County of Appomattox, Virginia

Annual Financial Report

For Fiscal Year Ended June 30, 2023

County of Appomattox, Virginia

Annual Financial Report

For the Year Ended June 30, 2023

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COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

Samuel E. Carter, Chairperson

William H. Hogan
Alfred L. Jones, III
John F. Hinkle
Trevor L. Hipps

School Board

Bobby K. Waddell, Chairperson

Gregory A. Smith
Roger B. Stough
Wyatt K. Torrence
Jason L. Wells

Board of Social Services

Rowena F. Robinson, Chairperson

Samuel E. Carter
Barbara Williams

Other Officials

Judge of the Circuit Court ..... S. Anderson Nelson
Clerk of the Circuit Court ..... Janet A. Hix
Judge of the General District Court ..... Darrel Puckett
Judge of the Juvenile and Domestic Relations Court ..... Marvin Dunkam
Commonwealth's Attorney ..... Leslie M. "Les" Fleet
Commissioner of the Revenue ..... Sara R. Henderson
Treasurer ..... Victoria C. Phelps
Sheriff ..... Donald D. Simpson
Superintendent of Schools ..... Annette A. Bennett
Director of Social Services ..... Brad Burdette
County Administrator ..... Susan M. Adams

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COUNTY OF APPOMATTOX, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

		Page
Independent Auditors' Report		1-4
Management's Discussion and Analysis		5-11
Basic Financial Statements		
Government-wide Financial Statements		
Exhibit 1	Statement of Net Position	12
Exhibit 2	Statement of Activities	13
Fund Financial Statements		
Exhibit 3	Balance Sheet—Governmental Funds	14
Exhibit 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Exhibit 5	Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	16
Exhibit 6	Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	17
Exhibit 7	Statement of Net Position — Proprietary Fund	18
Exhibit 8	Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Fund	19
Exhibit 9	Statement of Cash Flows—Proprietary Fund	20
Exhibit 10	Statement of Fiduciary Net Position—Fiduciary Fund	21
Exhibit 11	Statement of Changes in Fiduciary Net Position—Fiduciary Fund	22
Notes to Financial Statements		23-91

COUNTY OF APPOMATTOX, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

		Page
Required Supplementary Information:		
Exhibit 12	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—General Fund	92
Exhibit 13	Schedule of Changes in Net Pension Liability and Related Ratios—Primary Government	93-94
Exhibit 14	Schedule of Changes in Net Pension Liability (Asset) and Related Ratios—Component Unit School Board (nonprofessional)	95-96
Exhibit 15	Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan	97
Exhibit 16	Schedule of Employer Contributions—Pension Plans	98
Exhibit 17	Notes to Required Supplementary Information—Pension Plans	99
Exhibit 18	Schedule of County's Share of Net OPEB Liability—Group Life Insurance (GLI) Plan	100
Exhibit 19	Schedule of Employer Contributions—Group Life Insurance (GLI) Plan	101
Exhibit 20	Notes to Required Supplementary Information—Group Life Insurance (GLI) Plan	102
Exhibit 21	Schedule of Changes in Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios—Health Insurance Credit (HIC) Plan	103
Exhibit 22	Schedule of Employer Contributions—Health Insurance Credit (HIC) Plan	104
Exhibit 23	Notes to Required Supplementary Information—Health Insurance Credit (HIC) Plan	105
Exhibit 24	Schedule of School Board's Share of Net OPEB Liability and Related Ratios—Teacher Employee Health Insurance Credit (HIC) Plan	106
Exhibit 25	Schedule of Employer Contributions—Teacher Employee Health Insurance Credit (HIC) Plan	107
Exhibit 26	Notes to Required Supplementary Information—Teacher Employee Health Insurance Credit (HIC) Plan	108

COUNTY OF APPOMATTOX, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

		Page
Required Supplementary Information: (Continued)		
Exhibit 27	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios—Primary Government	109
Exhibit 28	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios—Component Unit School Board	110
Exhibit 29	Notes to Required Supplementary Information—Primary Government	111
Exhibit 30	Notes to Required Supplementary Information—Component Unit School Board	112
Other Supplementary Information:		
Combining and Individual Fund Financial Statements and Schedules:		
Exhibit 31	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Capital Projects Fund	113
Exhibit 32	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds	114
Discretely Presented Component Unit—School Board:		
Exhibit 33	Combining Balance Sheet—Governmental Funds	115
Exhibit 34	Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	116
Exhibit 35	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—School Operating Fund	117
Exhibit 36	Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Special Revenue Fund	118
Discretely Presented Component Unit—Economic Development Authority:		
Exhibit 37	Statement of Net Position	119
Exhibit 38	Statement of Revenues, Expenses and Changes in Net Position	120
Exhibit 39	Statement of Cash Flows	121

COUNTY OF APPOMATTOX, VIRGINIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS (CONTINUED)

		Page
Other Supplementary Information: (Continued)		
Supporting Schedules:		
Schedule 1	Schedule of Revenues—Budget and Actual—Governmental Funds	122-128
Schedule 2	Schedule of Expenditures—Budget and Actual— Governmental Funds	129-133
Other Statistical Information:		
Table 1	Government-Wide Expenses by Function—Last Ten Fiscal Years	134
Table 2	Government-Wide Revenues—Last Ten Fiscal Years	135
Table 3	General Governmental Expenditures by Function—Last Ten Fiscal Years	136
Table 4	General Governmental Revenues by Source—Last Ten Fiscal Years	137
Table 5	Property Tax Levies and Collections—Last Ten Fiscal Years	138
Table 6	Assessed Value of Taxable Property—Last Ten Fiscal Years	139
Table 7	Property Tax Rates—Last Ten Fiscal Years	140
Table 8	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net	141
Compliance:		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		142-143
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		144-146
Schedule of Expenditures of Federal Awards		147-148
Notes to Schedule of Expenditures of Federal Awards		149
Schedule of Findings and Questioned Costs		150-151

Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Appomattox, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Appomattox, 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.

Change in Accounting Principle

As described in Note 22 to the financial statements, in 2023, the County adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Appomattox, 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 Appomattox, 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 Appomattox, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for 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 Appomattox, 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 December 8, 2023, on our consideration of County of Appomattox, 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 Appomattox, 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 Appomattox, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 8, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Appomattox, 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. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

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 $30,327,620 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported expenditures and other financing uses in excess of revenues and other financing sources of $2,462,945 (Exhibit 5) after making contributions totaling $5,855,565 to the School Board.

< As of the close of the current fiscal year; the County's funds reported ending fund balances of $28,440,076, a decrease of $2,462,945 in comparison with the prior year.

< At the end of the current fiscal year, unassigned fund balance for the general fund was $23,299,791 or 73% of total general fund expenditures and other uses.

< The combined long-term obligations decreased by $1,073,569 during the current fiscal year.

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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 similar to a private-sector business.

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

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 Appomattox, Virginia itself (known as the primary government), but also a legally separate school district and industrial development authority for which the County of Appomattox, Virginia is financially accountable. Financial information for the component units are 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 Appomattox, Virginia, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, business-type funds, and fiduciary funds.

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 two major governmental funds – the General Fund, and the County Capital Projects Fund and one non-major governmental fund - the County Special Revenue Fund.

Proprietary funds – Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting similar to private sector business.

The Utility Fund provides a centralized source for water services to County residents.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds 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 the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $30,327,620 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Appomattox, Virginia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 41,082,583	$ 44,352,287	$ 62,941	$ 62,734	$ 41,145,524	$ 44,415,021
Capital assets	20,703,754	16,519,830	4,455,579	4,569,824	25,159,333	21,089,654
Total assets	$ 61,786,337	$ 60,872,117	$ 4,518,520	$ 4,632,558	$ 66,304,857	$ 65,504,675
Deferred outflows of resources	$ 1,748,440	$ 2,250,566	$ -	$ -	$ 1,748,440	$ 2,250,566
Current liabilities	$ 3,542,136	$ 4,245,013	$ 26,950	$ 13,680	$ 3,569,086	$ 4,258,693
Long-term liabilities outstanding	25,504,972	26,578,541	-	-	25,504,972	26,578,541
Total liabilities	$ 29,047,108	$ 30,823,554	$ 26,950	$ 13,680	$ 29,074,058	$ 30,837,234
Deferred inflows of resources	$ 8,651,619	$ 11,001,146	$ -	$ -	$ 8,651,619	$ 11,001,146
Net investment in capital assets	$ 2,731,563	$ 1,342,281	$ 4,455,579	$ 4,569,824	$ 7,187,142	$ 5,912,105
Restricted for:						
Veterans wall of honor	3,038	3,038	-	-	3,038	3,038
Asset forfeiture	115,391	141,159	-	-	115,391	141,159
Courthouse maintenance	19,205	15,207	-	-	19,205	15,207
Courthouse security fund	4,626	22,013	-	-	4,626	22,013
Law library	3,417	3,031	-	-	3,417	3,031
School construction	370,292	5,200,383	-	-	370,292	5,200,383
Unrestricted	22,588,518	14,570,871	35,991	49,054	22,624,509	14,619,925
Total net position	$ 25,836,050	$ 21,297,983	$ 4,491,570	$ 4,618,878	$ 30,327,620	$ 25,916,861

Government-wide Financial Analysis (Continued)

The County's net position increased by $4,410,759 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Charges for services	$ 425,289	$ 326,186	$ 163,226	$ 181,946	$ 588,515	$ 508,132
Operating grants and contributions	6,578,507	5,986,169	-	-	6,578,507	5,986,169
General property taxes	16,317,737	15,856,944	-	-	16,317,737	15,856,944
Other local taxes	3,079,520	2,949,799	-	-	3,079,520	2,949,799
Grants and other contributions not restricted	1,633,482	1,610,988	-	-	1,633,482	1,610,988
Other general revenues	684,667	747,331	-	-	684,667	747,331
Total revenues	$ 28,719,202	$ 27,477,417	$ 163,226	$ 181,946	$ 28,882,428	$ 27,659,363
General government administration	$ 2,266,228	$ 1,826,109	$ -	$ -	$ 2,266,228	$ 1,826,109
Judicial administration	1,364,570	1,347,348	-	-	1,364,570	1,347,348
Public safety	5,390,245	4,372,036	-	-	5,390,245	4,372,036
Public works	1,623,412	1,673,127	290,534	248,264	1,913,946	1,921,391
Health and welfare	4,762,682	4,387,004	-	-	4,762,682	4,387,004
Education	7,146,062	6,869,230	-	-	7,146,062	6,869,230
Parks, recreation, and cultural	375,271	540,545	-	-	375,271	540,545
Community development	394,983	1,043,511	-	-	394,983	1,043,511
Interest and other fiscal charges	857,682	926,161	-	-	857,682	926,161
Total expenses	$ 24,181,135	$ 22,985,071	$ 290,534	$ 248,264	$ 24,471,669	$ 23,233,335
Change in net position	$ 4,538,067	$ 4,492,346	$ (127,308)	$ (66,318)	$ 4,410,759	$ 4,426,028
Net position, beginning of year, as restated	21,297,983	16,805,637	4,618,878	4,685,196	25,916,861	21,490,833
Net position, end of year	$ 25,836,050	$ 21,297,983	$ 4,491,570	$ 4,618,878	$ 30,327,620	$ 25,916,861

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. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported fund balances of $28,440,076, a decrease of $2,462,945 in comparison with the prior year. Approximately 82% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was $3,928,970, all of which was committed for current or future capital projects.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to $35,991. The total decrease in net position was $127,308. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities

General Fund Budgetary Highlights

During the year, revenues and other sources exceeded budgetary estimates by $1,862,801. Budgetary estimates and other uses exceeded expenditures by $2,432,490 resulting in a positive variance of $4,295,291.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2023 amounts to $20,703,754 (net of accumulated depreciation). The County's investment in capital assets for its proprietary fund as of June 30, 2023 amounted to $4,455,579. This investment in capital assets includes land, buildings and system, and machinery and equipment.

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

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of $18,093,332. Of this amount, $3,333,332 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt increased by $2,473,333 during the current fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

< Inflationary trends in the region compare favorably to national indices.

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

Requests for Information

This financial report is designed to provide a general overview of the County of Appomattox, 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, P.O. Box 863, Appomattox, Virginia 24522.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Exhibit 1

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	$ 29,347,668	$ 48,038	$ 29,395,706	$ 4,628,101	$ 156,352
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	8,908,628	-	8,908,628	-	-
Accounts receivable	240,557	14,903	255,460	8,394	-
Due from other governmental units	2,426,538	-	2,426,538	1,645,729	-
Prepaid items	73,218	-	73,218	-	-
Lease receivable	85,974	-	85,974	-	-
Restricted assets:					
Cash and cash equivalents (in custody of others)	-	-	-	-	-
Net pension asset	-	-	-	381,783	-
Capital assets (net of accumulated depreciation):					
Land	1,316,010	-	1,316,010	211,370	1,381,873
Buildings and improvements	7,986,229	-	7,986,229	11,067,105	-
Utility plant in service	-	4,455,579	4,455,579	-	-
Equipment	974,011	-	974,011	5,162,198	-
Lease equipment	39,055	-	39,055	5,001	-
Subscription asset	-	-	-	23,918	-
Infrastructure	37,573	-	37,573	-	862,706
Construction in progress	10,350,876	-	10,350,876	1,406,728	-
Total assets	$ 61,786,337	$ 4,518,520	$ 66,304,857	$ 24,544,327	$ 2,400,931
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	$ 201,244	$ -	$ 201,244	$ -	$ -
Pension related items	1,409,027	-	1,409,027	4,252,212	-
OPEB related items	138,169	-	138,169	765,996	-
Total deferred outflows of resources	$ 1,748,440	$ -	$ 1,748,440	$ 5,018,208	$ -
Total assets and deferred inflows of resources	$ 63,534,777	$ 4,518,520	$ 68,053,297	$ 29,562,535	$ 2,400,931
LIABILITIES					
Accounts payable	$ 688,362	$ 26,950	$ 715,312	$ 561,758	$ -
Accrued liabilities	-	-	-	2,330,644	-
Accrued interest payable	53,132	-	53,132	-	-
Due to other governmental units	-	-	-	1,124,474	-
Unearned revenue	2,800,642	-	2,800,642	-	-
Long-term liabilities:					
Due within one year	2,563,737	-	2,563,737	20,130	-
Due in more than one year	22,941,235	-	22,941,235	17,501,330	-
Total liabilities	$ 29,047,108	$ 26,950	$ 29,074,058	$ 21,538,336	$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	$ 7,329,535	$ -	$ 7,329,535	$ -	$ -
Lease related	85,059	-	85,059	-	-
Pension related items	1,052,476	-	1,052,476	3,046,145	-
OPEB related items	184,549	-	184,549	409,282	-
Total deferred inflows of resources	$ 8,651,619	$ -	$ 8,651,619	$ 3,455,427	$ -
NET POSITON					
Net investment in capital assets	$ 2,731,563	$ 4,455,579	$ 7,187,142	$ 17,852,849	$ 2,244,579
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
School construction	370,292	-	370,292	-	-
Asset forfeiture	115,391	-	115,391	-	-
Courthouse maintenance	19,205	-	19,205	-	-
Courthouse security fund	4,626	-	4,626	-	-
Law library	3,417	-	3,417	-	-
Net pension asset	-	-	-	381,783	-
Unrestricted	22,588,518	35,991	22,624,509	(13,665,860)	156,352
Total net position	$ 25,836,050	$ 4,491,570	$ 30,327,620	$ 4,568,772	$ 2,400,931
Total liabilities, deferred inflows of resources and net position	$ 63,534,777	$ 4,518,520	$ 68,053,297	$ 29,562,535	$ 2,400,931

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

Exhibit 2

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: School Board	Component Units: EDA
PRIMARY GOVERNMENT:									
Governmental activities:									
General government administration	$ 2,266,228	$ -	$ 283,418	$ -	$ (1,982,810)	$ -	$ (1,982,810)	$ -	$ -
Judicial administration	1,364,570	144,245	670,181	-	(550,144)	-	(550,144)	-	-
Public safety	5,390,245	182,285	1,418,717	-	(3,789,243)	-	(3,789,243)	-	-
Public works	1,623,412	73,077	13,005	-	(1,537,330)	-	(1,537,330)	-	-
Health and welfare	4,762,682	-	3,675,580	-	(1,087,102)	-	(1,087,102)	-	-
Education	7,146,062	-	-	-	(7,146,062)	-	(7,146,062)	-	-
Parks, recreation, and cultural	375,271	25,682	91,499	-	(258,090)	-	(258,090)	-	-
Community development	394,983	-	-	-	(394,983)	-	(394,983)	-	-
Interest on long-term debt	857,682	-	426,107	-	(431,575)	-	(431,575)	-	-
Total governmental activities	$ 24,181,135	$ 425,289	$ 6,578,507	$ -	$ (17,177,339)	$ -	$ (17,177,339)	$ -	$ -
Business-type activities:									
Sanitary District	$ 290,534	$ 163,226	$ -	$ -	$ -	$ (127,308)	$ (127,308)	$ -	$ -
Total business-type activities	$ 290,534	$ 163,226	$ -	$ -	$ -	$ (127,308)	$ (127,308)	$ -	$ -
Total primary government	$ 24,471,669	$ 588,515	$ 6,578,507	$ -	$ (17,177,339)	$ (127,308)	$ (17,304,647)	$ -	$ -
COMPONENT UNITS:									
School Board	$ 30,410,776	$ 172,432	$ 26,571,494	$ -	$ -	$ -	$ -	$ (3,666,850)	$ -
Economic Development Authority	167,507	12,360	-	-	-	-	-	-	(155,147)
Total component units	$ 30,578,283	$ 184,792	$ 26,571,494	$ -	$ -	$ -	$ -	$ (3,666,850)	$ (155,147)
General revenues and transfers:									
General property taxes					$ 16,317,737	$ -	$ 16,317,737	$ -	$ -
Local sales and use taxes					1,894,629	-	1,894,629	-	-
Consumer utility taxes					411,697	-	411,697	-	-
Motor vehicle licenses					559,727	-	559,727	-	-
Other local taxes					213,467	-	213,467	-	-
Unrestricted revenues from use of money and property					241,707	-	241,707	3,276	430
Miscellaneous					442,960	-	442,960	798,162	19,205
Grants and contributions not restricted to specific programs					1,633,482	-	1,633,482	-	-
Payment from Appomattox County					-	-	-	6,367,400	82,551
Total general revenues and transfers					$ 21,715,406	$ -	$ 21,715,406	$ 7,168,838	$ 102,186
Change in net position					$ 4,538,067	$ (127,308)	$ 4,410,759	$ 3,501,988	$ (52,961)
Net position - beginning					21,297,983	4,618,878	25,916,861	1,066,784	2,453,892
Net position - ending					$ 25,836,050	$ 4,491,570	$ 30,327,620	$ 4,568,772	$ 2,400,931

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

FUND FINANCIAL STATEMENTS

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Exhibit 3

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

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	$ 24,685,496	$ 3,928,970	$ 733,202	$ 29,347,668
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,908,628	-	-	8,908,628
Accounts receivable	235,312	-	5,245	240,557
Due from other governmental units	2,414,514	-	12,024	2,426,538
Prepaid items	73,218	-	-	73,218
Lease receivable	85,974	-	-	85,974
Total assets	$ 36,403,142	$ 3,928,970	$ 750,471	$ 41,082,583
LIABILITIES				
Accounts payable	$ 688,362	$ -	$ -	$ 688,362
Unearned revenue	2,800,642	-	-	2,800,642
Total liabilities	$ 3,489,004	$ -	$ -	$ 3,489,004
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	$ 8,945,489	$ -	$ -	$ 8,945,489
Opioid settlement	122,955	-	-	122,955
Lease related	85,059	-	-	85,059
Total deferred inflows of resources	$ 9,153,503	$ -	$ -	$ 9,153,503
FUND BALANCES				
Nonspendable	$ 74,133	$ -	$ -	$ 74,133
Restricted	373,330	-	142,639	515,969
Committed	13,381	3,928,970	607,832	4,550,183
Unassigned	23,299,791	-	-	23,299,791
Total fund balances	$ 23,760,635	$ 3,928,970	$ 750,471	$ 28,440,076
Total liabilities, deferred inflows of resources and fund balances	$ 36,403,142	$ 3,928,970	$ 750,471	$ 41,082,583

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

Exhibit 4

County of Appomattox, 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		$ 28,440,076
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	$ 42,455,687	
Accumulated depreciation	(21,751,933)	20,703,754
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes	$ 1,615,954	
Unavailable revenue - opioid settlement	122,955	1,738,909
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Deferred charge on refunding	$ 201,244	
Pension related items	1,409,027	
OPEB related items	138,169	1,748,440
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:		
Bonds payable	$ (18,093,332)	
Issuance premium	(40,578)	
Lease liabilities	(39,525)	
Compensated absences	(314,954)	
Net OPEB liabilities	(634,232)	
Net pension liability	(4,161,628)	
Landfill postclosure care liability	(2,220,723)	
Accrued interest payable	(53,132)	(25,558,104)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (1,052,476)	
OPEB related items	(184,549)	(1,237,025)
Net position of governmental activities		$ 25,836,050

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

Exhibit 5

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

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	$ 16,267,166	$ -	$ -	$ 16,267,166
Other local taxes	3,079,520	-	-	3,079,520
Permits, privilege fees, and regulatory licenses	133,083	-	-	133,083
Fines and forfeitures	93,719	-	-	93,719
Revenue from the use of money and property	270,511	-	-	270,511
Charges for services	121,058	-	48,625	169,683
Miscellaneous	320,005	-	-	320,005
Recovered costs	162,785	-	-	162,785
Intergovernmental:				
Commonwealth	5,939,816	-	83,567	6,023,383
Federal	2,188,606	-	-	2,188,606
Total revenues	$ 28,576,269	$ -	$ 132,192	$ 28,708,461
EXPENDITURES				
Current:				
General government administration	$ 2,337,328	$ -	$ -	$ 2,337,328
Judicial administration	1,268,621	-	-	1,268,621
Public safety	5,219,955	-	-	5,219,955
Public works	1,740,567	-	-	1,740,567
Health and welfare	4,908,844	-	-	4,908,844
Education	5,855,950	732,518	-	6,588,468
Parks, recreation, and cultural	480,167	-	-	480,167
Community development	366,179	-	-	366,179
Capital projects	4,992,526	-	-	4,992,526
Debt service:				
Principal retirement	2,492,785	-	-	2,492,785
Interest and other fiscal charges	804,045	-	-	804,045
Total expenditures	$ 30,466,967	$ 732,518	$ -	$ 31,199,485
Excess (deficiency) of revenues over (under) expenditures	$ (1,890,698)	$ (732,518)	$ 132,192	$ (2,491,024)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 680,013	$ 722,602	$ -	$ 1,402,615
Transfers out	(1,300,156)	-	(102,459)	(1,402,615)
Issuance of lease liability	28,079	-	-	28,079
Total other financing sources (uses)	$ (592,064)	$ 722,602	$ (102,459)	$ 28,079
Net change in fund balances	$ (2,482,762)	$ (9,916)	$ 29,733	$ (2,462,945)
Fund balances - beginning	26,243,397	3,938,886	720,738	30,903,021
Fund balances - ending	$ 23,760,635	$ 3,928,970	$ 750,471	$ 28,440,076

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

Exhibit 6

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (2,462,945)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded the depreciation in the current period.		
Capital asset additions	$ 5,661,945	
Jointly owned asset allocation	(511,835)	
Depreciation expense	(966,186)	4,183,924
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes		173,526
The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 obligations and related items.		
Principal payments	$ 2,492,785	
Issuance of lease	(28,079)	
Change in landfill closure liability	(120,331)	2,344,375
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.		
Amortization of bond premium	$ 8,116	
Amortization of deferred charges on refunding	(67,081)	
Change in compensated absences	(11,487)	
Pension expense	330,416	
OPEB expense	33,895	
Change in accrued interest payable	5,328	299,187
Change in net position of governmental activities		$ 4,538,067

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

Exhibit 7

County of Appomattox, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2023

	Enterprise Fund Sanitary District
ASSETS	
Current assets:	
Cash and cash equivalents	$ 48,038
Accounts receivable, net of allowances for uncollectibles	14,903
Total current assets	$ 62,941
Noncurrent assets:	
Capital assets:	
Utility plant in service	$ 5,712,281
Accumulated depreciation	(1,256,702)
Total capital assets	$ 4,455,579
Total noncurrent assets	$ 4,455,579
Total assets	$ 4,518,520
LIABILITIES	
Current liabilities:	
Accounts payable	$ 26,950
Total liabilities	$ 26,950
NET POSITION	
Investment in capital assets	$ 4,455,579
Unrestricted	35,991
Total net position	$ 4,491,570

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

Exhibit 8

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

	Enterprise Fund	
		Sanitary District
OPERATING REVENUES		
Miscellaneous	$	163,226
Total operating revenues	$	163,226
OPERATING EXPENSES		
Other supplies and expenses	$	176,289
Depreciation		114,245
Total operating expenses	$	290,534
Operating income (loss)	$	(127,308)
Change in net position	$	(127,308)
Net position - beginning		4,618,878
Net position - ending	$	4,491,570

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

Exhibit 9

County of Appomattox, Virginia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Enterprise Fund Sanitary District
CASH FLOWS FROM OPERATING ACTIVITIES	
Other receipts (payments)	$ 162,061
Receipts for materials and supplies	(163,019)
Net cash provided by (used for) operating activities	$ (958)
Net increase (decrease) in cash and cash equivalents	$ (958)
Cash and cash equivalents - beginning	48,996
Cash and cash equivalents - ending	$ 48,038
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	$ (127,308)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	$ 114,245
(Increase) decrease in accounts receivable	(1,165)
Increase (decrease) in accounts payable	13,270
Total adjustments	$ 126,350
Net cash provided by (used for) operating activities	$ (958)

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

Exhibit 10

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

	Custodial Fund
	Special Welfare
ASSETS	
Cash and cash equivalents	$ 17,684
NET POSITION	
Restricted for:	
Individuals, organizations,and other governments	$ 17,684
Total net position	$ 17,684

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

Exhibit 11

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

	Custodial Fund
	Special Welfare
ADDITIONS	
Contributions	$ 18,162
Investment earnings:	
Interest and dividends	10
Total additions	$ 18,172
DEDUCTIONS	
Recipient payments	$ 22,780
Total deductions	$ 22,780
Net increase (decrease) in fiduciary net position	$ (4,608)
Net position, beginning	22,292
Net position, ending	$ 17,684

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

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Note 1—Summary of Significant Accounting Policies:

The County of Appomattox, 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 service, recreational activities, cultural events, education, and social services.

The financial statements of the County of Appomattox, 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.

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial 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 to external customers 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 the financial position of the primary government (governmental and business-type 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.

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.

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

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 Appomattox, Virginia (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 at June 30, 2023.

Discretely Presented Component Units.

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

C. Other Related Organizations Included in the County's Financial Report

None

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.) or a business-type activity.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized 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 fund is presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements.

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

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

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

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

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

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the 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 transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income. A significant part of the General Fund's revenues is used principally to finance the operations of the Component Unit School Board.

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

The County reports the following nonmajor governmental funds:

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

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

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

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

   Enterprise Funds – Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Enterprise Fund consists of the Sanitary District Fund.

3. Fiduciary Fund – (Custodial Fund) – accounts for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. This fund includes amounts held for Special Welfare.

4. Component Unit

   The Appomattox County School Board has the following funds:

   Governmental Funds:

   School Operating Fund – This fund is the primary operating fund of the School Board and accounts for 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 Appomattox 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: - 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.

   School Activity Fund – This fund accounts for and reports funds collected at the schools in connection with student athletes, clubs, various fundraising activities, and private donations.

   School Special Revenue Fund – This fund accounts for and reports the operations of the School Board's food service and textbook programs. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

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.

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

F. Investments

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

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

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 "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" (i.e. the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $143,492 at 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.

	Real Property	Personal Property
Levy	January 1	January 1
Due Date	June 5/December 5	June 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 or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than $50,000 are reported as capital assets.

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

H. Capital Assets (Continued)

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

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

Assets	Years
Buildings	40
Building Improvements	40
Utility plant	50
Furniture, Vehicles, Office and Computer Equipment	5-20
Lease equipment	3-5
Buses	10
Infrastructure	5-10
Intangibles	5-20
Subscription assets	2-5

I. Leases and Subscription-Based IT Arrangements

The County has various lease assets and subscription-based IT arrangements (SBITAs) 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. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Lessee

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

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

I. Leases and Subscription-Based IT Arrangements (Continued)

Lessor

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

Subscriptions

The County recognizes intangible right-to-use subscription assets (subscription assets) and corresponding subscription liabilities with an initial value of $5,000, in individually or in the aggregate, in the government-wide financial statements. At the commencement of the subscription, the subscription liability is measured at the present value of payments expected to be made during the subscription liability term (less any contract incentives). The subscription liability is reduced by the principal portion of payments made. The subscription asset is measured at the initial amount of the subscription liability payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease or subscription 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 and subscriptions.

- The lease and subscription terms include the noncancellable period of the lease or subscription and certain periods covered by options to extend to reflect how long the lease or subscription 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 or subscription incentives and certain other payments are included in the measurement of the lease receivable (lessor), lease liability (lessee) or subscription liability.

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

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

I. 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 nonvesting accumulating rights to received 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.

J. Use of Estimates

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

K. 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.

- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

L. Pensions

For purposes of measuring the net pension liability (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.

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

M. Other Postemployment Benefits (OPEB)

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

N. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds 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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. Deferred Outflows/Inflows of Resources

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

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

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

P. Fund Balance

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

- Nonspendable fund balance – amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts 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 an ordinance 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.

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).

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

P. Fund Balance (Continued)

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

	General Fund	Major Capital Projects Fund: County Capital Projects Fund	Nonmajor Special Revenue Fund: Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepaid items	$ 73,218	$ -	$ -	$ 73,218
Leases	915	-	-	915
Total Nonspendable Fund Balanc	$ 74,133	$ -	$ -	$ 74,133
Restricted:				
Veterans wall of honor	$ 3,038	$ -	$ -	$ 3,038
School Construction	370,292	-	-	370,292
Asset forfeiture	-	-	115,391	115,391
Courthouse maintenance	-	-	19,205	19,205
Courthouse security fund	-	-	4,626	4,626
Law library	-	-	3,417	3,417
Total Restricted Fund Balance	$ 373,330	$ -	$ 142,639	$ 515,969
Committed:				
Sports complex	$ 13,347	$ -	$ -	$ 13,347
Ballpark fund	34	-	-	34
Capital improvements	-	3,928,970	-	3,928,970
Jail keep fund	-	-	10	10
E-911	-	-	607,822	607,822
Total Committed Fund Balance	$ 13,381	$ 3,928,970	$ 607,832	$ 4,550,183
Unassigned	$ 23,299,791	$ -	$ -	$ 23,299,791
Total Fund Balances	$ 23,760,635	$ 3,928,970	$ 750,471	$ 28,440,076

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.

Note 2—Stewardship, Compliance, and Accounting: (Continued)

4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, VPA Fund, and the County Capital Improvements Funds of the primary government and the School Operating Fund, School Cafeteria Fund, and School Capital Projects Fund of the School Board.

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 County Capital Projects Fund at June 30, 2023.

Note 3—Deposits and Investments:

Deposits
Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. Seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by 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).

Note 3—Deposits and Investments: (Continued)

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and the ratings are presented below using the Standard & Poor's rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

	Fair Quality Ratings
	AAAm
Local Government Investment Pool	$ 111,559
Total	$ 111,559

Interest Rate Risk

Investment Maturities (in years)		
Investment Type	Fair Value	Less Than 1 Year
Local Government Investment Pool	$ 111,559	$ 111,559
Total	$ 111,559	$ 111,559

External Investment Pools

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

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Note 4—Due to/from Other Governments:

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

	Primary Government	Component Unit School Board
Other Local Governments:		
Appomattox County School Board	$ 1,124,474	$ -
Commonwealth of Virginia:		
Local sales tax	319,707	-
Welfare	74,029	-
Rolling stock tax	41,218	-
Comprehensive services	416,190	-
State sales tax	-	503,199
Wireless grant	12,024	-
Auto rental tax	1,767	-
Constitutional officer reimbursements	143,885	-
Mobile home titling tax	60,848	-
Department of Forestry	17,000	-
Victim witness	4,755	-
Library grant	17,980	-
Communications tax	62,067	-
Federal Government:		
School fund grants	-	1,142,530
Victim witness	11,096	-
ARPA funding	3,770	-
Welfare	115,728	-
Total due from other governments	$ 2,426,538	$ 1,645,729

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

Other Local Governments:		
County of Appomattox	$ -	$ 1,124,474

Note 5—Capital Assets:

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

Primary Government:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Governmental activities:				
Capital assets not subject to depreciation:				
Land	$ 1,316,010	$ -	$ -	$ 1,316,010
Construction in progress	5,423,382	4,927,494	-	10,350,876
Total capital assets not subject to depreciation	$ 6,739,392	$ 4,927,494	$ -	$ 11,666,886
Capital assets subject to depreciation:				
Buildings and improvements	$ 13,067,685	$ 192,387	$ -	$ 13,260,072
Equipment	5,806,924	513,985	37,593	6,283,316
Lease equipment	43,895	28,079	-	71,974
Infrastructure	141,866	-	-	141,866
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	10,637,299	-	1,415,942	9,221,357
			-	
Total capital assets subject to depreciation	$ 31,507,885	$ 734,451	$ 1,453,535	$ 30,788,801
Accumulated depreciation:				
Buildings and improvements	$ 8,300,344	$ 306,831	$ -	$ 8,607,175
Equipment	5,033,529	313,369	37,593	5,309,305
Lease equipment	13,141	19,778	-	32,919
Infrastructure	99,583	4,710	-	104,293
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	6,470,634	321,498	904,107	5,888,025
Total accumulated depreciation	$ 21,727,447	$ 966,186	$ 941,700	$ 21,751,933
Total capital assets being depreciated, net	$ 9,780,438	$ (231,735)	$ 511,835	$ 9,036,868
Governmental activities capital assets, net	$ 16,519,830	$ 4,695,759	$ 511,835	$ 20,703,754

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Business-type activities:				
Capital assets not subject to depreciation:				
Utility plant in service	$ 5,712,281	$ -	$ -	$ 5,712,281
Total capital assets being depreciated	$ 5,712,281	$ -	$ -	$ 5,712,281
Accumulated depreciation:				
Utility plant in service	$ 1,142,457	$ 114,245	$ -	$ 1,256,702
Total accumulated depreciation	$ 1,142,457	$ 114,245	$ -	$ 1,256,702
Total capital assets being depreciated, net	$ 4,569,824	$ (114,245)	$ -	$ 4,455,579
Business-type capital assets, net	$ 4,569,824	$ (114,245)	$ -	$ 4,455,579

Note 5—Capital Assets: (Continued)

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

Component Unit - School Board:	**Balance July 1, 2022**	**GASB 96 Adjustments**	**Adjusted Balance July 1, 2022**	**Increases**	**Decreases**	**Balance June 30, 2023**
Governmental activities:						
Capital assets not subject to depreciation:						
Land	$ 211,370	$ -	$ 211,370	$ -	$ -	$ 211,370
Construction in progress	-	-	-	1,406,728	-	1,406,728
Total capital assets not subject to depreciation	$ 211,370	$ -	$ 211,370	$ 1,406,728	$ -	$ 1,618,098
Capital assets subject to depreciation:						
Buildings and improvements	$ 1,714,153	$ -	$ 1,714,153	$ 402,250	$ -	$ 2,116,403
Equipment	9,619,948	-	9,619,948	368,820	115,054	9,873,714
Lease equipment	8,431	-	8,431	-	-	8,431
Subscription asset	-	36,396	36,396	-	-	36,396
Jointly owned assets	25,409,277	-	25,409,277	-	(1,415,942)	26,825,219
Total capital assets subject to depreciation	$ 36,751,809	$ 36,396	$ 36,788,205	$ 771,070	$ (1,300,888)	$ 38,860,163
Accumulated depreciation:						
Buildings and improvements	$ 644,969	$ -	$ 644,969	$ 101,098	$ -	$ 746,067
Equipment	4,128,574	-	4,128,574	694,836	111,894	4,711,516
Lease equipment	1,715	-	1,715	1,715	-	3,430
Subsciption liability	-	-	-	12,478	-	12,478
Jointly owned assets	15,456,379	-	15,456,379	767,964	(904,107)	17,128,450
Total accumulated depreciation	$ 20,231,637	$ -	$ 20,231,637	$ 1,578,091	$ (792,213)	$ 22,601,941
Total capital assets being depreciated, net	$ 16,520,172	$ 36,396	$ 16,556,568	$ (807,021)	$ (508,675)	$ 16,258,222
Governmental activities capital assets, net	$ 16,731,542	$ 36,396	$ 16,767,938	$ 599,707	$ (508,675)	$ 17,876,320

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Note 5—Capital Assets: (Continued)

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

Component Unit - Economic Development Authority:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
Business-type activities:				
Capital assets not subject to depreciation:				
Land	$ 1,381,873	$ -	$ -	$ 1,381,873
Total capital assets not subject to depreciation	$ 1,381,873	$ -	$ -	$ 1,381,873
Capital assets subject to depreciation:				
Infrastructure	$ 1,917,079	$ -	$ -	$ 1,917,079
Total capital assets subject to depreciation	$ 1,917,079	$ -	$ -	$ 1,917,079
Accumulated depreciation:				
Infrastructure	$ 1,007,843	$ 46,530	$ -	$ 1,054,373
Total accumulated depreciation	$ 1,007,843	$ 46,530	$ -	$ 1,054,373
Total capital assets being depreciated, net	$ 909,236	$ (46,530)	$ -	$ 862,706
Business-type capital assets, net	$ 2,291,109	$ (46,530)	$ -	$ 2,244,579

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Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:		
Governmental activities:		
General government administration	$	63,259
Judicial administration		139,769
Public safety		274,265
Public works		29,124
Health and welfare		24,366
Education		321,498
Parks, recreation and cultural		77,509
Community development		36,396
Total Governmental activities	$	966,186
Business-type activities:		
Sanitary District Fund	$	114,245
Total Primary Government	$	1,080,431
Component Unit School Board	$	1,578,091
Component Unit Economic Development Authority	$	46,530

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Note 6—Interfund Transfers and Obligations:

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

Fund	Transfers In	Transfers Out
Primary Government:		
Governmental Funds:		
General Fund	$ 680,013	$ 1,300,156
County Special Revenue Fund	-	102,459
County Capital Projects Fund	722,602	-
Total Governmental Funds	$ 1,402,615	$ 1,402,615

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

Details of the Primary Government's interfund receivables and payables as of June 30, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
Component Unit—School Board:		
School Operating Fund	$ 68,203	$ -
School Special Revenue Fund	-	68,203
Total Component Unit—School Board Funds	$ 68,203	$ 68,203

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments made between funds are made. These balances also include the amount of working capital loans made to internal service funds that the general fund expects to collect in the subsequent year.

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Note 7—Long-Term Obligations:

Primary Government:

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

	Adjusted Balance at July 1, 2022	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences	$ 303,467	$ 41,834	$ 30,347	$ 314,954	$ 31,495
Direct borrowings:					
Lease revenue bonds	16,400,000	-	1,640,000	14,760,000	1,680,000
Issuance premium	48,694	-	8,116	40,578	-
Lease liabilities	30,898	28,079	19,452	39,525	18,909
Net OPEB liabilities	621,384	197,739	184,891	634,232	-
Net pension liability	2,907,041	2,475,517	1,220,930	4,161,628	-
Landfill postclosure care liability	2,100,392	120,331	-	2,220,723	-
Total incurred by County	$ 22,411,876	$ 2,863,500	$ 3,103,736	$ 22,171,640	$ 1,730,404
Incurred by School Board:					
Direct placements:					
General obligation bonds	$ 4,166,665	$ -	$ 833,333	$ 3,333,332	$ 833,333
Total incurred by School Board	$ 4,166,665	$ -	$ 833,333	$ 3,333,332	$ 833,333
Total Governmental Activities	$ 26,578,541	$ 2,863,500	$ 3,937,069	$ 25,504,972	$ 2,563,737

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Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Governmental Activities

	County Obligations			
	Direct Borrowings			
Year Ending June 30,	Lease Revenue Bonds		Lease Liabilities	
	Principal	Interest	Principal	Interest
2024	$ 1,680,000	$ 308,480	$ 18,909	$ 678
2025	1,720,000	269,840	8,921	433
2026	1,360,000	230,280	5,762	264
2027	-	199,000	5,933	93
2028	580,000	194,000	-	-
2029	595,000	178,038	-	-
2030	605,000	166,793	-	-
2031	615,000	155,358	-	-
2032	630,000	143,735	-	-
2033	640,000	131,828	-	-
2034	650,000	119,731	-	-
2035	665,000	107,446	-	-
2036	675,000	94,878	-	-
2037	690,000	82,121	-	-
2038	705,000	69,079	-	-
2039	715,000	55,755	-	-
2040	730,000	42,242	-	-
2041	745,000	28,444	-	-
2042	760,000	14,364	-	-
Total	$ 14,760,000	$ 2,591,412	$ 39,525	$ 1,468

	School Obligations	
	Direct Placements	
Year Ending June 30,	General Obligation Bonds	
	Principal	Interest
2024	$ 833,333	$ 450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	$ 3,333,332	$ 1,800,000

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations at June 30, 2023 are as follows:

Governmental Activities:

Incurred by County:

Direct Borrowings:

Lease Revenue Bonds:

$7,110,000 refunding lease revenue bond issued May 5, 2016, payable in varying annual installments, interest at 2.30%, through May 1, 2026.	$	4,760,000
$10,000,000 lease revenue bond issued October 6, 2021, payable in varying annual installments, interest at 1.89%, through May 1, 2042.		10,000,000
Total lease revenue bonds	$	14,760,000
Issuance premium	$	40,578
Lease Liabilities:		
$41,671 printer lease issued July 1, 2021, payable in monthly installments, interest at 0.845%, through August 1, 2024.	$	16,547
$28,079 copier lease issued July 1, 2022, payable in monthly installments, interest at 2.907%, through June 1, 2027.		22,729
$2,223 postage machine lease issued July 1, 2021, payable in monthly installments, interest at 0.593%, through July 1, 2023.		249
Total lease liabilities	$	39,525
Net OPEB liabilities (payable by the general fund)	$	634,232
Net pension liability	$	4,161,628
Landfill postclosure care liability (payable by the general fund)	$	2,220,723
Compensated absences (payable by the general fund)	$	314,954
Total Incurred by County	$	22,171,640
Incurred by School Board:		
Direct Placements:		
General Obligation bonds		
$10,000,000 school bond issued June 26, 2011, payable in varying amounts, interest at 0.00%, through June 1, 2027.	$	3,333,332
Total General Obligation Bonds	$	3,333,332
Total Incurred by School Board	$	3,333,332
Total Governmental Activities	$	25,504,972

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

The County's outstanding direct placements related to governmental activities of $3,333,332 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

Discretely Presented Component Unit - School Board:

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

	Balance at July 1, 2022	GASB 96 Adjustments	Adjusted Balance at July 1, 2022	Increases	Decreases	Balance at June 30, 2023	Amounts Due Within One Year
Component Unit-School Board:							
Lease liability	$ 6,749	$ -	$ 6,749	$ -	$ 1,694	$ 5,055	$ 1,714
Subscription liability	-	36,396	36,396	-	17,980	18,416	18,416
Net pension liability	10,356,748	-	10,356,748	10,600,510	7,535,118	13,422,140	-
Net OPEB liabilities	3,891,673	-	3,891,673	1,024,172	839,996	4,075,849	-
Total Component Unit-School Board	$ 14,255,170	$ 36,396	$ 14,291,566	$ 11,624,682	$ 8,394,788	$ 17,521,460	$ 20,130

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

Year Ending June 30	Lease Liability		Subscription Liability	
	Principal	Interest	Principal	Interest
2024	1,714	$ 50	$ 18,416	$ 538
2025	1,734	30	-	-
2026	1,607	9	-	-
Total	5,055	$ 89	$ 18,416	$ 538

Details of long-term obligations at June 30, 2023 are as follows:

Net pension liability	$ 13,422,140
Net OPEB liabilities (payable from the School Fund)	4,075,849
Lease Liability:	
$8,4311 postage machine lease issued July 1, 2021, payable in monthly installments, interest at 1.177%, through May 1, 2026.	5,055
Subscription Liability:	
$36,396 subscription based IT arrangement issued July 1, 2022, payable in annual installments, interest at 2.884%, through June 1, 2024.	18,416
Long-term obligations incurred by the School Board (payable from the School Fund)	$ 17,521,460

Note 8—Deferred, Unavailable, and Unearned Revenue:

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 reporting periods are deferred. Unavailable revenue totaling $8,945,489 is comprised of the following:

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	$ -	$ 1,615,954
2nd half assessments due on December 5, 2023	6,865,432	6,865,432
Prepaid property taxes due on December 5, 2023, but paid in advance by the taxpayers.	464,103	464,103
Total deferred inflows of resources	$ 7,329,535	$ 8,945,489

The County reports unavailable revenue related to opioid settlement funds in the amount of $122,955 as of June 30, 2023.

The County reports unearned revenue of $2,800,642 as of June 30, 2023, which is all related to unspent ARPA funding.

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular 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.

A memorandum of understanding was issued on April 12, 1999 between the County and the Town of Appomattox for the purchase of water rights. The Town entered into a financing agreement with the VRA and the County agreed to pay the Town 48.67% of the debt for the use of 146,000 gallons of water per day.

Note 10—Litigation:

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

Note 11—Risk Management:

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

Note 11—Risk Management: (Continued)

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

Note 12—Pension Plans:

Plan Description

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

Benefit Structures

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

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

Note 12—Pension Plans: (Continued)

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

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

The VRS defined benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the employee's average final compensation multiplied by the employee's total service credit. Under Plan 1, average final compensation is the average of the employee's 36 consecutive months of highest compensation and the multiplier is 1.70% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.70% or 1.85% for hazardous duty employees as elected by the employer. Under Plan 2, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the retirement multiplier is 1.65% for non-hazardous duty employees, 1.85% for sheriffs and regional jail superintendents, and 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Note 12—Pension Plans: (Continued)

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	90	30
Inactive members:		
Vested inactive members	15	2
Non-vested inactive members	21	11
Inactive members active elsewhere in VRS	29	8
Total inactive members	65	21
Active members	100	36
Total covered employees	255	87

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2023 was 16.87% 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 $848,128 and $661,715 for the years ended June 30, 2023 and June 30, 2022, respectively.

The Component Unit School Board's contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2023 was 3.35% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were $22,405 and $23,228 for the years ended June 30, 2023 and June 30, 2022, respectively.

Note 12—Pension Plans: (Continued)

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 liability (asset) were measured as of June 30, 2022. The total pension liabilities used to calculate the net pension liability (asset) 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:
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

Note 12—Pension Plans: (Continued)

Actuarial Assumptions – General Employees (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

Note 12—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

Note 12—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

Note 12—Pension Plans: (Continued)

Discount Rate (Continued)

fiscal year ended June 30, 2022, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	$ 28,904,804	$ 25,997,763	$ 2,907,041
Changes for the year:			
Service cost	$ 512,823	$ -	$ 512,823
Interest	1,929,020	-	1,929,020
Differences between expected and actual experience	(340,673)	-	(340,673)
Contributions - employer	-	661,715	(661,715)
Contributions - employee	-	217,951	(217,951)
Net investment income	-	(17,396)	17,396
Benefit payments, including refunds Refund of employee contributions	(1,679,102)	(1,679,102)	-
Administrative expenses	-	(16,278)	16,278
Other changes	-	591	(591)
Net changes	$ 422,068	$ (832,519)	$ 1,254,587
Balances at June 30, 2022	$ 29,326,872	$ 25,165,244	$ 4,161,628

Note 12—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	$ 3,563,537	$ 4,222,218	$ (658,681)
Changes for the year:			
Service cost	$ 62,333	$ -	$ 62,333
Interest	238,854	-	238,854
Differences between expected and actual experience	30,187	-	30,187
Contributions - employer	-	23,228	(23,228)
Contributions - employee	-	37,098	(37,098)
Net investment income	-	(3,300)	3,300
Benefit payments, including refunds Refund of employee contributions	(174,581)	(174,581)	-
Administrative expenses	-	(2,646)	2,646
Other changes	-	96	(96)
Net changes	$ 156,793	$ (120,105)	$ 276,898
Balances at June 30, 2022	$ 3,720,330	$ 4,102,113	$ (381,783)

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			
Net Pension Liability (Asset)	$ 7,713,719	$ 4,161,628	$ 1,226,858
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	$ 71,210	$ (381,783)	$ (751,406)

Note 12—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 $517,712 and $(47,397) respectively. At June 30, 2023, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 161,322	$ 292,008	$ 19,169	$ -
Change of assumptions	399,577	-	7,718	-
Net difference between projected and actual earnings on pension plan investments	-	760,468	-	123,378
Employer contributions subsequent to the measurement date	848,128	-	22,405	-
Total	$ 1,409,027	$ 1,052,476	$ 49,292	$ 123,378

$848,128 and $22,405 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 (increase to) the Net Pension Liability (Asset) 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	$ 9,830	$ (27,108)
2025	(314,502)	(43,603)
2026	(535,852)	(82,650)
2027	348,947	56,870
Thereafter	-	-

Note 12—Pension Plans: (Continued)

Pension Plan Data

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

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 employer required 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 Board were $2,208,195 and $2,094,416 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 $13,422,140 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion was 0.014098% as compared to 0.13341% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of $801,450. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

Note 12—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)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 925,510
Change of assumptions	1,265,437	-
Net difference between projected and actual earnings on pension plan investments	-	1,749,966
Changes in proportion and differences between employer contributions and proportionate share of contributions	729,288	247,291
Employer contributions subsequent to the measurement date	2,208,195	-
Total	$ 4,202,920	$ 2,922,767

$2,208,195 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2024	$ (397,958)
2025	(505,732)
2026	(982,641)
2027	958,289
2028	-

Note 12—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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Note 12—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):

		Teacher Employee Retirement Plan
Total Pension Liability	$	54,732,329
Plan Fiduciary Net Position		45,211,731
Employers' Net Pension Liability (Asset)	$	9,520,598
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.

Note 12—Pension Plans: (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)	$ 23,972,970	$ 13,422,140	$ 4,831,445

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 Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	$ 1,409,027	$ 1,052,476	$ 4,161,628	$ 517,712	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	49,292	123,378	(381,783)	(47,397)
School Board Professional	-	-	-	-	4,202,920	2,922,767	13,422,140	801,450
Totals	$ 1,409,027	$ 1,052,476	$ 4,161,628	$ 517,712	$ 4,252,212	$ 3,046,145	$ 13,040,357	$ 754,053

Note 13—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 plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,984 as of June 30, 2023.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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 $28,067 and $25,072 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 $75,825 and $71,156 for the years ended June 30, 2023 and June 30, 2022, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were $4,632 and $4,313 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, and is classified as a non-employer contribution.

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

At June 30, 2023, the County reported a liability of $256,954 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of $729,442 and $44,190, respectively, for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022 the County's proportion was 0.02130% as compared to 0.02050% at June 30, 2021. At June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion was 0.06060% and 0.00370%, respectively as compared to 0.05750% and 0.00360%, respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of $5,664. For the year ended June 30, 2023, the Component Unit School Board professional group recognized GLI OPEB expense of $32,005. For the year ended June 30, 2023, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of $1,370. 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.

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Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	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	$ 20,348	$ 10,308	$ 57,763	$ 29,263	$ 3,499	$ 1,773
Net difference between projected and actual earnings on GLI OPEB plan investments	-	16,056	-	45,579	-	2,761
Change of assumptions	9,584	25,028	27,207	71,051	1,648	4,304
Changes in proportionate share	12,720	9,563	42,723	16,966	3,820	2,571
Employer contributions subsequent to the measurement date	28,067	-	75,825	-	4,632	-
Total	$ 70,719	$ 60,955	$ 203,518	$ 162,859	$ 13,599	$ 11,409

$28,067, $75,825 and $4,632, 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 Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
2024	$ (6,551)	$ (7,411)	$ (816)
2025	(3,832)	(9,795)	(795)
2026	(11,764)	(32,553)	(1,567)
2027	3,815	12,793	949
2028	29	1,800	(213)
Thereafter	-	-	-

Note 13—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

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Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers (Continued)

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

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

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

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

NET GLI OPEB Liability

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

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,672,085
Plan Fiduciary Net Position		2,467,989
Employers' Net GLI OPEB Liability (Asset)	$	1,204,096
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.

Note 13—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:

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

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	$ 373,898	$ 256,954	$ 162,447
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	$ 1,061,423	$ 729,442	$ 461,155
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	$ 64,302	$ 44,190	$ 27,937

GLI Plan Fiduciary Net Position

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

Note 14—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.

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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:

	Component Unit School Board (nonprofessional)
Inactive members or their beneficiaries currently receiving benefits	11
Total inactive members	11
Active members	36
Total covered employees	47

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 0.57% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan for nonprofessional employees were $4,890 and $4,553 for the years ended June 30, 2023 and June 30, 2022.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

Note 14—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

Note 14—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 Investement 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.

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	$ 75,862	$ 48,695	$ 27,167
Changes for the year:			
Service cost	$ 783	$ -	$ 783
Interest	4,972	-	4,972
Assumption changes	12,944	-	12,944
Differences between expected and actual experience	732	-	732
Contributions - employer	-	4,553	(4,553)
Net investment income	-	78	(78)
Benefit payments	(5,977)	(5,977)	-
Administrative expenses	-	(85)	85
Other changes	-	2,139	(2,139)
Net changes	$ 13,454	$ 708	$ 12,746
Balances at June 30, 2022	$ 89,316	$ 49,403	$ 39,913

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

The following presents the Component Unit School Board's (nonprofessional) HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the Component Unit School Board's (nonprofessional) net HIC OPEB 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%)
Component Unit School Board (nonprofessional):			
Net HIC OPEB Liability	$ 49,074	$ 39,913	$ 32,082

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2023, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of $4.563. At June 30, 2023, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,705	$ 837
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,196
Change in assumptions and differences between actual and expected contributions	10,718	-
Employer contributions subsequent to the measurement date	4,890	-
Total	$ 18,313	$ 2,033

$4,890 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2024	$ 4,493
2025	2,959
2026	2,136
2027	1,802
2028	-
Thereafter	-

HIC Plan Data

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

Note 15—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, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were $170,048 and $159,754 for the years ended June 30, 2023 and June 30, 2022, respectively.

Note 15—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

At June 30, 2023, the school division reported a liability of $1,769,399 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.14166% as compared to 0.13412% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of $152,253. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 72,123
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments		1,776
Change in assumptions and differences between actual and expected contributions	51,693	4,518
Change in proportionate share	98,559	38,789
Employer contributions subsequent to the measurement date	170,048	-
Total	$ 320,300	$ 117,206

Note 15—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)

$170,048 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:

Year Ended June 30	
2024	$ 5,446
2025	3,770
2026	(591)
2027	7,566
2028	7,300
Thereafter	9,555

Actuarial Assumptions

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

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

Mortality Rates – Teachers

Pre-Retirement:
Pub-2010 Amount Weighted Teacher Employee Rates projected generationally; 110% of rates for males

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

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

Beneficiaries and Survivors:
Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

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

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

Actuarial Assumptions (Continued)

Mortality Rates – Teachers (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$	1,470,891
Plan Fiduciary Net Position		221,845
Teacher Employee net HIC OPEB Liability (Asset)	$	1,249,046
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.

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

Long-Term Expected Rate of Return

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

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

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

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

Discount Rate

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

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

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

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

	Rate		
	1% Decrease	**Current Discount**	**1% Increase**
	(5.75%)	**(6.75%)**	**(7.75%)**
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 1,994,133	$ 1,769,399	$ 1,578,898

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.

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan):

County and School Board

Plan Description

In addition to the pension and VRS OPEB benefits described in Note 13, the County administers a single-employer defined benefit healthcare plan, The County of Appomattox Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension and VRS OPEB plans. The plan does not issue a publicly available financial report.

In addition to the pension and VRS OPEB benefits described in Notes 13 through 15, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Appomattox 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.

Note 16—Medical and Dental Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible County 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 County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

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 who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Plan Membership

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

	Primary Government	Component Unit School Board
Total active employees with coverage	97	305
Total retirees and spouses with coverage	7	9
Total	104	314

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2023 was $48,131 and $50,187, respectively.

Total OPEB Liability

The County and 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, 2021.

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	2.50% per year
Discount Rate	3.65% per year

Note 16—Medical and Dental Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Actuarial Assumptions (Continued)

Mortality rates for the County were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2023; males 115% of rates; females 130% of rates.

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

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2023. 5% of deaths are assumed to be service related.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2023; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2023; 115% of rates for males and females.

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the 20 Year Tax-Exempt Municipal Bond Yield of their respective measurement dates.

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Note 16—Medical and Dental Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2022	$ 382,708	$ 1,431,962
Changes for the year:		
Service cost	23,225	72,039
Interest	13,525	52,361
Effect of economic/demographic gains or losses	-	-
Changes of assumptions	5,951	(13,270)
Benefit payments	(48,131)	(50,187)
Net changes	$ (5,430)	$ 60,943
Balances at June 30, 2023	$ 377,278	$ 1,492,905

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	Rate		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Primary Government:			
Total OPEB liability	$ 407,325	$ 377,278	$ 349,985
Component Unit School Board:			
Total OPEB liability	$ 1,616,948	$ 1,492,905	$ 1,376,764

Note 16—Medical and Dental Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

The following presents the total OPEB liability of the County and 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 or one percentage point higher than the current healthcare cost trend rates:

	Rates		
	1% Decrease (4.50% to 3.00%)	Healthcare Cost Trend (5.50% to 4.00%)	1% Increase (6.50% to 5.00%)
Primary Government:			
Total OPEB liability	$ 334,322	$ 377,278	$ 427,943

	Rates		
	1% Decrease (7.20% to 2.90%)	Healthcare Cost Trend (8.20% to 3.90%)	1% Increase (9.20% to 4.90%)
Component Unit School Board:			
Total OPEB liability	$ 1,303,002	$ 1,492,905	$ 1,718,724

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

For the year ended June 30, 2023, the County and the School Board recognized OPEB expense in the amount of $43,137 and $142,825. At June 30, 2023, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resouces	Deferred Inflows of Resources	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,704	$ 95,927	$ 151,421	$ -
Changes in assumptions	60,746	27,667	58,845	115,775
Total	$ 67,450	$ 123,594	$ 210,266	$ 115,775

Note 16—Medical and Dental Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)

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

Year Ended June 30	Primary Government	Component Unit School Board
2023	$ 5,779	$ 18,425
2024	(1,138)	18,425
2025	(29,001)	18,149
2026	(29,001)	17,054
2027	(2,783)	13,906
Thereafter	-	8,532

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

Note 17—Summary of Other Postemployment Benefit Plans:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 13):								
County	$ 70,719	$ 60,955	$ 256,954	$ 5,664	$ -	$ -	$ -	$ -
School Board Professional	-	-	-	-	203,518	162,859	729,442	32,005
School Board Nonprofessional	-	-	-	-	13,599	11,409	44,190	1,370
School Board (nonprofessional) Health Insurance Credit Plan (Note 14)	-	-	-	-	18,313	2,033	39,913	4,563
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	320,300	117,206	1,769,399	152,253
County Stand-Alone Plan (Note 16)	67,450	123,594	377,278	43,137	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	210,266	115,775	1,492,905	142,825
Totals	$ 138,169	$ 184,549	$ 634,232	$ 48,801	$ 765,996	$ 409,282	$ 4,075,849	$ 333,016

Note 18—Landfill Closure and Postclosure Costs:

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and state regulations. The $2,220,723 reported as landfill postclosure liability at June 30, 2023, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2023. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

Note 18—Landfill Closure and Postclosure Costs: (Continued)

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action cost 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 19—Surety Bonds:

The Commonwealth of Virginia has established a Faithful Performance of Duty Bond Plan to cover the following positions:

	Amount
Division of Risk Management Surety:	
Commonwealth Funds	
Janet A. Hix, Clerk of the Circuit Court	$ 115,430
Victoria C. Phelps, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
Donald D. Simpson, Sheriff	30,000
Utica Mutual Insurance Company-Surety:	
Clerk and Deputy Clerk of the School Board	10,000
Virginia Local Government Risk Management Plan:	
All Social Services Employees	1,000,000

Note 20—Line of Duty Act (LODA) (OPEB Benefits):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2023 was $16,093.

Note 21—Lease Receivable:

The County leases a building under the following contract. In fiscal year 2023, the County recognized lease revenue and interest revenue in the amount of $28,804 and $1,196, respectively. A description of the lease is as follows:

Lease Description	Start Date	End Date	Payment Frequency	Discount Rate	Receivable Balance
Tower	7/1/2021	5/1/2026	Monthly	1.177%	$ 85,974
Total					$ 85,974

Note 22—Adoption of Accounting Principles:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements (SBITAs)* during the fiscal year ended June 30, 2023. Statement No. 96, *SBITAs* requires recognition of certain subscription assets and liabilities for certain contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2022 related to the subscriptions:

Subscription assets	$ 36,396
Subscription liabilities	$ 36,396

Note 23—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.

Note 23—Upcoming Pronouncements: (Continued)

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit 12

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

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	$ 15,773,600	$ 15,773,600	$ 16,267,166	$ 493,566
Other local taxes	2,419,000	2,419,000	3,079,520	660,520
Permits, privilege fees, and regulatory licenses	68,750	68,750	133,083	64,333
Fines and forfeitures	50,750	50,750	93,719	42,969
Revenue from the use of money and property	67,451	67,451	270,511	203,060
Charges for services	84,697	84,697	121,058	36,361
Miscellaneous	128,725	128,725	320,005	191,280
Recovered costs	110,550	110,550	162,785	52,235
Intergovernmental:				
Commonwealth	5,491,470	5,491,470	5,939,816	448,346
Federal	3,153,488	3,153,488	2,188,606	(964,882)
Total revenues	$ 27,348,481	$ 27,348,481	$ 28,576,269	$ 1,227,788
EXPENDITURES				
Current:				
General government administration	$ 3,820,679	$ 3,769,317	$ 2,337,328	$ 1,431,989
Judicial administration	1,242,860	1,301,027	1,268,621	32,406
Public safety	4,792,410	5,811,988	5,219,955	592,033
Public works	1,933,482	1,940,329	1,740,567	199,762
Health and welfare	3,950,548	4,784,002	4,908,844	(124,842)
Education	6,776,861	6,776,861	5,855,950	920,911
Parks, recreation, and cultural	544,321	567,919	480,167	87,752
Community development	408,225	445,021	366,179	78,842
Capital projects	650,000	5,728,053	4,992,526	735,527
Debt service:				
Principal retirement	2,473,333	2,473,333	2,492,785	(19,452)
Interest and other fiscal charges	800,762	601,763	804,045	(202,282)
Total expenditures	$ 27,393,481	$ 34,199,613	$ 30,466,967	$ 3,732,646
Excess (deficiency) of revenues over (under) expenditures	$ (45,000)	$ (6,851,132)	$ (1,890,698)	$ 4,960,434
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 45,000	$ 45,000	$ 680,013	$ 635,013
Transfers out	-	-	(1,300,156)	(1,300,156)
Issuance of lease liability	-	-	28,079	28,079
Total other financing sources (uses)	$ 45,000	$ 45,000	$ (592,064)	$ (637,064)
Net change in fund balances	$ -	$ (6,806,132)	$ (2,482,762)	$ 4,323,370
Fund balances - beginning	-	6,806,132	26,243,397	19,437,265
Fund balances - ending	$ -	$ -	$ 23,760,635	$ 23,760,635

County of Appomattox, Virginia
Schedule of Changes in Net Pension Liability 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	$ 512,823	$ 482,840	$ 500,159
Interest	1,929,020	1,754,893	1,751,831
Changes of assumptions	-	1,060,035	-
Differences between expected and actual experience	(340,673)	427,972	(566,682)
Benefit payments	(1,679,102)	(1,638,709)	(1,641,169)
Net change in total pension liability	$ 422,068	$ 2,087,031	$ 44,139
Total pension liability - beginning	28,904,804	26,817,773	26,773,634
Total pension liability - ending (a)	$ 29,326,872	$ 28,904,804	$ 26,817,773
Plan fiduciary net position			
Contributions - employer	$ 661,715	$ 608,406	$ 557,249
Contributions - employee	217,951	201,276	202,486
Net investment income	(17,396)	5,692,045	416,575
Benefit payments	(1,679,102)	(1,638,709)	(1,641,169)
Administrator charges	(16,278)	(14,573)	(14,381)
Other	591	533	(477)
Net change in plan fiduciary net position	$ (832,519)	$ 4,848,978	$ (479,717)
Plan fiduciary net position - beginning	25,997,763	21,148,785	21,628,502
Plan fiduciary net position - ending (b)	$ 25,165,244	$ 25,997,763	$ 21,148,785
County's net pension liability - ending (a) - (b)	$ 4,161,628	$ 2,907,041	$ 5,668,988
Plan fiduciary net position as a percentage of the total pension liability	85.81%	89.94%	78.86%
Covered payroll	$ 4,643,018	$ 4,232,528	$ 4,195,538
County's net pension liability as a percentage of covered payroll	89.63%	68.68%	135.12%

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.

2019	2018	2017	2016	2015	2014
$ 470,340	$ 467,473	$ 471,974	$ 475,356	$ 449,518	$ 443,674
1,696,748	1,669,739	1,653,770	1,613,882	1,553,677	1,496,352
709,716	-	(83,838)	-	-	-
402,255	(234,652)	(392,868)	(158,308)	139,018	-
(1,489,377)	(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)	(1,102,328)
$ 1,789,682	$ 358,513	$ 351,271	$ 506,495	$ 1,002,358	$ 837,698
24,983,952	24,625,439	24,274,168	23,767,673	22,765,315	21,927,617
$ 26,773,634	$ 24,983,952	$ 24,625,439	$ 24,274,168	$ 23,767,673	$ 22,765,315
$ 548,381	$ 516,585	$ 535,438	$ 591,434	$ 594,544	$ 537,604
199,618	190,974	198,487	200,396	198,597	208,860
1,372,961	1,487,792	2,246,866	319,618	841,298	2,557,177
(1,489,377)	(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)	(1,102,328)
(14,004)	(13,246)	(13,247)	(11,956)	(11,689)	(13,959)
(863)	(1,304)	(1,991)	(137)	(177)	135
$ 616,716	$ 636,754	$ 1,667,786	$ (325,080)	$ 482,718	$ 2,187,489
21,011,786	20,375,032	18,707,246	19,032,326	18,549,608	16,362,119
$ 21,628,502	$ 21,011,786	$ 20,375,032	$ 18,707,246	$ 19,032,326	$ 18,549,608
$ 5,145,132	$ 3,972,166	$ 4,250,407	$ 5,566,922	$ 4,735,347	$ 4,215,707
80.78%	84.10%	82.74%	77.07%	80.08%	81.48%
$ 4,099,959	$ 3,923,417	$ 4,059,748	$ 4,017,722	$ 4,031,328	$ 3,984,402
125.49%	101.24%	104.70%	138.56%	117.46%	105.81%

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

	2022	2021	2020
Total pension liability			
Service cost	$ 62,333	$ 66,361	$ 63,328
Interest	238,854	223,236	222,138
Changes of assumptions	-	48,336	-
Differences between expected and actual experience	30,187	6,017	(95,522)
Benefit payments	(174,581)	(175,214)	(172,139)
Net change in total pension liability	$ 156,793	$ 168,736	$ 17,805
Total pension liability - beginning	3,563,537	3,394,801	3,376,996
Total pension liability - ending (a)	$ 3,720,330	$ 3,563,537	$ 3,394,801
Plan fiduciary net position			
Contributions - employer	$ 23,228	$ 22,185	$ 25,059
Contributions - employee	37,098	34,722	33,461
Net investment income	(3,300)	924,290	66,111
Benefit payments	(174,581)	(175,214)	(172,139)
Administrator charges	(2,646)	(2,353)	(2,296)
Other	96	87	(77)
Net change in plan fiduciary net position	$ (120,105)	$ 803,717	$ (49,881)
Plan fiduciary net position - beginning	4,222,218	3,418,501	3,468,382
Plan fiduciary net position - ending (b)	$ 4,102,113	$ 4,222,218	$ 3,418,501
School Division's net pension liability (asset) - ending (a) - (b)	$ (381,783)	$ (658,681)	$ (23,700)
Plan fiduciary net position as a percentage of the total pension liability	110.26%	118.48%	100.70%
Covered payroll	$ 798,712	$ 746,899	$ 711,305
School Division's net pension liability (asset) as a percentage of covered payroll	-47.80%	-88.19%	-3.33%

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
$ 75,941	$ 74,166	$ 66,645	$ 73,359	$ 76,215	$ 81,045
213,298	203,493	197,717	197,119	189,111	179,628
90,656	-	(46,624)	-	-	-
22,650	3,610	1,431	(124,790)	(19,255)	-
(145,315)	(137,096)	(136,196)	(138,104)	(125,249)	(125,141)
$ 257,230	$ 144,173	$ 82,973	$ 7,584	$ 120,822	$ 135,532
3,119,766	2,975,593	2,892,620	2,885,036	2,764,214	2,628,682
$ 3,376,996	$ 3,119,766	$ 2,975,593	$ 2,892,620	$ 2,885,036	$ 2,764,214
$ 23,651	$ 29,202	$ 28,969	$ 50,808	$ 51,385	$ 55,567
30,898	34,319	33,843	33,523	34,024	34,731
220,303	234,152	351,265	49,925	128,667	388,463
(145,315)	(137,096)	(136,196)	(138,104)	(125,249)	(125,141)
(2,224)	(2,044)	(2,059)	(1,819)	(1,778)	(2,105)
(138)	(207)	(311)	(21)	(24)	20
$ 127,175	$ 158,326	$ 275,511	$ (5,688)	$ 87,025	$ 351,535
3,341,207	3,182,881	2,907,370	2,913,058	2,826,033	2,474,498
$ 3,468,382	$ 3,341,207	$ 3,182,881	$ 2,907,370	$ 2,913,058	$ 2,826,033
$ (91,386)	$ (221,441)	$ (207,288)	$ (14,750)	$ (28,022)	$ (61,819)
102.71%	107.10%	106.97%	100.51%	100.97%	102.24%
$ 637,408	$ 702,216	$ 691,800	$ 683,214	$ 686,311	$ 694,598
-14.34%	-31.53%	-29.96%	-2.16%	-4.08%	-8.90%

County of Appomattox, Virginia **Exhibit 15**

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan

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

Date (1)	Employer's Proportion of the Net Pension Liability (Asset) (2)	Employer's Proportionate Share of the Net Pension Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.14098%	$ 13,422,140	$ 13,204,360	101.65%	82.61%
2021	0.13341%	10,356,748	11,861,520	87.31%	85.46%
2020	0.13340%	19,417,569	11,757,108	165.16%	71.47%
2019	0.13512%	17,782,560	11,387,590	156.16%	73.51%
2018	0.13959%	16,416,000	11,333,992	144.84%	74.81%
2017	0.13894%	17,087,000	10,982,510	155.58%	72.92%
2016	0.13510%	18,933,000	10,301,199	183.79%	68.28%
2015	0.13890%	17,482,000	10,326,956	169.29%	70.68%
2014	0.13802%	16,680,000	10,093,563	165.25%	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 Appomattox, Virginia **Exhibit 16**

Schedule of Employer Contributions

Pension Plans

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2023	$ 848,128	$ 848,128	$ -	$ 5,197,683	16.32%
2022	661,715	661,715	-	4,643,018	14.25%
2021	608,339	608,339	-	4,232,528	14.37%
2020	557,702	557,702	-	4,195,538	13.29%
2019	548,381	548,381	-	4,099,959	13.38%
2018	516,585	516,585	-	3,923,417	13.17%
2017	535,438	535,438	-	4,059,748	13.19%
2016	591,434	591,434	-	4,017,722	14.72%
2015	594,544	594,544	-	4,031,328	14.75%
2014	537,496	537,496	-	3,984,402	13.49%
Component Unit School Board (nonprofessional)					
2023	$ 22,405	$ 22,405	$ -	$ 857,811	2.61%
2022	23,228	23,228	-	798,712	2.91%
2021	22,185	22,185	-	746,899	2.97%
2020	25,060	25,060	-	711,305	3.52%
2019	23,652	23,652	-	637,408	3.71%
2018	29,202	29,202	-	702,216	4.16%
2017	28,969	28,969	-	691,800	4.19%
2016	50,808	50,808	-	683,214	7.44%
2015	51,385	51,385	-	686,311	7.49%
2014	55,568	55,568	-	694,598	8.00%
Component Unit School Board (professional)					
2023	$ 2,208,195	$ 2,208,195	$ -	$ 14,053,555	15.71%
2022	2,094,416	2,094,416	-	13,204,360	15.86%
2021	1,887,412	1,887,412	-	11,861,520	15.91%
2020	1,773,070	1,773,070	-	11,757,108	15.08%
2019	1,731,640	1,731,640	-	11,387,590	15.21%
2018	1,805,165	1,805,165	-	11,333,992	15.93%
2017	1,581,020	1,581,020	-	10,982,510	14.40%
2016	1,432,522	1,432,522	-	10,301,199	13.91%
2015	1,485,208	1,485,208	-	10,326,956	14.38%
2014	1,173,584	1,173,584	-	10,093,563	11.63%

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

County of Appomattox, 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

Exhibit 18

County of Appomattox, Virginia
Schedule of County's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through 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	0.02130%	$ 256,954	$ 4,643,018	5.53%	67.21%
2021	0.02050%	238,676	4,232,528	5.64%	67.45%
2020	0.02039%	340,276	4,195,538	8.11%	52.64%
2019	0.02093%	340,587	4,102,670	8.30%	52.00%
2018	0.02063%	313,000	3,923,417	7.98%	51.22%
2017	0.02202%	331,000	4,062,369	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2022	0.00370%	$ 44,190	$ 798,712	5.53%	67.21%
2021	0.00360%	42,147	746,899	5.64%	67.45%
2020	0.00346%	57,741	711,305	8.12%	52.64%
2019	0.00325%	52,886	637,408	8.30%	52.00%
2018	0.00369%	56,000	702,216	7.97%	51.22%
2017	0.00375%	56,000	691,800	8.09%	48.86%
Component Unit School Board (professional):					
2022	0.06060%	$ 729,442	$ 13,177,106	5.54%	67.21%
2021	0.05750%	668,874	11,861,520	5.64%	67.45%
2020	0.05713%	953,406	11,757,108	8.11%	52.64%
2019	0.05833%	949,184	11,433,421	8.30%	52.00%
2018	0.05960%	906,000	11,333,992	7.99%	51.22%
2017	0.05954%	896,000	10,982,510	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.

Exhibit 19

County of Appomattox, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) 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)
Primary Government:					
2023	$ 28,067	$ 28,067	$ -	$ 5,197,683	0.54%
2022	25,072	25,072	-	4,643,018	0.54%
2021	22,856	22,856	-	4,232,528	0.54%
2020	21,817	21,817	-	4,195,538	0.52%
2019	21,334	21,334	-	4,102,670	0.52%
2018	20,402	20,402	-	3,923,417	0.52%
2017	21,124	21,124	-	4,062,369	0.52%
2016	19,285	19,285	-	4,017,722	0.48%
2015	19,350	19,350	-	4,031,328	0.48%
2014	19,134	19,134	-	3,986,265	0.48%
Component Unit School Board (nonprofessional):					
2023	$ 4,632	$ 4,632	$ -	$ 857,811	0.54%
2022	4,313	4,313	-	798,712	0.54%
2021	4,033	4,033	-	746,899	0.54%
2020	3,699	3,699	-	711,305	0.52%
2019	3,315	3,315	-	637,408	0.52%
2018	3,652	3,652	-	702,216	0.52%
2017	3,597	3,597	-	691,800	0.52%
2016	3,279	3,279	-	683,214	0.48%
2015	3,294	3,294	-	686,311	0.48%
2014	3,334	3,334	-	694,598	0.48%
Component Unit School Board (professional):					
2023	$ 75,825	$ 75,825	$ -	$ 14,041,741	0.54%
2022	71,156	71,156	-	13,177,106	0.54%
2021	64,052	64,052	-	11,861,520	0.54%
2020	61,137	61,137	-	11,757,108	0.52%
2019	59,454	59,454	-	11,433,421	0.52%
2018	58,937	58,937	-	11,333,992	0.52%
2017	57,109	57,109	-	10,982,510	0.52%
2016	49,446	49,446	-	10,301,199	0.48%
2015	49,569	49,569	-	10,326,956	0.48%
2014	48,449	48,449	-	10,093,563	0.48%

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

Exhibit 21

County of Appomattox, Virginia
Schedule of Changes in the Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through 2022

	2022	2021	2020	2019	2018	2017
Total HIC OPEB Liability						
Service cost	$ 783	$ 1,134	$ 1,315	$ 1,476	$ 1,441	$ 1,437
Interest	4,972	4,970	4,678	4,206	4,074	4,093
Changes in benefit terms	-	-	2,534	-	-	-
Changes of assumptions	12,944	631	-	1,675	-	(2,766)
Differences between expected and actual experience	732	(1,495)	1,573	6,722	441	-
Benefit payments	(5,977)	(6,011)	(5,534)	(4,190)	(3,946)	(2,127)
Net change in total HIC OPEB liability	$ 13,454	$ (771)	$ 4,566	$ 9,889	$ 2,010	$ 637
Total HIC OPEB Liability - beginning	75,862	76,633	72,067	62,178	60,168	59,531
Total HIC OPEB Liability - ending (a)	$ 89,316	$ 75,862	$ 76,633	$ 72,067	$ 62,178	$ 60,168
Plan fiduciary net position						
Contributions - employer	$ 4,553	$ 4,257	$ 2,845	$ 2,550	$ 3,230	$ 3,183
Net investment income	78	10,325	828	2,575	2,803	4,035
Benefit payments	(5,977)	(6,011)	(5,534)	(4,190)	(3,946)	(2,127)
Administrator charges	(85)	(118)	(77)	(56)	(66)	(66)
Other	2,139	-	-	(3)	(200)	200
Net change in plan fiduciary net position	$ 708	$ 8,453	$ (1,938)	$ 876	$ 1,821	$ 5,225
Plan fiduciary net position - beginning	48,695	40,242	42,180	41,304	39,483	34,258
Plan fiduciary net position - ending (b)	$ 49,403	$ 48,695	$ 40,242	$ 42,180	$ 41,304	$ 39,483
School Division's net HIC OPEB liability - ending (a) - (b)	$ 39,913	$ 27,167	$ 36,391	$ 29,887	$ 20,874	$ 20,685
Plan fiduciary net position as a percentage of the total HIC OPEB liability	55.31%	64.19%	52.51%	58.53%	66.43%	65.62%
Covered payroll	$ 798,712	$ 746,899	$ 711,305	$ 637,408	$ 702,216	$ 691,800
School Division's net HIC OPEB liability as a percentage of covered payroll	5.00%	3.64%	5.12%	4.69%	2.97%	2.99%

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.

Exhibit 22

County of Appomattox, Virginia
Schedule of Employer Contributions
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	$ 4,890	$ 4,890	$ -	$ 857,811	0.57%
2022	4,553	4,553	-	798,712	0.57%
2021	4,257	4,257	-	746,899	0.57%
2020	2,845	2,845	-	711,305	0.40%
2019	2,550	2,550	-	637,408	0.40%
2018	3,230	3,230	-	702,216	0.46%
2017	3,182	3,182	-	691,800	0.46%
2016	2,733	2,733	-	683,214	0.40%
2015	2,745	2,745	-	686,311	0.40%
2014	3,473	3,473	-	694,598	0.50%

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 though 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

Exhibit 24

County of Appomattox, 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 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	0.14166%	$ 1,769,399	$ 13,202,772	13.40%	15.08%
2021	0.13412%	1,721,523	11,861,520	14.51%	13.15%
2020	0.13410%	1,749,487	11,757,108	14.88%	9.95%
2019	0.13574%	1,776,969	11,385,577	15.61%	8.97%
2018	0.14009%	1,779,000	11,329,816	15.70%	8.08%
2017	0.13916%	1,765,000	10,982,510	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.

Exhibit 25

County of Appomattox, 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	$ 170,048	$ 170,048	$ -	$ 14,053,555	1.21%
2022	159,754	159,754	-	13,202,772	1.21%
2021	143,524	143,524	-	11,861,520	1.21%
2020	141,085	141,085	-	11,757,108	1.20%
2019	136,627	136,627	-	11,385,577	1.20%
2018	139,357	139,357	-	11,329,816	1.23%
2017	121,906	121,906	-	10,982,510	1.11%
2016	109,193	109,193	-	10,301,199	1.06%
2015	109,466	109,466	-	10,326,956	1.06%
2014	112,039	112,039	-	10,093,563	1.11%

County of Appomattox, Virginia
Notes to Required Supplementary Information
Teacher 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

Exhibit 27

County of Appomattox, Virginia

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

Primary Government

For the Years Ended June 30, 2018 through June 30, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 23,225	$ 28,040	$ 33,924	$ 19,159	$ 15,214	$ 15,344
Interest	13,525	12,455	12,887	13,494	14,716	14,042
Economic/demographic gains or losses	-	(142,721)	-	21,600	-	-
Changes in assumptions	5,951	(41,163)	2,018	177,733	9,521	(7,559)
Benefit payments	(48,131)	(44,754)	(54,035)	(44,211)	(32,104)	(35,237)
Net change in total OPEB liability	$ (5,430)	$ (188,143)	$ (5,206)	$ 187,775	$ 7,347	$ (13,410)
Total OPEB liability - beginning	382,708	570,851	576,057	388,282	380,935	394,345
Total OPEB liability - ending	$ 377,278	$ 382,708	$ 570,851	$ 576,057	$ 388,282	$ 380,935
Covered-employee payroll	$ 4,469,890	$ 4,469,890	$ 4,507,498	$ 4,114,208	$ 3,346,229	$ 3,346,229
County's total OPEB liability (asset) as a percentage of covered-employee payroll	8.44%	8.56%	12.66%	14.00%	11.60%	11.38%

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

Exhibit 28

County of Appomattox, Virginia

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios

Component Unit School Board

For the Year Ended June 30, 2018 through June 30, 2022

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 72,039	$ 92,936	$ 88,881	$ 72,662	$ 63,532	$ 64,290
Interest	52,361	29,478	28,617	39,400	39,938	36,560
Economic/demographic gains or losses	-	196,997	-	3,506	-	-
Changes in assumptions	(13,270)	(127,436)	4,939	82,185	31,842	(23,861)
Benefit payments	(50,187)	(63,291)	(50,041)	(39,539)	(61,628)	(69,314)
Net change in total OPEB liability	$ 60,943	$ 128,684	$ 72,396	$ 158,214	$ 73,684	$ 7,675
Total OPEB liability - beginning	1,431,962	1,303,278	1,230,882	1,072,668	998,984	991,309
Total OPEB liability - ending	$ 1,492,905	$ 1,431,962	$ 1,303,278	$ 1,230,882	$ 1,072,668	$ 998,984
Covered-employee payroll	$ 12,593,032	$ 12,593,032	$ 11,799,379	$ 11,799,379	$ 10,522,346	$ 10,522,346
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	11.86%	11.37%	11.05%	10.43%	10.19%	9.49%

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

County of Appomattox, Virginia

Notes to Required Supplementary Information - Primary Government

For the Year Ended June 30, 2023

Valuation Date: 7/1/2021

Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 5.50% graded down to 4.00% over 52 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males and females setback 1 year. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 1 year; female's setback 1 year with 1.5% increase compounded from ages 70 to 85. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

Valuation Date: 7/1/2021

Measurement Date: 6/30/2023

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 8.20% graded down to 3.90% over 52 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 65 to 90; female's setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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OTHER SUPPLEMENTARY INFORMATION

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COMBINING AND INDIVIDUAL FUND FINANCIAL

STATEMENTS AND SCHEDULES

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Exhibit 31

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

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
Education	$ -	$ -	$ 732,518	(732,518)
Total expenditures	$ -	$ -	$ 732,518	$ (732,518)
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ (732,518)	$ (732,518)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 722,602	$ 722,602
Total other financing sources (uses)	$ -	$ -	$ 722,602	$ 722,602
Net change in fund balances	$ -	$ -	$ (9,916)	$ (9,916)
Fund balances - beginning	-	-	3,938,886	3,938,886
Fund balances - ending	$ -	$ -	$ 3,928,970	$ 3,928,970

Exhibit 32

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

	County Special Revenue Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ -	$ -	$ 48,625	$ 48,625
Intergovernmental:				
Commonwealth	45,000	45,000	83,567	38,567
Total revenues	$ 45,000	$ 45,000	$ 132,192	$ 87,192
OTHER FINANCING SOURCES (USES)				
Transfers out	$ -	$ -	$ (102,459)	$ (102,459)
Total other financing sources (uses)	$ -	$ -	$ (102,459)	$ (102,459)
Net change in fund balances	$ 45,000	$ 45,000	$ 29,733	$ (15,267)
Fund balances - beginning	(45,000)	(45,000)	720,738	765,738
Fund balances - ending	$ -	$ -	$ 750,471	$ 750,471

DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD

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Exhibit 33

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

	School Operating Fund	School Special Revenue Fund	School Activity Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,332,644	$ 1,912,498	$ 382,959	$ 4,628,101
Cash in custody of others	-	4,000	-	4,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	8,394	-	-	8,394
Due from other funds	68,203	-	-	68,203
Due from other governmental units	1,508,596	137,133	-	1,645,729
Total assets	$ 3,917,837	$ 2,053,631	$ 382,959	$ 6,354,427
LIABILITIES				
Accounts payable	$ 460,719	$ 101,039	$ -	$ 561,758
Accrued liabilities	2,330,644	-	-	2,330,644
Due to other funds	-	68,203	-	68,203
Due to other governmental units	1,124,474	-	-	1,124,474
Total liabilities	$ 3,915,837	$ 169,242	$ -	$ 4,085,079
FUND BALANCES				
Committed	$ -	$ 1,884,389	$ 382,959	$ 2,267,348
Unassigned	2,000	-	-	2,000
Total fund balances	$ 2,000	$ 1,884,389	$ 382,959	$ 2,269,348

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total fund balances per above		$ 2,269,348
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, cost	$ 40,478,261	
Accumulated depreciation	(22,601,941)	17,876,320
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Net pension asset		381,783
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 4,252,212	
OPEB related items	765,996	5,018,208
Long-term liabilities 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:		
Lease liability	$ (5,055)	
Subscription liability	(18,416)	
Net pension liability	(13,422,140)	
Net OPEB liabilities	(4,075,849)	(17,521,460)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (3,046,145)	
OPEB related items	(409,282)	(3,455,427)
Net position of governmental activities		$ 4,568,772

Exhibit 34

County of Appomattox, 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 Special Revenue Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	$ 3,276	$ -	$ -	$ 3,276
Charges for services	66,545	105,887	-	172,432
Miscellaneous	197,319	-	600,843	798,162
Recovered costs	38,008	-	-	38,008
Intergovernmental:				
Local government	5,855,565	-	-	5,855,565
Commonwealth	21,289,414	30,868	-	21,320,282
Federal	3,481,333	1,563,601	-	5,044,934
Total revenues	$ 30,931,460	$ 1,700,356	$ 600,843	$ 33,232,659
EXPENDITURES				
Current:				
Education	$ 30,910,742	$ 1,457,491	$ 579,121	$ 32,947,354
Debt service:				
Principal retirement	19,674	-	-	19,674
Interest and other fiscal charges	1,044	-	-	1,044
Total expenditures	$ 30,931,460	$ 1,457,491	$ 579,121	$ 32,968,072
Net change in fund balances	$ -	$ 242,865	$ 21,722	$ 264,587
Fund balances - beginning	2,000	1,641,524	361,237	2,004,761
Fund balances - ending	$ 2,000	$ 1,884,389	$ 382,959	$ 2,269,348

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		$ 264,587
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital asset additions	$ 2,177,798	
Jointly owned asset allocation	511,835	
Depreciation expense	(1,578,091)	1,108,382
The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 obligations and related items.		
Principal payments		19,674
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds		206,278
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.		
Pension expense	$ 1,893,922	
OPEB expense	9,145	1,903,067
Change in net position of governmental activities		$ 3,501,988

Exhibit 35

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Operating Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2023

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ 6,000	$ 6,000	$ 3,276	$ (2,724)
Charges for services	68,000	68,000	66,545	(1,455)
Miscellaneous	21,000	21,000	197,319	176,319
Recovered costs	30,000	30,000	38,008	8,008
Intergovernmental:				
Local government	6,776,476	6,776,476	5,855,565	(920,911)
Commonwealth	21,553,460	21,556,620	21,289,414	(267,206)
Federal	1,250,849	4,984,688	3,481,333	(1,503,355)
Total revenues	$ 29,705,785	$ 33,442,784	$ 30,931,460	$ (2,511,324)
EXPENDITURES				
Current:				
Education	$ 29,705,785	$ 33,442,784	$ 30,910,742	$ 2,532,042
Debt service:				
Principal retirement	-	-	19,674	(19,674)
Interest and other fiscal charges	-	-	1,044	(1,044)
Total expenditures	$ 29,705,785	$ 33,442,784	$ 30,931,460	$ 2,511,324
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	2,000	2,000
Fund balances - ending	$ -	$ -	$ 2,000	$ 2,000

Exhibit 36

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

	School Special Revenue Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 25,003	$ 25,003	$ 105,887	$ 80,884
Intergovernmental:				
Commonwealth	29,997	29,997	30,868	871
Federal	1,475,000	1,615,612	1,563,601	(52,011)
Total revenues	$ 1,530,000	$ 1,670,612	$ 1,700,356	$ 29,744
EXPENDITURES				
Current:				
Education	$ 1,530,000	$ 1,670,612	$ 1,457,491	$ 213,121
Total expenditures	$ 1,530,000	$ 1,670,612	$ 1,457,491	$ 213,121
Net change in fund balances	$ -	$ -	$ 242,865	$ 242,865
Fund balances - beginning	-	-	1,641,524	1,641,524
Fund balances - ending	$ -	$ -	$ 1,884,389	$ 1,884,389

DISCRETELY PRESENTED COMPONENT UNIT
ECONOMIC DEVELOPMENT AUTHORITY

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Exhibit 37

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

ASSETS		
Current assets:		
Cash and cash equivalents	$	156,352
Noncurrent assets:		
Capital assets:		
Land	$	1,381,873
Infrastructure		1,917,079
Accumulated depreciation		(1,054,373)
Total capital assets	$	2,244,579
Total noncurrent assets	$	2,244,579
Total assets	$	2,400,931
NET POSITION		
Investment in capital assets	$	2,244,579
Unrestricted		156,352
Total net position	$	2,400,931

Exhibit 38

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

OPERATING REVENUES		
Charges for services:		
Rent	$	12,360
Contributions from local governments		82,551
Miscellaneous		19,205
Total operating revenues	$	114,116
OPERATING EXPENSES		
Other supplies and expenses	$	7,504
EDA grant		113,473
Depreciation		46,530
Total operating expenses	$	167,507
Operating income (loss)	$	(53,391)
NONOPERATING REVENUES (EXPENSES)		
Investment income	$	430
Total nonoperating revenues (expenses)	$	430
Change in net position	$	(52,961)
Net position - beginning		2,453,892
Net position - ending	$	2,400,931

Exhibit 39

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

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$	114,116
Payments for operating activities		(120,977)
Net cash provided by (used for) operating activities	$	(6,861)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	$	430
Net cash provided by (used for) investing activities	$	430
Net increase (decrease) in cash and cash equivalents	$	(6,431)
Cash and cash equivalents - beginning		162,783
Cash and cash equivalents - ending	$	156,352
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$	(53,391)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation		46,530
Total adjustments	$	46,530
Net cash provided by (used for) operating activities	$	(6,861)

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SUPPORTING SCHEDULES

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 8,900,000	$ 8,900,000	$ 9,155,082	$ 255,082
Real and personal public service corporation taxes	895,600	895,600	939,514	43,914
Personal property taxes	5,602,000	5,602,000	5,527,157	(74,843)
Machinery and tools taxes	66,000	66,000	155,543	89,543
Merchant's capital taxes	130,000	130,000	130,761	761
Penalties	100,000	100,000	213,318	113,318
Interest	80,000	80,000	145,791	65,791
Total general property taxes	$ 15,773,600	$ 15,773,600	$ 16,267,166	$ 493,566
Other local taxes:				
Local sales and use taxes	$ 1,450,000	$ 1,450,000	$ 1,894,629	$ 444,629
Consumers' utility taxes	370,000	370,000	411,697	41,697
Consumption tax	39,000	39,000	42,269	3,269
Gross receipts	13,500	13,500	11,720	(1,780)
Motor vehicle licenses	450,000	450,000	559,727	109,727
Taxes on recordation and wills	93,500	93,500	137,563	44,063
Hotel and motel room taxes	3,000	3,000	21,915	18,915
Total other local taxes	$ 2,419,000	$ 2,419,000	$ 3,079,520	$ 660,520
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 4,000	$ 3,000	$ 3,222	$ 222
Permits and other licenses	64,750	65,750	129,861	64,111
Total permits, privilege fees, and regulatory licenses	$ 68,750	$ 68,750	$ 133,083	$ 64,333
Fines and forfeitures:				
Court fines and forfeitures	$ 50,750	$ 50,750	$ 93,719	$ 42,969
Total fines and forfeitures	$ 50,750	$ 50,750	$ 93,719	$ 42,969
Revenue from use of money and property:				
Revenue from use of money	$ 3,100	$ 3,100	$ 203,761	$ 200,661
Revenue from use of property	64,351	64,351	66,750	2,399
Total revenue from use of money and property	$ 67,451	$ 67,451	$ 270,511	$ 203,060
Charges for services:				
Sheriff's fees	$ 794	$ 794	$ 794	$ -
Charges for Commonwealth's Attorney	1,300	1,300	1,901	601
Charges for sanitation and waste removal	70,483	70,483	73,077	2,594
Charges for other protection	2,120	2,120	17,822	15,702
Charges for recreation	5,000	5,000	2,075	(2,925)
Charges for library	-	-	13,607	13,607
Charges for sheriff	-	-	1,782	1,782
Sports complex	5,000	5,000	10,000	5,000
Total charges for services	$ 84,697	$ 84,697	$ 121,058	$ 36,361

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	$ 128,725	$ 128,725	$ 280,360	$ 151,635
Opioid Revenue	-	-	39,645	39,645
Total miscellaneous	$ 128,725	$ 128,725	$ 320,005	$ 191,280
Recovered costs:				
Town recoveries	$ 106,050	$ 106,050	$ 125,775	$ 19,725
Town fire protection	2,500	2,500	2,500	-
Comprehensive services and social services	2,000	2,000	34,510	32,510
Total recovered costs	$ 110,550	$ 110,550	$ 162,785	$ 52,235
Total revenue from local sources	$ 18,703,523	$ 18,703,523	$ 20,447,847	$ 1,744,324
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	$ 450	$ 450	$ -	$ (450)
Mobile home titling tax	40,000	40,000	99,622	59,622
EMS vehicles	18,037	18,037	18,596	559
Rolling stock tax	37,000	37,000	41,218	4,218
Auto rental tax	3,000	3,000	7,520	4,520
Additional tax on deeds	30,000	30,000	46,207	16,207
Communications tax	500,000	500,000	390,896	(109,104)
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	$ 1,652,124	$ 1,652,124	$ 1,627,696	$ (24,428)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 367,442	$ 367,442	$ 366,316	$ (1,126)
Sheriff	900,139	900,139	875,761	(24,378)
Commissioner of revenue	123,156	123,156	123,083	(73)
Treasurer	94,540	94,540	94,251	(289)
Registrar/electoral board	77,036	77,036	66,084	(10,952)
Clerk of the Circuit Court	231,067	231,067	243,408	12,341
Total shared expenses	$ 1,793,380	$ 1,793,380	$ 1,768,903	$ (24,477)
Other categorical aid:				
Public assistance and welfare administration	$ 711,026	$ 711,026	$ 791,966	$ 80,940
Comprehensive services act	1,061,860	1,061,860	1,491,535	429,675
Fire programs fund	52,702	52,702	56,507	3,805
Library grant	49,538	49,538	74,499	24,961

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	$ 20,000	$ 20,000	$ 17,000	$ (3,000)
Victim witness grant	70,000	70,000	20,829	(49,171)
Litter control grant	10,840	10,840	13,005	2,165
Virginia domestic violence victims fund	45,000	45,000	22,500	(22,500)
Road side clean up	15,000	15,000	-	(15,000)
Health department refunds	2,500	2,500	-	(2,500)
Circuit court preservation	-	-	32,640	32,640
Emergency management performance	7,500	7,500	-	(7,500)
Health department incentive	-	-	15,748	15,748
Jury/witness	-	-	6,988	6,988
Total other categorical aid	$ 2,045,966	$ 2,045,966	$ 2,543,217	$ 497,251
Total categorical aid	$ 3,839,346	$ 3,839,346	$ 4,312,120	$ 472,774
Total revenue from the Commonwealth	$ 5,491,470	$ 5,491,470	$ 5,939,816	$ 448,346
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	$ 5,500	$ 5,500	$ 5,786	$ 286
Total noncategorical aid	$ 5,500	$ 5,500	$ 5,786	$ 286
Categorical aid:				
Federal interest rate subsidy	$ 417,375	$ 417,375	$ 426,107	$ 8,732
Public assistance and welfare administration	1,185,350	1,185,350	1,320,284	134,934
Comprehensive services act	-	-	56,047	56,047
Victim witness grant	-	-	48,701	48,701
ARPA funding	1,545,263	1,545,263	329,542	(1,215,721)
Byrne JAG grant	-	-	2,139	2,139
Total categorical aid	$ 3,147,988	$ 3,147,988	$ 2,182,820	$ (965,168)
Total revenue from the federal government	$ 3,153,488	$ 3,153,488	$ 2,188,606	$ (964,882)
Total General Fund	$ 27,348,481	$ 27,348,481	$ 28,576,269	$ 1,227,788

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Court costs- law library	$ -	$ -	$ 2,406	$ 2,406
Courthouse security fees	-	-	41,667	41,667
Courthouse maintenance fees	-	-	4,552	4,552
Total charges for services	$ -	$ -	$ 48,625	$ 48,625
Total revenue from local sources	$ -	$ -	$ 48,625	$ 48,625
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	$ 45,000	$ 45,000	$ 68,505	$ 23,505
Forfeited assets	-	-	15,062	15,062
Total categorical aid	$ 45,000	$ 45,000	$ 83,567	$ 38,567
Total revenue from the Commonwealth	$ 45,000	$ 45,000	$ 83,567	$ 38,567
Total County Special Revenue Fund	$ 45,000	$ 45,000	$ 132,192	$ 87,192
Total Primary Government	$ 27,393,481	$ 27,393,481	$ 28,708,461	$ 1,314,980
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	$ 6,000	$ 6,000	$ 3,276	$ (2,724)
Total revenue from use of money and property	$ 6,000	$ 6,000	$ 3,276	$ (2,724)
Charges for services:				
Charges for education	$ 68,000	$ 68,000	$ 66,545	$ (1,455)
Total charges for services	$ 68,000	$ 68,000	$ 66,545	$ (1,455)

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	$ 21,000	$ 21,000	$ 197,319	$ 176,319
Total miscellaneous	$ 21,000	$ 21,000	$ 197,319	$ 176,319
Recovered costs:				
Tuition - other localities	$ 30,000	$ 30,000	$ 38,008	$ 8,008
Total recovered costs	$ 30,000	$ 30,000	$ 38,008	$ 8,008
Total revenue from local sources	$ 125,000	$ 125,000	$ 305,148	$ 180,148
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	$ 6,776,476	$ 6,776,476	$ 5,855,565	$ (920,911)
Total revenues from local governments	$ 6,776,476	$ 6,776,476	$ 5,855,565	$ (920,911)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	$ 3,141,849	$ 3,141,849	$ 3,327,484	$ 185,635
Basic school aid	8,970,228	8,970,228	8,617,223	(353,005)
English as a second language	38,571	38,571	34,285	(4,286)
Gifted and talented	87,236	87,236	87,566	330
Remedial education	307,706	307,706	308,868	1,162
Special education	724,853	724,853	727,591	2,738
Textbook payment	209,970	209,970	210,763	793
ISAEP	8,233	8,233	8,203	(30)
Vocational education	361,634	361,634	362,999	1,365
School fringes	1,722,518	1,722,518	1,729,024	6,506
Foster children	26,963	26,963	12,445	(14,518)
Special education foster care	-	-	9,632	9,632
Career and technical education	23,432	23,432	11,879	(11,553)
Early reading intervention	118,382	118,382	94,705	(23,677)
Remedial Ed-Summer School	83,461	83,461	126,630	43,169
Homebound	15,912	15,912	159	(15,753)
VA preschool initiative payments	417,816	435,997	239,027	(196,970)
SOL Algebra readiness	42,711	42,711	42,696	(15)
K-3 initiative	435,997	417,816	447,400	29,584
School construction grant	1,618,528	1,618,528	1,618,528	-
Compensation supplement	528,748	528,748	530,944	2,196
Regular school tuition	207,138	207,138	247,510	40,372

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk payments	$ 950,491	$ 950,491	$ 462,265	$ (488,226)
Technology grant	154,000	154,000	154,000	-
Hold harmless for rebench	483,799	483,799	483,799	-
Supplemental lottery	643,117	643,117	1,135,269	492,152
Mentor teachers	2,060	5,220	998	(4,222)
Project graduation	3,962	3,962	3,962	-
Supplemental in lieu of sales tax	188,077	188,077	188,077	-
Other state aid	36,068	36,068	65,483	29,415
Total categorical aid	$ 21,553,460	$ 21,556,620	$ 21,289,414	$ (267,206)
Total revenue from the Commonwealth	$ 21,553,460	$ 21,556,620	$ 21,289,414	$ (267,206)
Revenue from the federal government:				
Categorical aid:				
Title I	$ 411,619	$ 539,221	$ 635,374	$ 96,153
Vocational education	49,682	49,682	48,149	(1,533)
Title II Part A	89,846	89,846	76,049	(13,797)
Title IV, Part A	60,443	60,443	29,094	(31,349)
Title VIB	543,562	543,562	483,046	(60,516)
ESSER	-	3,606,237	1,898,370	(1,707,867)
ARPA	-	-	233,331	233,331
School based health	77,920	77,920	77,920	-
Preschool grant	17,777	17,777	-	(17,777)
Total categorical aid	$ 1,250,849	$ 4,984,688	$ 3,481,333	$ (1,503,355)
Total revenue from the federal government	$ 1,250,849	$ 4,984,688	$ 3,481,333	$ (1,503,355)
Total School Operating Fund	$ 29,705,785	$ 33,442,784	$ 30,931,460	$ (2,511,324)
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	$ 25,003	$ 25,003	$ 105,887	$ 80,884
Total revenue from local sources	$ 25,003	$ 25,003	$ 105,887	$ 80,884

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	$ 29,997	$ 29,997	$ 30,868	$ 871
Total revenue from the Commonwealth	$ 29,997	$ 29,997	$ 30,868	$ 871
Revenue from the federal government:				
Categorical aid:				
School food program grant	1,475,000	1,515,908	$ 1,463,897	$ (52,011)
Commodities	-	99,704	99,704	-
Total categorical aid	$ 1,475,000	$ 1,615,612	$ 1,563,601	$ (52,011)
Total revenue from the federal government	$ 1,475,000	$ 1,615,612	$ 1,563,601	$ (52,011)
Total School Special Revenue Fund	$ 1,530,000	$ 1,670,612	$ 1,700,356	$ 29,744
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	$ -	$ -	$ 600,843	$ 600,843
Total miscellaneous	$ -	$ -	$ 600,843	$ 600,843
Total School Activity Funds	$ -	$ -	$ 600,843	$ 600,843
Total Discretely Presented Component Unit - School Board	$ 31,235,785	$ 35,113,396	$ 33,232,659	$ (1,880,737)

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

Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	$ 1,963,741	$ 1,833,587	$ 497,199	$ 1,336,388
Total legislative	$ 1,963,741	$ 1,833,587	$ 497,199	$ 1,336,388
General and financial administration:				
County administrator	$ 443,232	$ 443,343	$ 424,948	$ 18,395
Legal services	89,200	89,200	73,446	15,754
Commissioner of revenue	387,674	430,930	408,662	22,268
Independent auditor	56,500	59,740	55,143	4,597
Treasurer	338,588	364,321	360,781	3,540
Information technology	340,091	342,456	334,841	7,615
Total general and financial administration	$ 1,655,285	$ 1,729,990	$ 1,657,821	$ 72,169
Board of elections:				
Electoral board and officials	$ 59,883	$ 61,065	$ 40,121	$ 20,944
Registrar	141,770	144,675	142,187	2,488
Total board of elections	$ 201,653	$ 205,740	$ 182,308	$ 23,432
Total general government administration	$ 3,820,679	$ 3,769,317	$ 2,337,328	$ 1,431,989
Judicial administration:				
Courts:				
Circuit court	$ 24,238	$ 30,832	$ 30,803	$ 29
General district court	4,535	4,535	4,444	91
Special Magistrates	1,438	1,438	567	871
Court services unit	181,772	181,772	174,509	7,263
Juvenile and domestic relations court	7,300	7,300	4,513	2,787
Witness advocate grant	70,000	70,795	70,169	626
VA domestic victim grant	86,342	86,342	86,221	121
Clerk of the circuit court	350,419	399,504	384,855	14,649
Total courts	$ 726,044	$ 782,518	$ 756,081	$ 26,437
Commonwealth's attorney:				
Commonwealth's attorney	$ 516,816	$ 518,509	$ 512,540	$ 5,969
Total commonwealth's attorney	$ 516,816	$ 518,509	$ 512,540	$ 5,969
Total judicial administration	$ 1,242,860	$ 1,301,027	$ 1,268,621	$ 32,406
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 2,292,444	$ 2,783,132	$ 2,448,625	$ 334,507
DARE	2,600	6,854	2,190	4,664
Total law enforcement and traffic control	$ 2,295,044	$ 2,789,986	$ 2,450,815	$ 339,171

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

Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	$ 214,025	$ 467,830	$ 443,415	$ 24,415
Ambulance and rescue services	42,399	42,957	24,939	18,018
Forestry service	10,000	10,162	10,162	-
Total fire and rescue services	$ 266,424	$ 520,949	$ 478,516	$ 42,433
Correction and detention:				
Sheriff	$ 911,402	$ 954,020	$ 951,385	$ 2,635
Total correction and detention	$ 911,402	$ 954,020	$ 951,385	$ 2,635
Inspections:				
Building	$ 107,276	$ 107,996	$ 93,588	$ 14,408
Total inspections	$ 107,276	$ 107,996	$ 93,588	$ 14,408
Other protection:				
Animal control	$ 242,076	$ 344,445	$ 270,812	$ 73,633
E-911	969,688	1,094,092	974,699	119,393
Medical examiner	500	500	140	360
Total other protection	$ 1,212,264	$ 1,439,037	$ 1,245,651	$ 193,386
Total public safety	$ 4,792,410	$ 5,811,988	$ 5,219,955	$ 592,033
Public works:				
Sanitation and waste removal:				
Refuse collection	$ 1,074,267	$ 1,079,597	$ 1,041,309	$ 38,288
Tire security	46,960	46,960	14,647	32,313
Road side clean-up	16,648	16,648	-	16,648
Total sanitation and waste removal	$ 1,137,875	$ 1,143,205	$ 1,055,956	$ 87,249
Maintenance of general buildings and grounds:				
General properties	$ 795,607	$ 797,124	$ 684,611	$ 112,513
Total maintenance of general buildings and grounds	$ 795,607	$ 797,124	$ 684,611	$ 112,513
Total public works	$ 1,933,482	$ 1,940,329	$ 1,740,567	$ 199,762
Health and welfare:				
Health:				
Local health department	$ 120,000	$ 120,000	$ 120,000	$ -
Total health	$ 120,000	$ 120,000	$ 120,000	$ -
Mental health and mental retardation:				
Central VA Community Services	$ 2,500	$ 2,500	$ 2,500	$ -
Central VA Commission on Aging	43,000	43,000	43,000	-
Total mental health and mental retardation	$ 45,500	$ 45,500	$ 45,500	$ -

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

Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	$ 2,196,971	$ 2,416,910	$ 2,422,515	$ (5,605)
Comprehensive services act	1,588,077	2,201,592	2,200,995	597
Tax relief for the elderly	-	-	119,834	(119,834)
Total welfare	$ 3,785,048	$ 4,618,502	$ 4,743,344	$ (124,842)
Total health and welfare	$ 3,950,548	$ 4,784,002	$ 4,908,844	$ (124,842)
Education:				
Other instructional costs:				
Contributions to Community College	$ 385	$ 385	$ 385	$ -
Contribution to County School Board	6,776,476	6,776,476	5,855,565	920,911
Total education	$ 6,776,861	$ 6,776,861	$ 5,855,950	$ 920,911
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	$ 191,829	$ 191,829	$ 173,491	$ 18,338
Sports complex	50,767	55,472	24,253	31,219
Total parks and recreation	$ 242,596	$ 247,301	$ 197,744	$ 49,557
Cultural enrichment:				
Contributions	$ 22,250	$ 22,250	$ 11,000	$ 11,250
Total cultural enrichment	$ 22,250	$ 22,250	$ 11,000	$ 11,250
Library:				
Public library	$ 279,475	$ 298,368	$ 271,423	$ 26,945
Total library	$ 279,475	$ 298,368	$ 271,423	$ 26,945
Total parks, recreation, and cultural	$ 544,321	$ 567,919	$ 480,167	$ 87,752
Community development:				
Planning and community development:				
Planning and zoning	$ 159,581	$ 160,685	$ 153,911	$ 6,774
Tourism	22,000	55,592	46,102	9,490
Economic development	151,199	151,199	88,621	62,578
Total planning and community development	$ 332,780	$ 367,476	$ 288,634	$ 78,842
Environmental management:				
Contribution to soil and water conservation district	$ 10,000	$ 10,000	$ 10,000	$ -
Total environmental management	$ 10,000	$ 10,000	$ 10,000	$ -

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

Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	$ 65,445	$ 67,545	$ 67,545	$ -
Total cooperative extension program	$ 65,445	$ 67,545	$ 67,545	$ -
Total community development	$ 408,225	$ 445,021	$ 366,179	$ 78,842
Capital projects:				
County capital projects	$ 650,000	$ 635,000	$ 340,771	$ 294,229
School capital projects	-	5,093,053	4,651,755	441,298
Total capital projects	$ 650,000	$ 5,728,053	$ 4,992,526	$ 735,527
Debt service:				
Principal retirement	$ 2,473,333	$ 2,473,333	$ 2,492,785	$ (19,452)
Interest and other fiscal charges	800,762	601,763	804,045	(202,282)
Total debt service	$ 3,274,095	$ 3,075,096	$ 3,296,830	$ (221,734)
Total General Fund	$ 27,393,481	$ 34,199,613	$ 30,466,967	$ 3,732,646
Capital Projects Fund:				
County Capital Projects Fund:				
Education:				
Capital projects:				
School capital projects	$ -	$ -	$ 732,518	$ (732,518)
Total capital projects	$ -	$ -	$ 732,518	$ (732,518)
Total County Capital Projects Fund	$ -	$ -	$ 732,518	$ (732,518)
Total Primary Government	$ 27,393,481	$ 34,199,613	$ 31,199,485	$ 3,000,128

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

Fund, Major and Minor Expenditure Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	$ 1,396,172	$ 1,347,349	$ 1,344,689	$ 2,660
Instruction costs	23,185,365	25,418,745	23,197,633	2,221,112
Pupil transportation	2,186,346	1,935,274	1,930,005	5,269
Operation and maintenance of school plant	2,937,902	2,729,398	2,537,592	191,806
Facilities	-	2,012,018	1,900,823	111,195
Total education	$ 29,705,785	$ 33,442,784	$ 30,910,742	$ 2,532,042
Debt service:				
Principal retirement	$ -	$ -	$ 19,674	$ (19,674)
Interest and other fiscal charges	-	-	1,044	(1,044)
Total debt service	$ -	$ -	$ 20,718	$ (20,718)
Total education	$ 29,705,785	$ 33,442,784	$ 30,931,460	$ 2,511,324
Total School Operating Fund	$ 29,705,785	$ 33,442,784	$ 30,931,460	$ 2,511,324
School Special Revenue Fund:				
Education:				
School food services	$ 1,530,000	$ 1,570,908	$ 1,357,787	$ 213,121
Commodities	-	99,704	99,704	-
Total education	$ 1,530,000	$ 1,670,612	$ 1,457,491	$ 213,121
Total School Special Revenue Fund	$ 1,530,000	$ 1,670,612	$ 1,457,491	$ 213,121
School Activity Funds:				
Education:				
Instruction	$ -	$ -	$ 579,121	$ (579,121)
Total education	$ -	$ -	$ 579,121	$ (579,121)
Total School Activity Funds	$ -	$ -	$ 579,121	$ (579,121)
Total Discretely Presented Component Unit - School Board	$ 31,235,785	$ 35,113,396	$ 32,968,072	$ 2,145,324

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OTHER STATISTICAL INFORMATION

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Table 1

County of Appomattox, 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	Sanitary District	Total
2014	$ 1,648,763	$ 1,159,754	$ 3,796,131	$ 1,708,292	$ 2,880,736	$ 5,717,485	$ 948,775	$ 420,103	$ 1,227,959	$ 443,753	$ 19,951,751
2015	1,687,368	1,113,594	3,319,233	1,649,772	3,296,299	6,215,141	501,026	2,001,695	1,180,516	361,128	21,325,772
2016	1,742,754	1,215,521	3,469,665	739,745	3,567,121	6,381,912	519,526	508,631	1,281,519	393,531	19,819,925
2017	1,761,583	1,278,950	3,625,898	1,704,296	3,414,275	7,393,251	501,174	390,145	952,600	372,044	21,394,216
2018	1,561,527	1,249,392	4,272,389	1,590,182	3,649,618	6,887,265	219,381	612,387	952,652	379,293	21,374,086
2019	1,746,065	1,174,927	4,240,656	1,544,004	3,637,243	6,727,833	496,720	506,892	894,687	371,024	21,340,051
2020	1,686,526	1,292,637	4,357,182	1,534,524	4,083,591	6,835,194	444,631	1,493,705	866,729	334,905	22,929,624
2021	2,677,064	1,238,958	5,070,476	1,717,274	4,730,396	7,209,187	639,360	902,976	842,039	283,452	25,311,182
2022	1,826,109	1,347,348	4,372,036	1,673,127	4,387,004	6,869,230	540,545	1,043,511	926,161	248,264	23,233,335
2023	2,266,228	1,364,570	5,390,245	1,623,412	4,762,682	7,146,062	375,271	394,983	857,682	290,534	24,471,669

Table 2

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

	PROGRAM REVENUES			GENERAL REVENUES						
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Payment from Appomattox School Board	Total
2014	$ 427,218	$ 4,235,120	$ -	$ 10,267,361	$ 2,091,268	$ 86,314	$ 271,278	$ 1,798,765	$ 110,000	$ 19,287,324
2015	430,785	6,018,492	-	11,460,249	1,993,511	76,916	410,850	1,701,420	-	22,092,223
2016	427,194	4,858,154	-	12,718,739	2,196,290	122,353	234,469	1,722,939	30,339	22,310,477
2017	487,903	5,168,799	-	12,905,293	2,249,065	81,221	187,416	1,723,668	-	22,803,365
2018	421,579	5,331,394	-	15,449,720	2,241,679	69,385	210,208	1,695,627	-	25,419,592
2019	467,627	5,526,655	-	13,740,014	2,357,270	77,003	135,967	1,668,759	-	23,973,295
2020	408,035	6,532,047	-	13,931,698	2,565,804	72,531	150,392	1,694,004	21,676	25,376,187
2021	508,454	8,748,514	-	14,675,832	2,857,960	66,353	908,371	1,569,796	-	29,335,280
2022	508,132	5,986,169	-	15,856,944	2,949,799	64,950	682,381	1,610,988	-	27,659,363
2023	588,515	6,578,507	-	16,317,737	3,079,520	241,707	442,960	1,633,482	-	28,882,428

Table 3

County of Appomattox, Virginia
General Governmental Expenditures by Function (1,3)
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Parks, Recreation, and Cultural	Community Development	Debt Service	Total
2014	$ 1,533,880	$ 1,019,883	$ 3,698,694	$ 1,486,906	$ 2,871,715	$ 20,172,256	$ 464,918	$ 369,281	$ 3,136,426	$ 34,753,959
2015	1,674,716	1,018,211	3,324,580	1,465,152	3,409,538	20,778,990	461,487	1,971,498	3,136,428	37,240,600
2016	1,586,520	1,112,525	3,487,421	1,398,180	3,713,993	20,728,879	479,301	465,094	3,139,000	36,110,913
2017	1,628,993	1,126,332	3,797,701	1,388,585	3,478,587	21,933,797	434,281	349,113	3,468,064	37,605,453
2018	1,538,049	1,148,414	4,130,377	1,317,717	3,641,726	22,932,951	437,221	575,683	3,080,729	38,802,867
2019	1,759,442	1,101,115	4,476,900	1,288,985	3,742,361	23,498,640	468,302	455,730	3,077,575	39,869,050
2020	1,636,481	1,130,029	4,165,605	1,486,698	4,155,567	23,712,209	419,451	1,458,902	3,115,349	41,280,291
2021	2,761,402	1,079,516	4,136,399	1,691,610	4,687,279	26,513,746	555,589	859,432	3,156,210	45,441,183
2022	1,870,372	1,252,978	4,289,460	1,534,545	4,443,432	31,492,630	487,117	1,009,462	3,295,177	49,675,173
2023	2,337,328	1,268,621	5,219,955	1,740,567	4,908,844	32,947,739	480,167	366,179	3,317,548	52,586,948

(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 and vice versa.
(3) Excludes Capital Projects funds.

Table 4

County of Appomattox, Virginia
General Governmental Revenues by Source (1,3)
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
2014	$ 10,114,251	$ 1,960,774	$ 78,952	$ 37,628	$ 115,248	$ 659,948	$ 269,030	$ 213,145	$ 20,873,765	$ 34,322,741
2015	10,905,971	2,091,268	81,824	30,464	94,675	707,536	403,078	57,622	21,156,613	35,529,051
2016	12,467,821	2,196,290	79,993	29,153	134,112	614,090	429,694	284,992	21,636,075	37,872,220
2017	12,944,092	2,249,065	84,533	32,083	88,404	688,157	274,322	348,484	23,139,306	39,848,446
2018	15,085,606	2,241,679	90,433	35,995	80,562	491,315	384,374	196,127	23,713,993	42,320,084
2019	13,482,875	2,357,270	95,023	66,993	84,081	478,870	180,815	201,416	24,599,905	41,547,248
2020	13,813,892	2,565,804	124,417	44,067	77,908	395,071	209,607	165,138	26,115,002	43,510,906
2021	15,004,968	2,857,960	113,000	64,983	84,638	252,301	1,292,571	159,296	30,665,736	50,495,453
2022	15,649,896	2,949,799	110,882	47,281	124,694	306,305	1,585,323	169,099	33,169,172	54,112,451
2023	16,267,166	3,079,520	133,083	93,719	273,787	342,115	1,118,167	200,793	34,577,205	56,085,555

(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 and vice versa.
(3) Excludes Capital Projects funds.

Table 5

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

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
2014	$ 11,832,503	$ 10,252,937	86.65%	$ 401,811	$ 10,654,748	90.05%	$ 1,384,580	11.70%
2015	12,659,267	12,185,206	96.26%	368,070	12,553,276	99.16%	1,331,878	10.52%
2016	13,398,855	12,796,361	95.50%	421,498	13,217,859	98.65%	1,304,003	9.73%
2017	13,724,176	13,208,360	96.24%	458,448	13,666,808	99.58%	1,309,498	9.54%
2018	16,435,975	15,295,308	93.06%	483,907	15,779,215	96.00%	1,617,859	9.84%
2019	14,675,294	13,673,402	93.17%	578,457	14,251,859	97.11%	1,625,126	11.07%
2020	14,873,875	13,699,420	92.10%	869,383	14,568,803	97.95%	2,180,856	14.66%
2021	15,703,535	14,986,104	95.43%	673,158	15,659,262	99.72%	1,520,979	9.69%
2022	16,634,400	15,795,550	94.96%	558,836	16,354,386	98.32%	1,768,649	10.63%
2023	16,152,280	16,529,314	102.33%	402,380	16,931,694	104.83%	1,752,315	10.85%

(1) Exclusive of penalties and interest. Does not include land redemptions.
(2) Includes three most current delinquent tax years and first half of current tax year.
(3) Began twice per year billing for personal property in FY 2018

Table 6

County of Appomattox, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Mobile Homes (3)	Personal Property (1,3)	Machinery and Tools (3)	Merchant's Capital (3)	Public Utility (2) Real Estate	Public Utility (2) Personal Property	Total
2014	$ 1,285,085,528	$ 8,865,226	$ 75,967,349	$ 961,437	$ 13,250,117	$ 91,673,871	$ 737,541	$ 1,476,541,069
2015	1,273,923,195	8,207,402	77,272,280	982,704	13,579,085	93,463,491	720,030	1,468,148,187
2016	1,288,681,980	8,273,738	79,197,137	1,073,315	14,418,621	104,582,273	631,899	1,496,858,963
2017	1,303,433,780	8,167,956	82,778,089	1,091,429	13,682,048	113,535,167	530,993	1,523,219,462
2018	1,321,188,641	8,909,114	204,488,836	2,504,301	19,629,608	113,476,290	770,922	1,670,967,712
2019	1,335,787,790	8,923,930	146,953,959	2,768,153	13,954,156	116,517,564	657,673	1,625,563,225
2020	1,398,399,765	7,522,677	146,996,008	3,437,560	16,031,078	121,378,053	827,772	1,694,592,913
2021	1,417,062,856	7,831,106	167,150,000	4,050,530	13,083,887	132,373,615	795,613	1,742,347,607
2022	1,832,657,851	7,828,427	226,967,571	4,362,671	13,239,024	141,214,622	764,997	2,227,035,163
2023	1,456,410,727	9,051,593	204,846,901	5,304,710	14,323,306	145,479,444	776,902	1,836,193,583

(1) Real estate and personal property are assessed at 100% of fair market value.
(2) Assessed values are established by the State Corporation Commission.
(3) Began twice per year billing in FY 2018

Table 7

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

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2014	$ 0.600	$ 0.575	$ 4.60	$ 4.60	$ 1.00
2015	0.65	0.600	4.60	4.60	1.00
2016	0.65	0.65	5.13	4.60	1.00
2017	0.65	0.65	5.13	4.60	1.00
2018	0.65	0.65	3.35	3.35	1.00
2019	0.65	0.65	3.35	3.35	1.00
2020	0.63	0.63	3.35	3.35	1.00
2021	0.63	0.63	3.35	3.35	1.00
2022	0.63	0.63	3.35	3.35	1.00
2023	0.63	0.63	3.00 / 3.35	3.35	1.00

(1) Per $100 of assessed value.

Table 8

County of Appomattox, 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 (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2014	14,973	$ 1,476,541,069	$ 14,157,128	$ 14,157,128	0.96%	$ 946
2015	14,973	1,468,148,187	13,161,289	13,161,289	0.90%	879
2016	14,973	1,496,858,963	12,147,386	12,147,386	0.81%	811
2017	14,973	1,523,219,462	10,648,059	10,648,059	0.70%	711
2018	14,973	1,670,967,712	9,383,383	9,383,383	0.56%	627
2019	14,973	1,625,563,225	8,106,952	8,106,952	0.50%	541
2020	14,973	1,694,592,913	6,813,411	6,813,411	0.40%	455
2021	16,119	1,742,347,607	5,511,158	5,511,158	0.32%	342
2022	16,119	2,227,035,163	4,166,665	4,166,665	0.19%	258
2023	16,119	1,836,193,583	3,333,332	3,333,332	0.18%	207

(1) Weldon Cooper Center for Public Service for 2000 and 2010 census.
(2) From Table 6.
(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.

COMPLIANCE

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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 Appomattox
Appomattox, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Appomattox Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated December 8, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Appomattox, 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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

County of Appomattox, Virginia's Response to Findings

Government Auditing Standards required the auditor to perform limited procedures on County of Appomattox, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Appomattox, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 8, 2023

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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 Appomattox, 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
December 8, 2023

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
Department of Health and Human Services:				
Pass Through Payments:				
Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	17901-40297		$ 77,920
Department of Social Services:				
Title VI-E Prevention Program	93.472	1140122/1140123		$ 18,045
Guardianship Assistance	93.090	1110122/1110123		68
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123		16,155
Temporary Assistance for Needy Families	93.558	0400122/0400123		163,027
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500122/0500123		736
Low-Income Home Energy Assistance	93.568	0600422/0600423		33,448
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123		38,261
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123		268
Foster Care - Title IV-E	93.658	1100122/1100123		198,926
Adoption Assistance	93.659	1120122/1120123		254,131
Social Services Block Grant	93.667	1000122/1000123		184,634
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	9150122/9150123		1,566
Elder Abuse Prevention Interventions Program	93.747	8000222/8000223		5,086
Children's Health Insurance Program	93.767	0540122/0540123		1,375
Medicaid Cluster:				
Medical Assistance Program	93.778	1200122/1200123		156,745
Total Department of Health and Human Services				$ 1,150,391
Department of Agriculture:				
Pass Through Payments:				
Department of Agriculture:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	Unknown		$ 3,135
Child Nutrition Cluster:				
Food Distribution	10.555	17901-45707	$ 99,704	
Department of Education:				
National School Lunch Program	10.555	17901-40623	1,052,725	
Total CFDA# 10.555			$ 1,152,429	
School Breakfast Program	10.553	17901-40591	408,037	$ 1,560,466
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010122/0010123		303,860
Total Department of Agriculture				$ 1,867,461
Department of Treasury:				
Pass Through Payments:				
Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	Unknown		$ 562,185
Department of Justice:				
Pass Through Payments:				
Department of Criminal Justice Services:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	13-O1142LO12		$ 2,139
Crime Victim Assistance	16.575	36001-46000		48,701
Total Department of Justice				$ 50,840

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number		Federal Expenditures
The Institute of Museum and Library Services:				
Pass Through Payments:				
The Library of Virginia:				
Grants to States	45.310	142001-92410		$ 688
Department of Education:				
Pass Through Payments:				
Department of Education:				
Title I: Grants to Local Educational Agencies	84.010	17901-42901		$ 635,374
Special Education Cluster:				
Special Education Grants to States	84.027	17901-43071	$ 468,484	
Special Education Preschool Grants	84.173	17901-62521	14,562	483,046
Career and Technical Education: Basic Grants to States	84.048	17901-61095		48,149
Student Support and Academic Enrichment Program	84.424	17901-60281		29,094
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	17901-60177	$ 1,552,667	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	17901-60177	345,703	
Total AL# 84.425				1,898,370
Supporting Effective Instruction State Grants	84.367	17901-61480		76,049
Total Department of Education				$ 3,170,082
Total Expenditures of Federal Awards				$ 6,801,647

See accompanying notes to the Schedule of Expenditures of Federal Awards.

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

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General Fund	$	2,188,606
Total primary government	$	2,188,606
Component Unit - School Board:		
School Operating Fund	$	3,481,333
School Cafeteria Fund		1,563,601
Total component unit School Board	$	5,044,934
Total federal expenditures per basic financial statements	$	7,233,540
Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards		(426,107)
Less: Payment in Lieu of Taxes		(5,786)
Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	$	6,801,647

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - De Minimis Cost Rate

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

Note 7 - Loan Balances

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:			*unmodified*	
Internal control over financial reporting:				
a. Material weakness(es) identified?	_____	yes	✓	no
b. Significant deficiency(ies) identified?	_____	yes	✓	none reported
Noncompliance material to financial statements noted?	_____	yes	✓	no

Federal Awards

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

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	✓	yes	_____	no

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Commonwealth of Virginia Findings and Questioned Costs

Finding 2023-001:

Criteria:

Section 22.1-92 of the *Code of Virginia* requires that before any School Board gives final approval to its budget for submission to the governing body, the school board must hold at least one public hearing to receive the view of citizens within the school division. The School Board shall cause public notice to be given at least 10 days prior to the public hearing by publication in a newspaper of general circulation in the School Division.

Condition:

The School Board held their public hearing on February 24, 2022 on the FY23 budget but did not provide 10 days of public notice to the citizens within the school division. The public hearing was not advertised in a public newpaper.

Effect:

The citizens within the school division were not given ample notice to attend the public hearing of the FY23 School Budget.

Cause:

Procedures were not in place to ensure that the public hearing was advertised 10 days prior to the date of the public hearing.

Recommendation:

School Board management should have procedures in place to ensure that the public hearing is properly advertised in accordance with the requirements of the *Code of Virginia* .

Management's Recommendation:

The School Board office is making corrective action for FY24.

Section V - Prior Year Findings

There are no findings from the prior year.