |  |  |
| County Of: |  |  |  |  |
| Russell | - | - | XX | 8 |
| Scott | - | XX | - | 6 |
| Shenandoah | XX | - | - | 6 |
| Spotsylvania | XX | - | - | 5 |
| Surry | XX | - | - | 2 |
| Sussex | - | XX | - | 3 |
| Tazewell | - | - | XX | 6 |
| Warren | - | - | XX | 8 |
| Westmoreland | - | - | XX | 7 |
| Wise | - | - | XX | 8 |
|  |  |  |  |  |
| Town Of: |  |  |  |  |
| Berryville | - | XX | - | 6 |
| Big Stone Gap | - | - | XX | 8 |
| Bluefield | XX | - | - | 4 |
| Clifton Forge | - | - | XX | 5 |
| Dumfries | - | XX | - | 5 |
| Front Royal | XX | - | - | 1 |
| Marion | - | XX | - | 7 |
| Richlands | - | - | XX | 2 |
| South Hill | - | - | XX | 2 |
| Strasburg | XX | - | - | 6 |
| Vinton | - | - | XX | 2 |
| West Point | - | XX | - | 8 |
| Wise | XX | - | - | 3 |
|  |  |  |  |  |
|  |  |  |  |  |

**Table 2 - Delayed Locality Audited Financial Report Submissions**

**NOTE 4: Electronic Format of the Comparative Report**

The Auditor of Public Accounts only publishes an electronic copy of the report at the Local Government section of our website, [www.apa.virginia.gov](http://www.apa.virginia.gov/Local%20Government.aspx). The current and prior years’ Comparative Reports are located at [apa.virginia.gov > Local Government > APA Reports > Comparative Reports](https://www.apa.virginia.gov/local-government/reports?type=comparative-reports). Our Office will publish an updated amended version of the 2023 Comparative Report on our website after all delayed localities that are not included in this version of the report have submitted their required financial reporting.

While our Office no longer publishes a printed report, we provide an alternative, modified electronic version of the Comparative Report on our website, which has been formatted for printing and easier analysis of the data. Please contact Rachel Reamy, Local Government Manager, with questions or comments about this report, (804) 225-3350, [LocalGovernment@apa.virginia.gov](mailto:LocalGovernment@apa.virginia.gov).