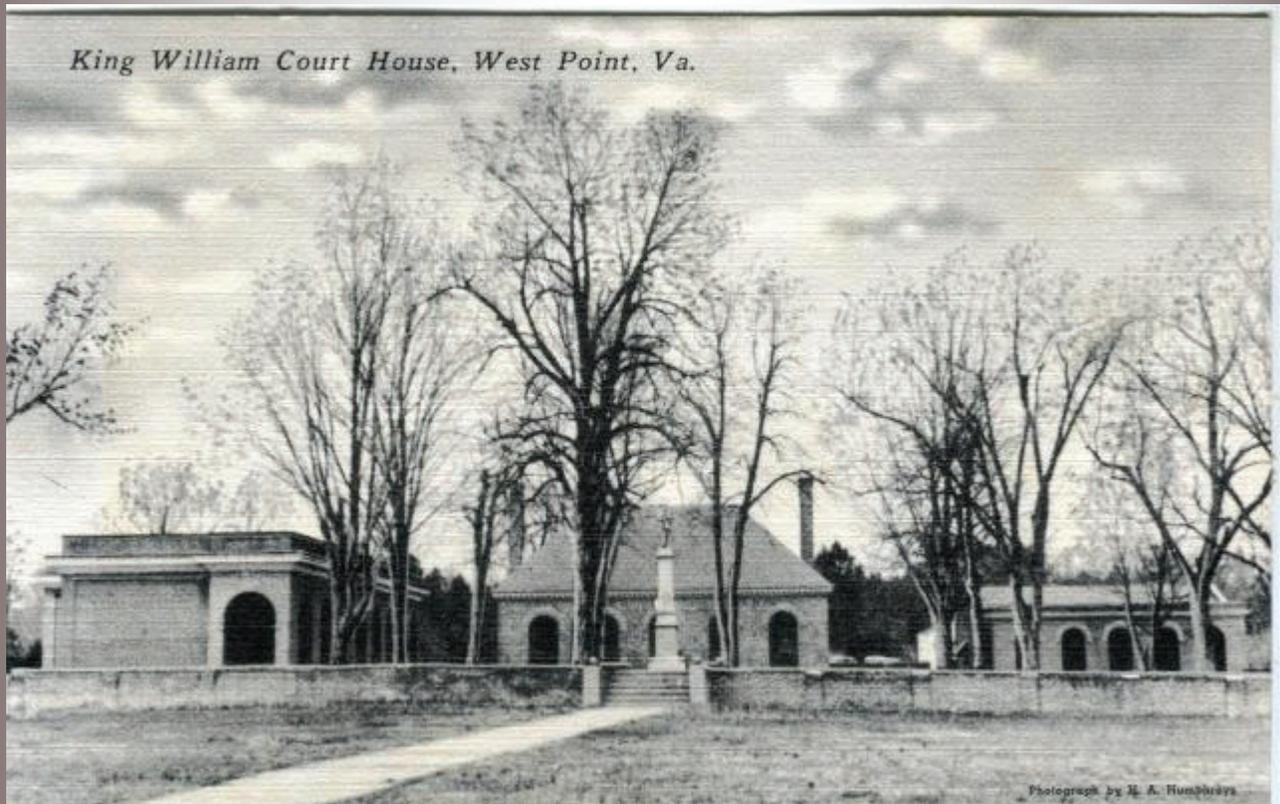


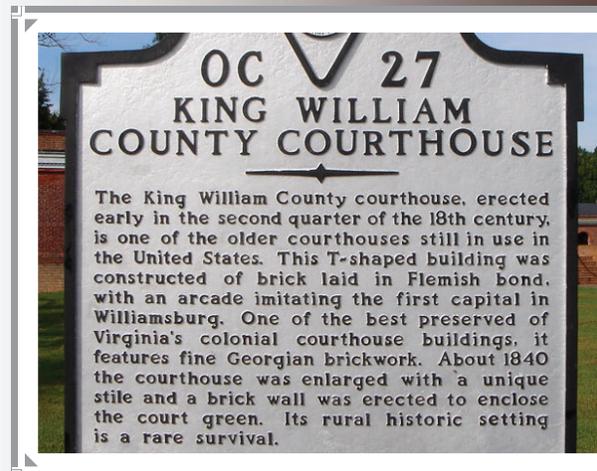
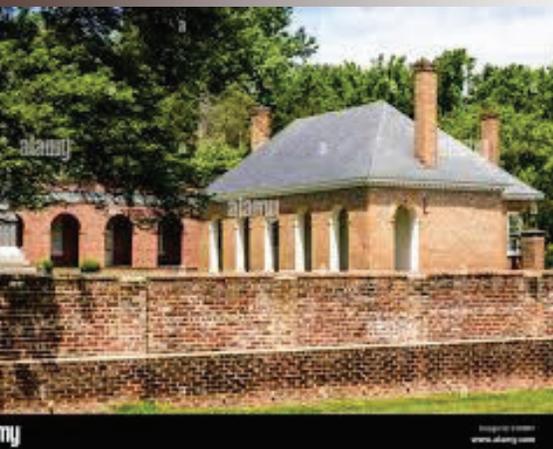
King William County, Virginia



Comprehensive Annual Financial Report

2023

*For the year ended
June 30, 2023*



INTRODUCTORY SECTION

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COUNTY OF KING WILLIAM, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Prepared By:

**King William County
Department of Finance**

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COUNTY OF KING WILLIAM, VIRGINIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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COUNTY OF KING WILLIAM, VIRGINIA

DIRECTORY OF PRINCIPAL OFFICIALS

June 30, 2023

BOARD OF SUPERVISORS

William L. Hodges, Chairman
Travis J. Moskalski
C. Steward Garber Jr.
Edwin H. Moren Jr.
Stephen K. Greenwood

COUNTY ADMINISTRATOR

Percy Ashcraft

SCHOOL BOARD

Terri S. Stone, Chair
Veda G. Frazier, Vice Chair
Lindsey Catlett
Mark P. Lee
Kathy H. Morrison

OTHER OFFICIALS

County AttorneyAndrew McRoberts
Commissioner of RevenueKarena Funkhouser
SheriffJ.S. "Jeff" Walton
Commonwealth's AttorneyMatthew R. Kite
Clerk of CourtTina Glazebrook
TreasurerAbbi Carlton
Director of Social ServicesAmanda Tevis
Presiding Judge, Chief Judge/Circuit CourtHon. B. Elliott Bondurant
Chief Judge/General District CourtHon. Stephanie M. Revere
Presiding Judge/Juvenile & Domestic District CourtHon. Mara M. Mathews

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FINANCIAL SECTION

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Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of King William
King William, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of King William, 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 King William, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement of Beginning Balances

As described in Note 20 to the financial statements, in 2023, the County restated beginning balances to report water and sewer funds, the activity of which was previously reported in the general fund. 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 King William, 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 King William, 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 King William, 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 King William, 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 introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023, on our consideration of County of King William, 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 King William, 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 King William, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
December 7, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the County of King William presents the following discussion and analysis as an overview of the County's financial activities for the fiscal year ended June 30, 2023. We encourage readers to read this discussion and analysis in conjunction with the County's financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

Government Wide Finance Statements

The assets and deferred outflows of resources of the County, on a government-wide basis, exceeded its liabilities, and deferred inflows of resources on June 30, 2023, by \$39,652,590 (net position).

The Primary Government total net position from Governmental Activities, excluding component unit was \$23,595,854 on June 30, 2023, compared to \$16,590,986 total net position on June 30, 2022. Total net position represents the amount by which the County's assets exceeded liabilities. The government net position increased \$7,004,868.

The total net position from the Component Unit, the School Board, was \$16,056,736 on June 30, 2023, compared to \$13,133,486 total net position on June 30, 2022. Net position increased \$2,923,250 during FY2023.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report (ACFR) consists of four sections: introductory, financial, statistical, and compliance.

- The introductory section includes an organizational chart and a list of principal officials.
- The financial section includes the Independent Auditor's Report, management's discussion, and analysis (this section), the basic financial statements, required supplemental information, and combining and individual fund statements and schedules.
- The statistical section includes selected financial and demographic data related to the County, generally presented on a multi-year basis.
- The compliance section is required under the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-profit Organizations; and includes the auditor's reports on compliance and internal controls. Compliance findings for the current and previous audits along with management plans to rectify future findings are found in the compliance section.

The required supplementary information includes this discussion and analysis, the Schedule of Funding Progress for the Virginia Retirement System, and the Other Postemployment Benefits Program (OPEB).

Finally, the combining and individual fund statements and schedules are included, which present individual statements for major funds other than the General Fund and combining statements for non-major governmental funds, fiduciary funds, and the component unit as well as other supporting schedules.

Government-wide Financial Statements

The government-wide financial statements (Exhibits 1 and 2) report information about the County using accounting methods like those found in the private sector.

The Statement of Net Position (Exhibit 1) presents information on all the County's assets and liabilities, including governmental activities and School Board activities. Net position is the residual amount remaining after liabilities are deducted from the balance of assets, and provides a measure of the County's financial health, or financial condition. Over time, changes in the net position may serve as an indicator of whether the County's financial condition is improving or declining. Other non-financial factors will also need to be considered, such as changes in the County's property tax base and the condition of the County's facilities.

The Statement of Activities (Exhibit 2) presents information using the accrual basis of accounting and shows how the County's net position changed during the fiscal year. All the current year's revenues and expenses are shown in this statement, regardless of when cash is received or paid. The Statement of Activities presents expenses before revenues to emphasize that the government's revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into two categories:

- **Governmental activities:** Most of the County's basic services are reported here, including general government; judicial administration; public safety; public works; health and welfare; education; parks, recreation and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.
- **Component unit:** The County has one component unit for which it is financially accountable, the King William County Public Schools (School Board). A primary government is accountable for an organization if the organization is fiscally dependent, and the organization is capable of imposing financial benefits or burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funding for its operation. The School Board is a legally separate entity and is discretely presented in this annual financial report. Additional information on the component unit can be found in Note 1 of the Notes to Financial Statements section of this report.

Fund Financial Statements

These statements focus on individual parts of the County's government, reporting the County's operations in more detail. Funds are used to ensure compliance with finance-related legal requirements and are used to keep track of specific sources of revenues and expenses for particular purposes. The County currently has two kinds of funds:

- **Governmental Funds –** Most of the County's basic services are included in governmental funds, which focus on (1) in flows and out flows of cash and other financial assets that can be readily converted to cash and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided to explain the relationship (or differences). The County has two major funds, the General Fund, and the Capital Projects Fund. The General Fund is the main operating account of the County and therefore, the largest of the governmental funds. The Capital Projects Fund is used to account for major capital projects, primarily construction related.
- **Fiduciary Funds –** Fiduciary funds are used to account for resources held by the County for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the funds are not available to support the County's programs. The County's fiduciary funds consist of special welfare funds, Virginia Juvenile Community Crime Control Act (VJCCCA) agency funds, Victim's Witness Program funds, Project Lifesaver funds, Drug Abuse Resistance Education (D.A.R.E.) funds, and donations to the Sheriff's Office and Fire and EMS department funds. The funds are used to account for monies received, held, and disbursed on behalf of special welfare children, and other local governments and specific programs.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The following table reflects the condensed statement of net position:

King William County Summary of Net Position								
	Primary Government		Primary Government		Component Unit		Total Reporting Entity	
	Governmental Activities		Business-type Activities		School Board		Including School Board	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets:								
Current and other assets	32,028,350	38,791,591	12,553,330		11,367,238	9,233,603	55,948,918	48,025,194
Capital assets	33,494,449	28,383,881	1,222,742		23,666,721	25,372,565	58,383,912	53,756,446
Total assets	65,522,799	67,175,472	13,776,072		35,033,959	34,606,168	114,332,830	101,781,640
Deferred outflows of resources	1,091,647	1,211,847	-		4,178,575	4,886,512	5,270,222	6,098,359
Total assets and deferred outflows	66,614,446	68,387,319	13,776,072		39,212,534	39,492,680	119,603,052	107,879,999
Liabilities:								
Current liabilities	5,287,721	5,511,398	293,921		1,583,633	1,493,074	7,165,275	7,004,472
Long-term liabilities	34,904,819	37,398,010	9,805,495		17,296,382	14,621,811	62,006,696	52,019,821
Total liabilities	40,192,540	42,909,408	10,099,416		18,880,015	16,114,885	69,171,971	59,024,293
Deferred inflows of resources	6,502,708	8,886,925	-		4,275,783	10,244,309	10,778,491	19,131,234
Total liabilities and deferred inflows	46,695,248	51,796,333	10,099,416		23,155,798	26,359,194	79,950,462	78,155,527
Net position:								
Net investment in capital assets	3,166,483	(815,467)	934,672		23,666,721	25,372,565	27,767,876	17,992,818
Restricted	808,618	2,322,578			883,191	918,114	1,691,809	3,240,692
Unrestricted	15,944,097	15,083,875	2,741,984		(8,493,176)	(13,157,193)	10,192,905	8,490,962
Total net position	19,919,198	16,590,986	3,676,656		16,056,736	13,133,486	39,652,590	29,724,472

The Reporting Entity: The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing debt to finance capital assets, such as public schools, for their component units. GASB Statement No. 61, *Financial Reporting Entity, Omnibus*, requires that the primary government and its component units, which make up the total reporting entity, be accounted for separately on the face of the basic financial statements.

The Statement of Activities

The statement of activities illustrates the cost of governmental activities in net of related revenues. It also shows the general revenue sources that fund governmental operations. A summary of the statement of activities for the fiscal years covering July 1, 2022, thru June 30, 2023, follows:

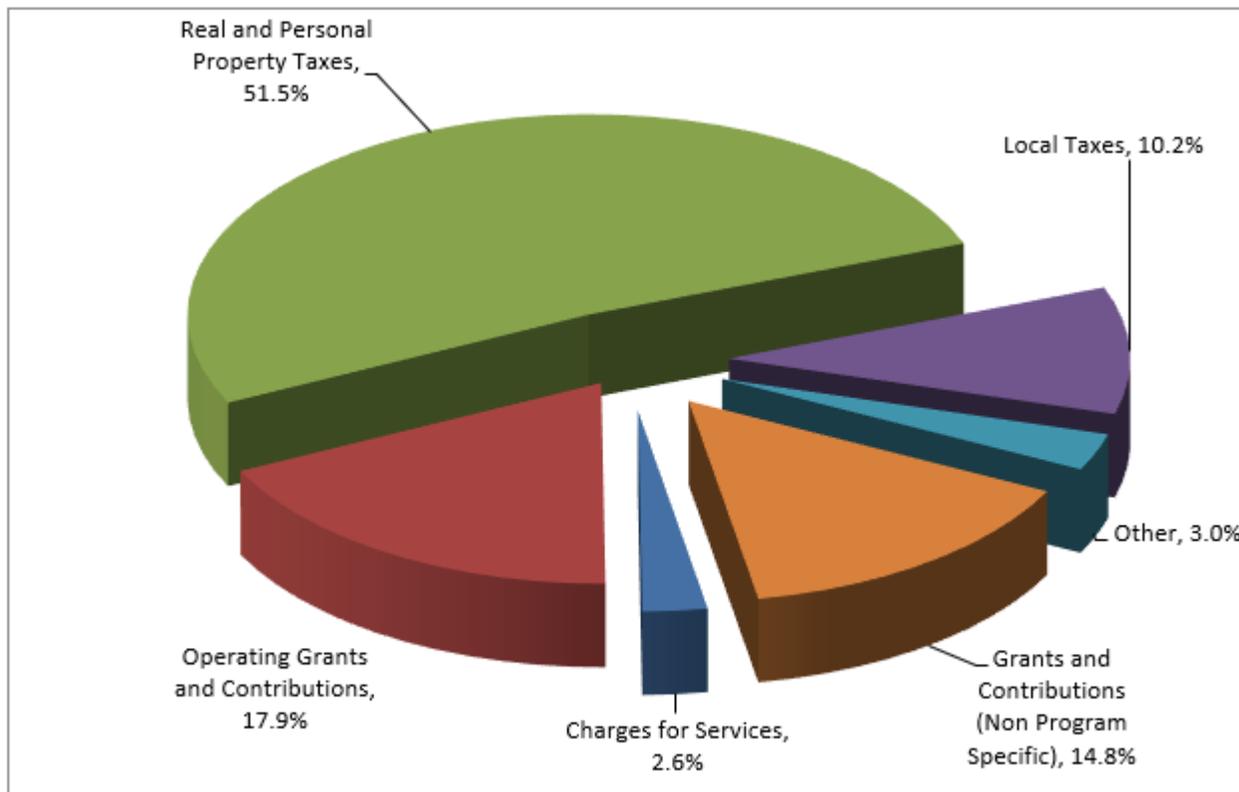
TABLE 2

King William County Change in Net Position							
	Primary Government			Component Unit		Total Reporting Entity	
	Governmental Activities			School Board		Including School Board	
	2023		2022	2023	2022	2023	2022
	Governmental Activities	Business-type Activities	Total				
Revenues							
Program revenues:							
Charges for services	1,174,201	859,401	2,823,918	541,788	168,024	2,575,390	2,991,942
Operating grants and contributions	8,063,668	-	3,637,369	16,420,639	14,529,285	24,484,307	18,166,654
Capital grants and contributions	-	-	-	-	-	-	-
General revenues:							
Real and personal property taxes	23,139,139	-	20,624,621	-	-	23,139,139	20,624,621
Other taxes	4,601,258	-	8,502,592	-	-	4,601,258	8,502,592
Other	1,338,782	74,013	703,749	13,795,484	14,507,932	15,208,279	15,211,681
Grants and contributions (non program specific)	6,651,594	-	3,073,541	-	-	6,651,594	3,073,541
Total revenues	<u>44,968,642</u>	<u>933,414</u>	<u>39,365,790</u>	<u>30,757,911</u>	<u>29,205,241</u>	<u>76,659,967</u>	<u>68,571,031</u>
Expenses							
General government	1,498,560	1,075,784	2,459,277	-	-	2,574,344	2,459,277
Judicial	1,171,306	-	1,025,131	-	-	1,171,306	1,025,131
Public safety	9,625,320	-	7,905,194	-	-	9,625,320	7,905,194
Public works	2,536,675	-	5,400,078	-	-	2,536,675	5,400,078
Health and welfare	2,177,819	-	2,351,783	-	-	2,177,819	2,351,783
Education	16,478,269	-	15,602,238	27,834,661	25,740,947	44,312,930	41,343,185
Parks, recreation and cultural	1,113,920	-	875,474	-	-	1,113,920	875,474
Community development	2,173,966	-	2,378,819	-	-	2,173,966	2,378,819
Interest on long-term debt	1,045,569	-	727,384	-	-	1,045,569	727,384
Total expenses	<u>37,821,404</u>	<u>1,075,784</u>	<u>38,725,378</u>	<u>27,834,661</u>	<u>25,740,947</u>	<u>66,731,849</u>	<u>64,466,325</u>
Change in net position		7,004,868	640,412	2,923,250	3,464,294	9,928,118	4,104,706
Beginning net position, as restated		16,590,986	15,950,575	13,133,486	9,669,192	29,724,472	25,619,767
Ending net position		<u>23,595,854</u>	<u>\$16,590,987</u>	<u>\$16,056,736</u>	<u>\$13,133,486</u>	<u>39,652,590</u>	<u>\$29,724,473</u>

Governmental Activities - Revenues

Governmental activities revenues increased from \$39,365,790 to \$45,902,056 or by \$6,536,266 (14%) in FY23 from FY22.

- Revenues from governmental activities for fiscal year 2023 totaled \$45,902,056 an increase of \$6.5 million from fiscal year 2022.
- Taxes comprise the largest source of revenues, totaling \$27,740,397, of which general property taxes account for \$23.1 million, or 50% of total revenues.
- Program revenues (charges for services, capital grants, and operating grants and contributions) generated a total of \$10,097,270, or 22% of total revenues.
- Revenues from grants and contributions not restricted to specific programs totaled \$6,651,594 or 14% of total revenues.



Governmental Activities - Expenses

Governmental activities expenses increased from \$38,725,378 to 38,897,188 or 1%.

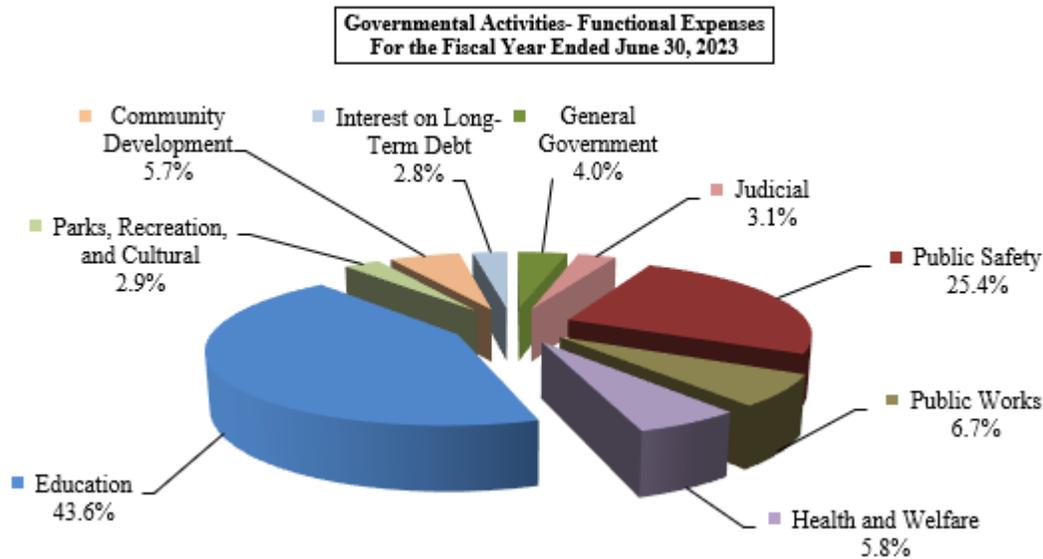
Education continues to be the County's largest program and highest priority with the County's contribution totaling \$16,478,269, or 43% of total expenses. Public safety expenses, which total \$9,625,320 or 25%, represent the second largest expense category for governmental activities.

Table 3 illustrates the net cost (total expenses less fees generated by the activities and program-specific governmental aid) for the County's governmental activities. Fees, such as charges for services and program specific aid from other governmental or outside entities, help offset the cost of the government services, thereby lessening the burden on the County's taxpayers. The County generates charges for services primarily from fees for certain court services, public safety fees, community development services, and parks and recreation activities. The County obtains grants primarily for public safety, health and welfare, and judicial administration. Net costs reflect the cost for which tax revenues support the services provided by the County government.

TABLE 3

Net Cost of Governmental Activities				
For the Fiscal Years Ended June 30, 2023 and 2022				
	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
<u>Governmental Activities</u>				
General government	1,498,560.0	2,459,277	\$ 913,874	2,042,454
Judicial	1,171,306.0	1,025,131	506,354	435,208
Public safety	9,625,320.0	7,905,194	7,788,590	6,351,052
Public works	2,536,675.0	5,400,078	2,536,675	3,721,255
Health and welfare	2,177,819.0	2,351,783	679,302	820,933
Education	16,478,269.0	15,602,238	12,556,665	15,602,239
Parks, recreation and cultural	1,113,920.0	875,474	774,981	638,560
Community development	2,173,966.0	2,378,819	1,781,525	1,925,007
Interest on long-term debt and other	1,045,569.0	727,384	1,045,569	727,384
Total Governmental Activities	37,821,404.0	\$ 38,725,378	\$ 28,583,535	\$ 32,264,092
<u>Business-type Activities</u>				
Water	1,075,784.0		512,668	
Sewer	-		(296,285)	
Total Business-type Activities	1,075,784.0		216,383	

After recognizing the effect of revenue from these fees, grants, and contributions, the net cost of governmental activities was \$28,583,535 compared to a total cost of \$38,897,188.



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

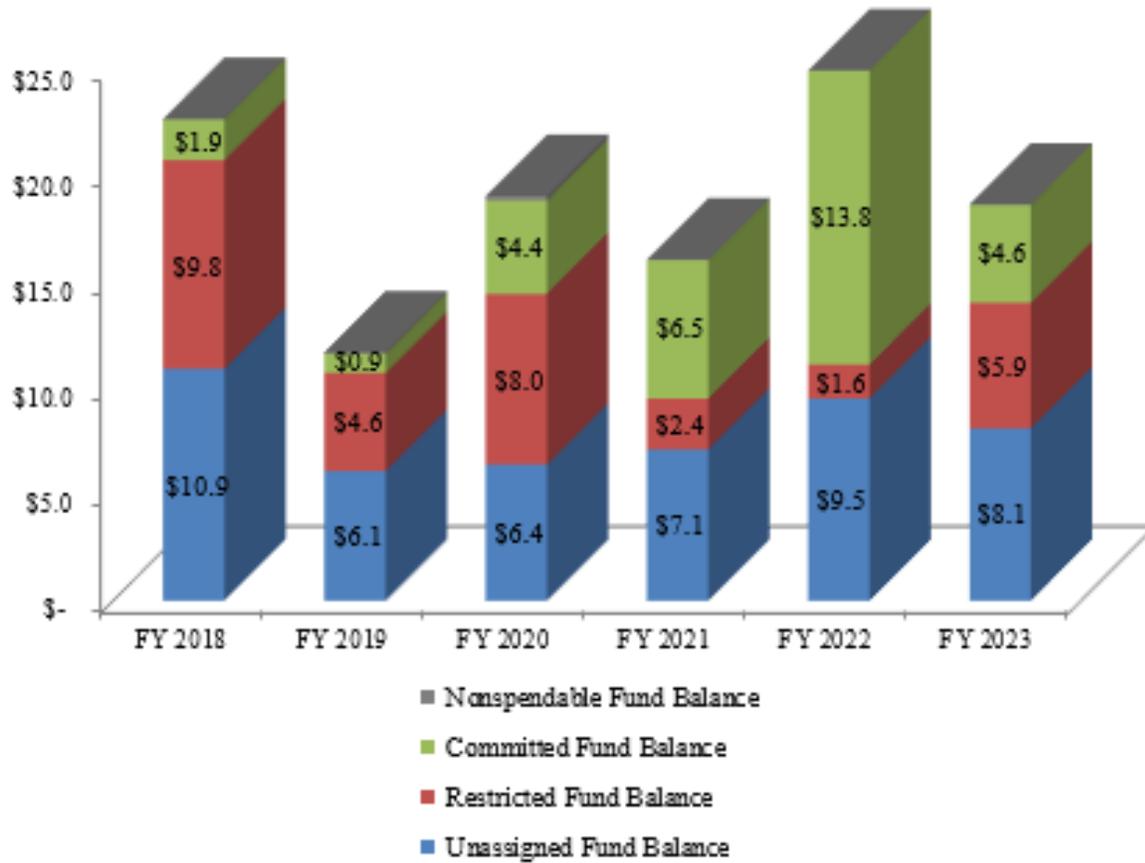
The county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year 2023, the County's government funds reported combined ending fund balances of \$18,893,426. Of this amount \$7,329,809 is assigned for capital projects, \$712,167 is assigned to various special revenue funds (Parks and Recreation Programs, Water and Sewer, EMS Recovery, and Regional Animal Shelter). The restricted amount of \$136,712 relates to prepaid expenses for fiscal year 2024.

The General Fund's liquidity can be measured by comparing unassigned fund balance to total fund revenues. At the end of the current fiscal year, the General Fund had an unassigned fund balance of \$8.1 million (Exhibit 3). At this level, when combined with committed and non-spendable fund balances, the County has sufficient funds to operate for approximately three months without interrupting service levels. The chart below depicts the composition of the County's General Fund balance for the last five fiscal years.

Composition of General Fund Balance



GENERAL FUND BUDGETARY HIGHLIGHTS

Table 4 provides a comparison of original budget, final amended budget, and actual revenues and expenditures in the General Fund.

TABLE 4

Budgetary Comparison General Fund For the Fiscal Year Ended June 30, 2023			
	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
<u>Revenues</u>			
Taxes	\$ 25,467,446	25,877,665	\$ 26,655,940
Other	1,376,676	1,480,876	1,889,886
Intergovernmental	9,672,108	9,509,178	9,594,716
Total revenues	<u>36,516,230</u>	<u>36,867,719</u>	<u>38,140,542</u>
<u>Expenditures</u>			
Expenditures	<u>33,450,684</u>	<u>34,159,924</u>	<u>34,471,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,065,546</u>	<u>2,707,795</u>	<u>3,668,671</u>
<u>Other financing sources (uses)</u>			
Transfers in	1,365,742	1,399,248.00	391,460.00
Transfers out	<u>(3,552,644)</u>	<u>(3,552,644)</u>	<u>(3,765,039)</u>
Change in fund balance	<u>\$ 878,644</u>	<u>\$ 554,399</u>	<u>\$ 295,092</u>

During the year, budget amendments approved by the Board of Supervisors could be classified in the following key categories:

- Amendments for operating and capital projects that were incomplete in the prior fiscal year and subsequently re-appropriated in the new fiscal year.
- Amendments for supplemental appropriation for new projects and/or change orders for prior approved projects.
- Amendments for transfers and adjustments to support revised priorities.

Revenues: General Fund revenues of \$38,140,542 exceeded budget amounts by \$1,272,823, primarily in general property taxes, and other local tax revenues. Revenues were conservatively budgeted, and collections remained strong despite economic conditions.

Expenditures: General Fund expenditures were \$311,947 more than amended budget amounts in FY23.

CAPITAL ASSETS AND LONG-TERM DEBT

Governmental Accounting Standards Board (GASB) Statement 34 requires the primary government (the County) to report debt and debt service incurred “on behalf” of component units (the School Board).

Capital Assets

The following table summarized the County’s capital assets, net of depreciation, as of June 30, 2023.

TABLE 5

Capital Assets For the Fiscal Year Ended June 30, 2023							
	Primary Government			Component Unit		Total Reporting Entity	
	Governmental Activities	Business-type Activity	Total	School Board		Including School Board	
	2023	2023	2022	2023	2022	2023	2022
Land	519,472	-	919,672	76,340	\$76,340	595,812	\$996,012
Construction In progress	640,093	290,829	1,868,806	-	-	930,922	\$1,868,806
Buildings and improvements	13,059,635	-	13,023,855	20,848,349	\$20,848,349	33,907,984	\$33,872,204
Equipment	10,849,434	122,532	7,269,974	9,236,244	\$8,629,918	20,208,210	\$15,899,892
Infrastructure	3,601,920	3,252,537	6,837,583	497,718	\$471,283	7,352,175	\$7,308,866
Jointly owned assets	29,437,725	-	22,311,569	12,224,298	\$15,967,632	41,662,023	\$38,279,201
Land improvements	-	-	-	636,614	\$376,934	636,614	\$376,934
Total Capital Assets	58,108,279	3,665,898	52,231,459	43,519,563	46,370,456	105,293,740	98,601,915
Less: Accumulated amortization	(24,613,830)	(2,443,156)	(23,847,378)	(19,852,842)	(20,997,891)	(46,909,828)	(44,845,269)
Net Capital Assets	33,494,449	1,222,742	\$28,384,081	23,666,721	\$25,372,565	58,383,912	53,756,646

During fiscal year, the following Capital projects were completed:

- Key Card Entry at Administrative Building, Courthouse, Satellite Sheriff’s Office, Historical Courthouse, Museum, and Community Connections Buildings
- Purchase of Police Interceptors
- Purchase Utilities Truck
- Siding on 360 Complex
- Emergency Battery Backup at the Courthouse
- VPPSA Transfer Site Renovation
- Welcome Signs
- SCBA upgrade
- McAllister Building renovations

Long-term Obligations

The following table provides an overview of the Long-Term obligations for the Primary Government.

TABLE 6

Summary of Changes in Long-Term Obligations For the Fiscal Year Ended June 30, 2023			
	July 1 2023	Net Increase (Decrease)	June 30, 2022
Governmental Activities:			
General obligation bonds	17,534,469	(905,444)	16,629,025
Revenue bonds	6,633,100	(507,000)	6,126,100
Compensated absences	497,413	105,166	602,579
Net OPEB liabilities	386,925	51,360	438,285
Net pension liability	884,338	156,526	1,040,864
Capital leases	6,962,709	(720,616)	6,242,093
Lease financing bond	3,690,300	(430,700)	3,259,600
County's premium on bonds	1,693,094	(85,957)	1,607,137
Total Government Activities	38,282,348	(2,336,665)	35,945,683

The overall effect of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is to reflect the County's long-term other postretirement benefit ("OPEB") obligations directly in the financial statements. Under previous accounting guidance, these amounts were recorded incrementally over time, but were not recognized in their entirety. Instead, the total liability which has now been recorded was only disclosed. The new standard not only changes certain measurement methodologies, but also requires certain new disclosures and that the County record a net OPEB liability directly on the statement of net position. However, because similar information has been disclosed in prior years, both in the notes to the financial statements and in required supplementary information, the effect of this new standard is not expected to negatively affect how most governmental entities are viewed by sophisticated readers of their financial statements.

As of June 30, 2023, the County's governmental activities had long-term obligations totaling \$35,945,683 of which \$33.8 million represents indebtedness related to capital leases, long-term commitments, and issuances of bonds on behalf of the county and the School Board component unit.

ECONOMIC FACTORS

Based on available data, the local economy continues to improve from the spring 2020 pandemic economic shutdown.

- The local unemployment rate was 2.7% for June 2023, as compared to 2.8% for June 2022. The national rate for this period was 3.6%. The Virginia rate for this period was 2.7%
- According to the Weldon Cooper Center for Public Service, King William County's population was estimated to be 18,107.
- The enrollment in public schools increased in fiscal year 2023 to 2,031 from fiscal year 2022 of 1,987.
- The latest available per capita personal income for King William County was \$53,900 as of 2021, an increase from the per capita personal income from 2021 of \$50,951.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of King William County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Julie Mills, Deputy Director of Finance, King William County, 180 Horse Landing Road #4, King William, VA 23086 telephone (804) 769-4935, or visit the County's website at www.kwc.gov.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Cash and cash equivalents	\$ 18,025,167	\$ 3,035,905	\$ 21,061,072	\$ 9,252,614
Investments	3,436,652	9,517,425	12,954,077	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,342,613	-	8,342,613	-
Accounts receivable	370,010	-	370,010	4,035
Due from other governmental units	1,541,754	-	1,541,754	1,227,398
Net pension asset	135,646	-	135,646	883,191
Prepaid items	176,265	-	176,265	-
Restricted assets:				
Cash and cash equivalents	243	-	243	-
Capital assets (net of accumulated depreciation):				
Land	519,472	-	519,472	76,340
Buildings and improvements	25,458,811	-	25,458,811	16,391,255
Land improvements	-	-	-	382,671
Equipment	5,091,780	50,569	5,142,349	6,417,524
Infrastructure	1,784,293	881,344	2,665,637	398,931
Construction in progress	640,093	290,829	930,922	-
Total assets	<u>\$ 65,522,799</u>	<u>\$ 13,776,072</u>	<u>\$ 79,298,871</u>	<u>\$ 35,033,959</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	\$ 827,766	\$ -	\$ 827,766	\$ 3,384,311
OPEB related items	135,158	-	135,158	794,264
Deferred charges on refunding	128,723	-	128,723	-
Total deferred outflows of resources	<u>\$ 1,091,647</u>	<u>\$ -</u>	<u>\$ 1,091,647</u>	<u>\$ 4,178,575</u>
LIABILITIES				
Accounts payable	\$ 1,732,182	\$ 116,597	\$ 1,848,779	\$ 289,039
Accrued liabilities	101,825	29	101,854	1,222,131
Accrued interest payable	341,593	90,665	432,258	-
Unearned revenue	3,051,378	-	3,051,378	72,463
Deposits	60,743	86,630	147,373	-
Long-term liabilities:				
Due within one year	2,980,984	-	2,980,984	25,669
Due in more than one year	31,923,835	9,805,495	41,729,330	17,270,713
Total liabilities	<u>\$ 40,192,540</u>	<u>\$ 10,099,416</u>	<u>\$ 50,291,956</u>	<u>\$ 18,880,015</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 5,607,241	\$ -	\$ 5,607,241	\$ -
Pension related items	738,920	-	738,920	3,586,509
OPEB related items	156,547	-	156,547	689,274
Total deferred inflow of resources	<u>\$ 6,502,708</u>	<u>\$ -</u>	<u>\$ 6,502,708</u>	<u>\$ 4,275,783</u>
NET POSITION				
Net investment in capital assets	\$ 3,166,483	\$ 934,672	\$ 4,101,155	\$ 23,666,721
Restricted:				
Split levy with KWPS	2,553,275	-	2,553,275	-
Sheriff's asset forfeiture	8,048	-	8,048	-
Commonwealth Attorney's asset forfeiture	1,317	-	1,317	-
Net pension asset	135,646	-	135,646	883,191
Unrestricted (deficit)	14,054,429	2,741,984	16,796,413	(8,493,176)
Total net position	<u>\$ 19,919,198</u>	<u>\$ 3,676,656</u>	<u>\$ 23,595,854</u>	<u>\$ 16,056,736</u>

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

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit School Board
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 1,498,560	\$ -	\$ 584,686	\$ -	\$ (913,874)	\$ -	\$ (913,874)	\$ -
Judicial administration	1,171,306	126,950	538,002	-	(506,354)	-	(506,354)	-
Public safety	9,625,320	319,267	1,517,463	-	(7,788,590)	-	(7,788,590)	-
Public works	2,536,675	-	-	-	(2,536,675)	-	(2,536,675)	-
Health and welfare	2,177,819	1,104	1,497,413	-	(679,302)	-	(679,302)	-
Education	16,478,269	-	6,313,161	-	(10,165,108)	-	(10,165,108)	-
Parks, recreation, and cultural	1,113,920	338,939	-	-	(774,981)	-	(774,981)	-
Community development	2,173,966	463,160	4,500	-	(1,706,306)	-	(1,706,306)	-
Interest on long-term debt	1,045,569	-	-	-	(1,045,569)	-	(1,045,569)	-
Total governmental activities	\$ 37,821,404	\$ 1,249,420	\$ 10,455,225	\$ -	\$ (26,116,759)	\$ -	\$ (26,116,759)	\$ -
Business-type activities:								
Water	\$ 1,075,784	\$ 401,201	\$ -	\$ 161,915	\$ -	\$ (512,668)	\$ (512,668)	\$ -
Sewer	-	-	-	296,285	-	296,285	296,285	-
Total business-type activities	\$ 1,075,784	\$ 401,201	\$ -	\$ 458,200	\$ -	\$ (216,383)	\$ (216,383)	\$ -
Total primary government	\$ 38,897,188	\$ 1,650,621	\$ 10,455,225	\$ 458,200	\$ (26,116,759)	\$ (216,383)	\$ (26,333,142)	\$ -
COMPONENT UNIT:								
School Board	\$ 28,451,990	\$ 541,788	\$ 17,037,968	\$ -	\$ -	\$ -	\$ -	\$ (10,872,234)
Total component unit	\$ 28,451,990	\$ 541,788	\$ 17,037,968	\$ -	\$ -	\$ -	\$ -	\$ (10,872,234)
General revenues:								
General property tax					\$ 23,139,139	\$ -	\$ 23,139,139	\$ -
Local sales and use tax					2,153,324	-	2,153,324	-
Consumer utility tax					298,005	-	298,005	-
Business license tax					521,640	-	521,640	-
Restaurant food tax					564,276	-	564,276	-
Other local taxes					1,064,013	-	1,064,013	-
Unrestricted revenues from use of money					671,902	52,272	724,174	128,018
Miscellaneous					591,661	21,741	613,402	697,057
Grants and contributions not restricted to specific programs					2,005,779	-	2,005,779	-
Payment from King William County School Board					2,254,258	-	2,254,258	-
Payment from King William County					-	-	-	12,970,409
Transfers					60,000	(60,000)	-	-
Total general revenues and transfers					\$ 33,323,997	\$ 14,013	\$ 33,338,010	\$ 13,795,484
Change in net position					\$ 7,207,238	\$ (202,370)	\$ 7,004,868	\$ 2,923,250
Net position - beginning, as restated					12,711,960	3,879,026	16,590,986	13,133,486
Net position - ending					\$ 19,919,198	\$ 3,676,656	\$ 23,595,854	\$ 16,056,736

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

FUND FINANCIAL STATEMENTS

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Balance Sheet
 Governmental Funds
 June 30, 2023

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>School Capital Projects</u>	<u>ARPA</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 10,938,166	\$ -	\$ 3,909,434	\$ 815,826	\$ 2,469,282	\$ 18,132,708
Investments	29,386	-	3,407,266	-	-	3,436,652
Receivables (net of allowance for uncollectibles):						
Taxes receivable	8,342,613	-	-	-	-	8,342,613
Accounts receivable	370,010	-	-	-	-	370,010
Due from other funds	89,125	-	-	-	-	89,125
Due from other governmental units	1,487,702	-	-	54,052	-	1,541,754
Prepaid items	38,553	98,159	-	-	39,553	176,265
Restricted assets:						
Cash and cash equivalents, restricted	-	-	243	-	-	243
Total assets	<u>\$ 21,295,555</u>	<u>\$ 98,159</u>	<u>\$ 7,316,943</u>	<u>\$ 869,878</u>	<u>\$ 2,508,835</u>	<u>\$ 32,089,370</u>
LIABILITIES						
Accounts payable	\$ 1,506,838	\$ -	\$ 223,456	\$ -	\$ 1,888	\$ 1,732,182
Accrued liabilities	101,825	-	-	-	-	101,825
Reconciled overdraft payable	-	107,541	-	-	-	107,541
Due to other funds	-	-	-	-	89,125	89,125
Unearned revenue	-	-	-	633,556	2,417,822	3,051,378
Deposits	60,743	-	-	-	-	60,743
Total liabilities	<u>\$ 1,669,406</u>	<u>\$ 107,541</u>	<u>\$ 223,456</u>	<u>\$ 633,556</u>	<u>\$ 2,508,835</u>	<u>\$ 5,142,794</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	\$ 7,888,594	\$ -	\$ -	\$ -	\$ -	\$ 7,888,594
Opioid settlement	164,556	-	-	-	-	164,556
Total deferred inflows of resources	<u>\$ 8,053,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,053,150</u>
Fund balances:						
Nonspendable	\$ 38,553	\$ 98,159	\$ -	\$ -	\$ 39,553	\$ 176,265
Restricted	2,562,640	-	3,407,509	-	-	5,970,149
Committed	712,167	-	3,685,978	236,322	-	4,634,467
Unassigned	8,259,639	(107,541)	-	-	(39,553)	8,112,545
Total fund balances (deficits)	<u>\$ 11,572,999</u>	<u>\$ (9,382)</u>	<u>\$ 7,093,487</u>	<u>\$ 236,322</u>	<u>\$ -</u>	<u>\$ 18,893,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,295,555</u>	<u>\$ 98,159</u>	<u>\$ 7,316,943</u>	<u>\$ 869,878</u>	<u>\$ 2,508,835</u>	<u>\$ 32,089,370</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	18,893,426	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Capital assets, cost	\$	58,108,279	
Accumulated depreciation		<u>(24,613,830)</u>	33,494,449
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			
Unavailable revenue - property taxes	\$	2,281,353	
Unavailable revenue - opioid settlement		164,556	
Net pension asset		<u>135,646</u>	2,581,555
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	\$	128,723	
OPEB related items		135,158	
Pension related items		<u>827,766</u>	1,091,647
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			
Bonds and loans payable	\$	(26,014,725)	
Less: Issuance premium (to be amortized over life of debt)		(1,607,137)	
Accrued Interest payable		(341,593)	
Net OPEB liabilities		(438,285)	
Equipment purchase agreements		(6,242,093)	
Compensated absences		<u>(602,579)</u>	(35,246,412)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
Pension related items	\$	(738,920)	
OPEB related items		<u>(156,547)</u>	<u>(895,467)</u>
Net position of governmental activities	\$		<u><u>19,919,198</u></u>

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

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

	General	Debt Service	Capital Projects	School Capital Projects	ARPA	Total
REVENUES						
General property taxes	\$ 22,054,682	\$ -	\$ -	\$ -	\$ -	\$ 22,054,682
Other local taxes	4,601,258	-	-	-	-	4,601,258
Permits, privilege fees, and regulatory licenses	393,295	-	-	-	-	393,295
Fines and forfeitures	125,385	-	-	-	-	125,385
Revenue from the use of money and property	356,910	112,228	206,908	-	71,075	747,121
Charges for services	655,521	-	-	-	-	655,521
Miscellaneous	127,492	-	299,613	-	-	427,105
Recovered costs	231,283	-	-	-	-	231,283
Intergovernmental:						
Local government	-	1,538,112	-	716,146	-	2,254,258
Commonwealth	8,549,079	-	-	1,018,400	-	9,567,479
Federal	1,045,637	-	-	1,373,157	474,731	2,893,525
Total revenues	<u>\$ 38,140,542</u>	<u>\$ 1,650,340</u>	<u>\$ 506,521</u>	<u>\$ 3,107,703</u>	<u>\$ 545,806</u>	<u>\$ 43,950,912</u>
EXPENDITURES						
Current:						
General government administration	\$ 2,675,679	\$ -	\$ -	\$ -	\$ -	\$ 2,675,679
Judicial administration	1,044,902	-	-	-	45,342	1,090,244
Public safety	7,434,370	-	-	-	508,097	7,942,467
Public works	2,126,122	-	-	-	-	2,126,122
Health and welfare	2,204,530	-	-	-	-	2,204,530
Education	15,271,487	-	-	-	-	15,271,487
Parks, recreation, and cultural	1,055,412	-	-	-	-	1,055,412
Community development	486,775	-	-	-	-	486,775
Nondepartmental	1,725,168	-	-	-	-	1,725,168
Capital projects	-	-	6,179,742	2,914,459	-	9,094,201
Debt service:						
Principal retirement	295,132	2,268,628	-	-	-	2,563,760
Interest and other fiscal charges	152,294	975,008	-	-	-	1,127,302
Total expenditures	<u>\$ 34,471,871</u>	<u>\$ 3,243,636</u>	<u>\$ 6,179,742</u>	<u>\$ 2,914,459</u>	<u>\$ 553,439</u>	<u>\$ 47,363,147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,668,671</u>	<u>\$ (1,593,296)</u>	<u>\$ (5,673,221)</u>	<u>\$ 193,244</u>	<u>\$ (7,633)</u>	<u>\$ (3,412,235)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 391,460	\$ 1,587,443	\$ 1,955,350	\$ -	\$ -	\$ 3,934,253
Transfers out	(3,765,039)	-	(109,214)	-	-	(3,874,253)
Total other financing sources (uses)	<u>\$ (3,373,579)</u>	<u>\$ 1,587,443</u>	<u>\$ 1,846,136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>
Net change in fund balances	\$ 295,092	\$ (5,853)	\$ (3,827,085)	\$ 193,244	\$ (7,633)	\$ (3,352,235)
Fund balances (deficits) - beginning, as restated	11,277,907	(3,529)	10,920,572	43,078	7,633	22,245,661
Fund balances (deficits) - ending	<u>\$ 11,572,999</u>	<u>\$ (9,382)</u>	<u>\$ 7,093,487</u>	<u>\$ 236,322</u>	<u>\$ -</u>	<u>\$ 18,893,426</u>

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

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

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

Net change in fund balances - total governmental funds \$ (3,352,235)

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

Capital asset additions	\$ 5,961,555	
Depreciation expense	(1,680,573)	
Jointly owned asset allocation of assets	3,743,334	
Jointly owned asset depreciation	<u>(1,451,064)</u>	6,573,252

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. (415,000)

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

Property taxes	\$ 1,084,457	
Opioid settlement	<u>164,556</u>	1,249,013

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

Principal payments 2,563,760

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

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ (105,166)	
OPEB expense	18,866	
Pension expense	593,015	
Premium amortization	85,957	
(Increase) decrease in deferred charges on refunding	(19,973)	
(Increase) decrease in accrued interest payable	<u>15,749</u>	<u>588,448</u>

Change in net position of governmental activities \$ 7,207,238

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

Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 905,711	\$ 2,130,194	\$ 3,035,905
Investments	9,517,425	-	9,517,425
Total current assets	<u>\$ 10,423,136</u>	<u>\$ 2,130,194</u>	<u>\$ 12,553,330</u>
Noncurrent assets:			
Capital assets:			
Equipment	\$ 122,532	\$ -	\$ 122,532
Infrastructure	3,252,537	-	3,252,537
Accumulated depreciation	(2,443,156)	-	(2,443,156)
Construction in progress	290,829	-	290,829
Total capital assets	<u>\$ 1,222,742</u>	<u>\$ -</u>	<u>\$ 1,222,742</u>
Total noncurrent assets	<u>\$ 1,222,742</u>	<u>\$ -</u>	<u>\$ 1,222,742</u>
Total assets	<u>\$ 11,645,878</u>	<u>\$ 2,130,194</u>	<u>\$ 13,776,072</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 116,597	\$ -	\$ 116,597
Accrued liabilities	29	-	29
Customers' deposits	86,630	-	86,630
Accrued interest payable	90,665	-	90,665
Total current liabilities	<u>\$ 293,921</u>	<u>\$ -</u>	<u>\$ 293,921</u>
Noncurrent liabilities:			
Bonds payable	\$ 9,805,495	\$ -	\$ 9,805,495
Total noncurrent liabilities	<u>\$ 9,805,495</u>	<u>\$ -</u>	<u>\$ 9,805,495</u>
Total liabilities	<u>\$ 10,099,416</u>	<u>\$ -</u>	<u>\$ 10,099,416</u>
NET POSITION			
Net investment in capital assets	\$ 934,672	\$ -	\$ 934,672
Unrestricted	611,790	2,130,194	2,741,984
Total net position	<u>\$ 1,546,462</u>	<u>\$ 2,130,194</u>	<u>\$ 3,676,656</u>

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

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

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services:			
Water revenues	\$ 401,201	\$ -	\$ 401,201
Miscellaneous	21,741	-	21,741
Total operating revenues	<u>\$ 422,942</u>	<u>\$ -</u>	<u>\$ 422,942</u>
OPERATING EXPENSES			
Water	\$ 869,348	\$ -	\$ 869,348
Depreciation	115,771	-	115,771
Total operating expenses	<u>\$ 985,119</u>	<u>\$ -</u>	<u>\$ 985,119</u>
Operating income (loss)	<u>\$ (562,177)</u>	<u>\$ -</u>	<u>\$ (562,177)</u>
NONOPERATING REVENUES (EXPENSES)			
Connection fees	\$ 161,915	\$ 296,285	\$ 458,200
Interest income	52,272	-	52,272
Interest expense	(90,665)	-	(90,665)
Total nonoperating revenues (expenses)	<u>\$ 123,522</u>	<u>\$ 296,285</u>	<u>\$ 419,807</u>
Income (loss) before transfers	<u>\$ (438,655)</u>	<u>\$ 296,285</u>	<u>\$ (142,370)</u>
Transfers out	(60,000)	-	(60,000)
Change in net position	<u>\$ (498,655)</u>	<u>\$ 296,285</u>	<u>\$ (202,370)</u>
Net position - beginning, as restated	2,045,117	1,833,909	3,879,026
Net position - ending	<u>\$ 1,546,462</u>	<u>\$ 2,130,194</u>	<u>\$ 3,676,656</u>

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

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

	Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 417,592	\$ -	\$ 417,592
Payments to suppliers	(768,308)	-	(768,308)
Net cash provided by (used for) operating activities	\$ (350,716)	\$ -	\$ (350,716)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	\$ (60,000)	\$ -	\$ (60,000)
Connection fees	161,915	296,285	458,200
Net cash provided by (used for) noncapital financing activities	\$ 101,915	\$ 296,285	\$ 398,200
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	\$ (290,829)	\$ -	\$ (290,829)
Proceeds from indebtedness	9,805,495	-	9,805,495
Net cash provided by (used for) capital and related financing activities	\$ 9,514,666	\$ -	\$ 9,514,666
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 52,272	\$ -	\$ 52,272
Purchase of investments	(9,805,495)	-	(9,805,495)
Sale of investments	288,070	-	288,070
Net cash provided (used) by investing activities	\$ (9,465,153)	\$ -	\$ (9,465,153)
Net increase (decrease) in cash and cash equivalents	\$ (199,288)	\$ 296,285	\$ 96,997
Cash and cash equivalents - beginning	1,104,999	1,833,909	2,938,908
Cash and cash equivalents - ending	\$ 905,711	\$ 2,130,194	\$ 3,035,905
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (562,177)	\$ -	\$ (562,177)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	\$ 115,771	\$ -	\$ 115,771
Increase (decrease) in customer deposits	(5,350)	-	(5,350)
Increase (decrease) in accounts payable	101,524	-	101,524
Increase (decrease) in accrued liabilities	(484)	-	(484)
Total adjustments	\$ 211,461	\$ -	\$ 211,461
Net cash provided by (used for) operating activities	\$ (350,716)	\$ -	\$ (350,716)

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 150,014
Due from other governmental units	15,793
Total assets	<u>\$ 165,807</u>
LIABILITIES	
Accounts payable	\$ 3,254
Total liabilities	<u>\$ 3,254</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ 162,553
Total net position	<u>\$ 162,553</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Contributions	\$ 29,532
Electronic monitoring fees	112,575
Local shares	48,400
Revenue from the Commonwealth	40,014
Total additions	<u>\$ 230,521</u>
DEDUCTIONS	
Recipient payments	\$ 2,070
Salaries and wages	148,752
Fringe benefits	38,762
Purchased services	3,166
Miscellaneous	48,393
Total deductions	<u>\$ 241,143</u>
Net increase (decrease) in fiduciary net position	(10,622)
Net position, beginning	173,175
Net position, ending	<u>\$ 162,553</u>

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The County of King William, Virginia (County) was formed in 1702 and is governed by an elected five-member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and fire protection; sanitation services; recreational activities; cultural events; education; and social services.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all 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. For the most part, the effect of interfund activity has been removed from these statements. The exception to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (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).

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

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

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 King William (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 to be included for the fiscal year ended June 30, 2023.

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

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

C. Other Related Organizations

Economic Development Authority

The Economic Development Authority (Authority), formerly the Industrial Development Authority, was created as a political subdivision of the Commonwealth of Virginia (Commonwealth) by King William County in 1972, pursuant to the provisions of the Industrial Development and Revenue Bond Act, Chapter 49 of Title 15.2, *Code of Virginia*. This Act empowers the Authority, among other activities, to issue tax-exempt bonds to acquire, improve, maintain, equip, own, lease, or dispose of properties by inducing manufacturing and industrial enterprises to locate or remain in the Commonwealth. The County Board of Supervisors appoints the seven directors of the Authority and provides financial support by making direct payments of debt service expenses on behalf of the Authority. To date, activity of the Authority has been minimal and, as such, has been historically accounted for as part of the County's General Fund.

King William - King and Queen Regional Animal Shelter

The King William - King and Queen Regional Animal Shelter (Shelter) was created under a resolution between King William County and King and Queen County. The two counties share equally in both the cost of construction and operation of the facilities. The County serves as fiscal agent of the Shelter and administers the operation of the Shelter, and receives a fee of 3% of the annual operating expenditures from King and Queen County for managing the Shelter. The Shelter began operations in 2009 and the activity is accounted for as part of the County's General Fund.

Hampton Roads Sanitation District

The Hampton Roads Sanitation District (HRSD) was created by resolution pursuant to state statute and is governed by an eight-member board appointed by the Governor from the localities comprising HRSD's service area. The County currently has no representation on the board, but has agreements with HRSD to provide wastewater treatment services. In 1999, operation of the King William County Wastewater Treatment Plant and Wastewater Collection System, and all wastewater pumping stations owned by the County at that time were transferred to HRSD.

Middle Peninsula Juvenile Detention Commission

The Middle Peninsula Juvenile Detention Commission is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The Commission serves numerous localities and is funded through a per diem charge for each juvenile committed to the member jurisdictions, as well as by funding provided by the Commonwealth.

Middle Peninsula Planning District Commission

The Middle Peninsula Planning District Commission is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Essex, Gloucester, King and Queen, Middlesex, Mathews, and the County provide the financial support for the Commission and appoint its governing board. The majority of directors consist of elected officials of the governmental subdivisions within the planning district.

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

C. Other Related Organizations (Continued)

Middle Peninsula Northern Neck Community Services Board

The Middle Peninsula Northern Neck Community Services Board (Board) was created by resolution pursuant to state statute and is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The County appoints one of the board members; however, the County cannot impose its will on the Board since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the Board. The Board is fiscally independent and there is no financial benefit or burden relationship with the County. The County contributed \$60,624 in fiscal year 2023.

Middle Peninsula Regional Airport Authority

The Middle Peninsula Regional Airport Authority is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. King and Queen County contributes 50% of the annual local tax revenue received from personal property at the airport to support operations, and the remaining expenses, net of revenues, are shared equally between the Town of West Point and the Counties of Gloucester, King and Queen, and the County. Each member jurisdiction appoints one of the directors.

Middle Peninsula Regional Security Center

The Middle Peninsula Regional Security Center (Center) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Essex, Mathews, Middlesex, King and Queen, and the County provide the financial support for the Center and appoint its governing Board, which has the ability execute contracts and to budget and expend funds. The County appoints two of the nine members to the board. No one locality contributes more than 50% of the Center's funding.

Pamunkey Regional Library

The Pamunkey Regional Library (Library) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The counties of Goochland, Hanover, King and Queen, and the County provide the financial support for the Library and appoint its governing board, which has the ability to execute contracts and to budget and expend funds. The County appoints two of the seven members of the board. No one locality contributes 50% of the Library's funding.

Virginia Peninsulas Public Service Authority

The Virginia Peninsulas Public Service Authority (Authority) is considered a jointly governed organization and, therefore, its operations are not included in the County's financial statements. The board consists of 12 members who represent each of the member jurisdictions consisting of numerous localities. The member jurisdictions share in administrative costs on a per capita basis. The County has lease and operating agreements with the Authority to provide solid waste services for the County, which are billed monthly to the individual users of the Authority or to the County.

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

C. Other Related Organizations (Continued)

Bridging Communities Regional Career and Technical Center

The Town of West Point school division, Charles City school division and the county school divisions of King and Queen, Middlesex, New Kent, and King William participate in supporting the Center. The County of New Kent serves as the fiscal agent of the Center. The Center is governed by a six member board of control, which is comprised of one school board member from each of the six school divisions. The School Board's contribution for fiscal year 2023 was approximately \$237,588.

Included in the County's Financial Report

None

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, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds. 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

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

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

liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease and subscription assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 45 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 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 - are those through which most governmental functions typically are financed. The County reports the following governmental funds:

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. The General Fund is considered a major fund for reporting purposes.

Debt Service Fund - accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Payment of principal and interest on the County and school system's general long-term debt financing is provided by appropriations from the General Fund. The County reports the Debt Service Fund as a major fund.

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

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

Capital Projects Funds - 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 of the governments. The County reports the Capital Projects Fund and the School Capital Project Fund as major funds.

Special Revenue Funds - account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure associated with ARPA. This fund has been determined to be major for public interest reasons, in that the presentation is of particular importance to financial statement users.

2. Proprietary Funds - Proprietary Funds account for operations that are financed in a manner similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of the Water Fund and the Sewer Fund.

Water Fund - The water fund accounts for the activities of the water treatment plant and the water distribution system.

Sewer Fund - The sewer fund accounts for the activities of the wastewater treatment plant and the wastewater collection system.

3. Fiduciary Funds - (Custodial Funds) - accounts for assets held by the County unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial Funds utilize the accrual basis of accounting. Custodial funds do not have a measurement focus. Fiduciary funds are not included in the government-wide financial statements. The County's Custodial Funds include amounts held for others in a fiduciary capacity, which includes the following funds: Special Welfare Fund, Virginia Juvenile Community Crime Council Act (VJCCCA) Fund, Project Lifesaver Fund, D.A.R.E. Fund, Sheriff's Office Fund, and Fire and EMS 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.

F. Investments

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

G. Receivables and Payables

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

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 \$181,867 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.

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 25/December 5 (50% each date)	January 15 (50% each date)
Lien Date	December 5	January 15

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property and equipment are reported in the applicable governmental columns in the government-wide financial statements for both the County and the Component Unit School Board. Capital assets are defined by the County as land, buildings, equipment, lease, subscription, and infrastructure assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for the intangible right-to-use lease and subscription assets, the measurement of which is discussed in more detail below). Donated capital assets are recorded at acquisition value at the date of donation. Assets received in a service concession arrangement are reported at acquisition value.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

H. Capital Assets

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5-40
Furniture and equipment	3-5
Infrastructure	40
Land improvements	15
Intangible	10

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 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. A liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement. The General Fund is responsible for paying the liability for compensated absences for the general government employees and has been used in prior years to liquidate the governmental funds’ liability.

County employees earn vacation and sick leave at various rates. After five years of service with the County, employees are paid out for voluntary separation, non-disciplinary separation, and retirement. The rate paid out varies by years of service.

The School Board compensates eligible retiring employees at an approved rate for their unused accumulated sick leave. The retiring employee must retire under the regulations of the VRS and have been under contract in the school division for five consecutive years preceding retirement. The maximum number of allowable days is 150 days. The rate is 16% of the daily rate, or \$20 per day, whichever is greater.

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.

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

K. Net Position

For government-wide reporting, 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 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 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.

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 (nonprofessional), 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.

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

N. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums or discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Prepaid Items

Certain payments to vendors reflect costs applied to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. Prepaid items are accounted for using the consumption method and are valued at cost. Prepaid items in governmental funds are reported as nonspendable fund balance.

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 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 ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

P. Fund Balance (Continued)

The Board of Supervisors formally established a minimum unassigned fund balance policy in the General Fund in the amount of twenty (20) percent (approximately 2-3 months) of the General Fund expenditures and outflows at the end of each fiscal year.

The County applies restricted resources first when expenditures are incurred for purpose for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used.

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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

	<u>General</u>	<u>Debt Service</u>	<u>General Capital Projects</u>	<u>School Capital Projects</u>	<u>ARPA</u>	<u>Total</u>
Fund Balances:						
Nonspendable:						
Prepaid items	\$ 38,553	\$ 98,159	\$ -	\$ -	\$ 39,553	\$ 176,265
Total Nonspendable	<u>\$ 38,553</u>	<u>\$ 98,159</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,553</u>	<u>\$ 176,265</u>
Restricted:						
Split levy with KWPS	\$ 2,553,275	\$ -	\$ -	\$ -	\$ -	\$ 2,553,275
Sheriff's asset forfeiture	8,048	-	-	-	-	8,048
Commonwealth Attorney's asset forfeiture	1,317	-	-	-	-	1,317
Future capital projects	-	-	3,407,509	-	-	3,407,509
Total Restricted	<u>\$ 2,562,640</u>	<u>\$ -</u>	<u>\$ 3,407,509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,970,149</u>
Committed:						
Future capital projects	\$ -	\$ -	\$ 3,685,978	\$ 236,322	\$ -	\$ 3,922,300
Regional animal shelter	20,344	-	-	-	-	20,344
Four-for-life program	30,871	-	-	-	-	30,871
Fire programs	107,488	-	-	-	-	107,488
EMS billing	407,181	-	-	-	-	407,181
Victim witness program	20,344	-	-	-	-	20,344
Recreation programs	125,939	-	-	-	-	125,939
Total Committed	<u>\$ 712,167</u>	<u>\$ -</u>	<u>\$ 3,685,978</u>	<u>\$ 236,322</u>	<u>\$ -</u>	<u>\$ 4,634,467</u>
Unassigned	\$ 8,259,639	\$ (107,541)	\$ -	\$ -	\$ (39,553)	\$ 8,112,545
Total Fund Balances	<u>\$ 11,572,999</u>	<u>\$ (9,382)</u>	<u>\$ 7,093,487</u>	<u>\$ 236,322</u>	<u>\$ -</u>	<u>\$ 18,893,426</u>

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources 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. The first item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable and opioid settlement are 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 and OPEB are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

R. Component Unit - School Board Capital Asset and Debt Presentation (Jointly Owned Assets)

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction, or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the *Code of Virginia* requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the assets.

The Virginia General Assembly amended the *Code of Virginia* to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit for the primary government due to financing School Board capital assets with debt.

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. During the month of March, 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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING: (CONTINUED)

2. Public hearings are required to be conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level, which is the level presented in Exhibit 5. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments and the School Board is authorized to transfer budgeted amounts within the school systems categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Debt Service Fund, Capital Projects Funds and all other general governmental funds and the School Fund, School Textbook Fund and the School Cafeteria Fund of the Primary Government and Component Unit - 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. Several Supplemental Appropriations were necessary during the fiscal year.
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 did not exceed appropriations in any 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.

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).

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Investments (Continued)

The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The carrying value of the position in LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share in accordance with GASB 79. The maturity of the LGIP is less than one year.

The goal of the County is to obtain the highest possible yield on available financial assets invested consistent with state law, while observing the primary goal of preservation of principal and providing necessary liquidity to meet cash flow needs.

Custodial Credit Risk (Investments)

The County's investment policy requires that all securities purchased for the County be held by the County or by the County's designated custodian. The County's investments at June 30, 2023 were held by the County or in the County's name by the County's custodial banks.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2023 were rated by Standard & Poor's and Moody's and the ratings are presented below using the Standard & Poor's and Moody's rating scale. The County's investment policy has an emphasis on high credit quality and known marketability. Obligations of the Commonwealth of Virginia and its local governments and public bodies are allowable under the County's investment policy provided they have a debt rating of at least AA by Standard & Poor's. The County's investment policy does not address credit risk for any other investment instruments.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Rating
	AAAm
Primary Government:	
Local Government Investment Pool	\$ 29,386
Virginia State Non-Arbitrage Pool	12,924,691
Total	\$ 12,954,077

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Interest Rate Risk

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Primary Government:		
Local Government Investment Pool	\$ 29,386	\$ 29,386
Virginia State Non-Arbitrage Pool	12,924,691	12,924,691
Total	<u>\$ 12,954,077</u>	<u>\$ 12,954,077</u>

External Investment Pools

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

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5% of total investments, there must be a disclosure for the amount and issuer. At June 30, 2023, all of investments were in the Local Government Investment Pool.

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023 (CONTINUED)

NOTE 4—DUE FROM OTHER GOVERNMENTS:

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

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Amounts due from other governments are as follows:		
Commonwealth of Virginia:		
Local sales tax	\$ 365,084	\$ -
Local communication sales tax	39,489	-
Rolling stock tax	17,644	-
CSA funds	170,744	-
VPA funds	22,120	-
State sales tax	605,200	-
Constitutional officer reimbursements	133,895	-
Victim witness grant	8,247	-
Other grants	80,427	-
E-911 funds	11,617	-
Federal Government:		
School fund grants	-	1,227,398
VPA funds	43,476	-
Victim witness grant	19,242	-
Other federal grants	24,569	-
Total due from other governments	<u>\$ 1,541,754</u>	<u>\$ 1,227,398</u>

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 5—CAPITAL ASSETS—PRIMARY GOVERNMENT:

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

Primary Government:

	<u>Restated Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 919,472	\$ -	\$ 400,000	\$ 519,472
Construction in progress	<u>1,868,806</u>	<u>1,167,292</u>	<u>2,396,005</u>	<u>640,093</u>
Total capital assets not subject to depreciation	<u>\$ 2,788,278</u>	<u>\$ 1,167,292</u>	<u>\$ 2,796,005</u>	<u>\$ 1,159,565</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 13,023,855	\$ 35,780	\$ -	\$ 13,059,635
Equipment	7,147,442	3,754,792	52,800	10,849,434
Infrastructure	3,585,046	16,874	-	3,601,920
Jointly owned assets	<u>22,311,569</u>	<u>3,382,822</u>	<u>(3,743,334)</u>	<u>29,437,725</u>
Total capital assets subject to depreciation	<u>\$ 46,067,912</u>	<u>\$ 7,190,268</u>	<u>\$ (3,690,534)</u>	<u>\$ 56,948,714</u>
Accumulated depreciation:				
Buildings and improvements	\$ (5,540,937)	\$ (318,487)	\$ -	\$ (5,859,424)
Equipment	(5,207,759)	(587,695)	(37,800)	(5,757,654)
Infrastructure	(1,613,728)	(203,899)	-	(1,817,627)
Jointly owned assets	<u>(9,157,569)</u>	<u>(570,492)</u>	<u>1,451,064</u>	<u>(11,179,125)</u>
Total accumulated depreciation	<u>\$ (21,519,993)</u>	<u>\$ (1,680,573)</u>	<u>\$ 1,413,264</u>	<u>\$ (24,613,830)</u>
Total capital assets being depreciated, net	<u>\$ 24,547,919</u>	<u>\$ 5,509,695</u>	<u>\$ (2,277,270)</u>	<u>\$ 32,334,884</u>
Governmental activities capital assets, net	<u>\$ 27,336,197</u>	<u>\$ 6,676,987</u>	<u>\$ 518,735</u>	<u>\$ 33,494,449</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 106,780
Judicial administration	167,390
Public safety	693,167
Public works	87,434
Health and welfare	1,966
Education	603,492
Parks, recreation and cultural	17,246
Community development	<u>3,098</u>
Total Governmental activities	<u>\$ 1,680,573</u>

Business-type activities:

Water	<u>\$ (115,771)</u>
Component Unit School Board	<u>\$ 1,529,455</u>

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 5—CAPITAL ASSETS—PRIMARY GOVERNMENT: (Continued)

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

	<u>Restated Balance July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2023</u>
Business-Type activities:				
Capital assets not subject to depreciation:				
Construction in progress	\$ -	\$ 290,829	\$ -	\$ 290,829
Total capital assets not subject to depreciation	\$ -	\$ 290,829	\$ -	\$ 290,829
Capital assets subject to depreciation:				
Equipment	\$ 122,532	\$ -	\$ -	\$ 122,532
Infrastructure	3,252,537	-	-	3,252,537
Total capital assets subject to depreciation	\$ 3,375,069	\$ -	\$ -	\$ 3,375,069
Accumulated depreciation:				
Equipment	\$ (64,610)	\$ (7,353)	\$ -	\$ (71,963)
Infrastructure	(2,262,775)	(108,418)	-	(2,371,193)
Total accumulated depreciation	\$ (2,327,385)	\$ (115,771)	\$ -	\$ (2,443,156)
Total capital assets being depreciated, net	\$ 1,047,684	\$ (115,771)	\$ -	\$ 931,913
Governmental activities capital assets, net	\$ 1,047,684	\$ 175,058	\$ -	\$ 1,222,742

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 6—CAPITAL ASSETS—COMPONENT UNIT—SCHOOL BOARD:

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets not subject to depreciation:				
Land	\$ 76,340	\$ -	\$ -	\$ 76,340
Total capital assets not subject to depreciation	<u>\$ 76,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,340</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 20,848,349	\$ -	\$ -	\$ 20,848,349
Equipment	8,629,918	1,808,811	1,202,485	9,236,244
Infrastructure	471,283	26,435	-	497,718
Land improvements	376,934	280,635	20,955	636,614
Jointly owned assets	15,967,632	-	3,743,334	12,224,298
Total capital assets subject to depreciation	<u>\$ 46,294,116</u>	<u>\$ 2,115,881</u>	<u>\$ 4,966,774</u>	<u>\$ 43,443,223</u>
Accumulated depreciation:				
Buildings and improvements	\$ (10,783,483)	\$ (478,409)	\$ -	\$ (11,261,892)
Equipment	(3,476,292)	(544,913)	(1,202,485)	(2,818,720)
Infrastructure	(74,047)	(24,740)	-	(98,787)
Land improvements	(232,249)	(42,649)	(20,955)	(253,943)
Jointly owned assets - buildings	(6,431,820)	(438,744)	(1,451,064)	(5,419,500)
Total accumulated depreciation	<u>\$ (20,997,891)</u>	<u>\$ (1,529,455)</u>	<u>\$ (2,674,504)</u>	<u>\$ (19,852,842)</u>
Total capital assets being depreciated, net	<u>\$ 25,296,225</u>	<u>\$ 586,426</u>	<u>\$ 2,292,270</u>	<u>\$ 23,590,381</u>
Governmental activities capital assets, net	<u>\$ 25,372,565</u>	<u>\$ 586,426</u>	<u>\$ 2,292,270</u>	<u>\$ 23,666,721</u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the current law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of King William, Virginia for the year ended June 30, 2023, is that school financed assets in the amount of \$18,258,600 are reported in the Primary Government for financial reporting purposes.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 7—INTERFUND TRANSFERS AND OBLIGATIONS:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 391,460	\$ 3,765,039
Debt Service	1,587,443	-
Capital Projects	1,955,350	109,214
Enterprise Fund:		
Water	-	60,000
	<u> </u>	<u> </u>
Total-All Funds	\$ <u>3,934,253</u>	\$ <u>3,934,253</u>

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:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 89,125	\$ -
ARPA Fund	-	89,125
	<u> </u>	<u> </u>
Total All Funds	\$ <u>63,744</u>	\$ <u>63,744</u>

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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS:

Primary Government:

A summary of long-term obligation transactions for the year ended June 30, 2023 is as follows:

	<u>Balance at July 1, 2022</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance at June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Incurred by County:					
Compensated absences	\$ 497,413	\$ 154,907	\$ 49,741	\$ 602,579	\$ 60,258
Net OPEB liabilities	386,925	258,067	206,707	438,285	-
Equipment purchase agreements	6,962,709	-	720,616	6,242,093	739,901
Direct borrowing and placements:					
General obligation bonds	17,534,469	-	905,444	16,629,025	924,025
Lease financing bond	3,690,300	-	430,700	3,259,600	439,100
Revenue bonds	6,633,100	-	507,000	6,126,100	817,700
Unamortized premium	1,693,094	-	85,957	1,607,137	-
Total incurred by County	<u>\$ 37,398,010</u>	<u>\$ 412,974</u>	<u>\$ 2,906,165</u>	<u>\$ 34,904,819</u>	<u>\$ 2,980,984</u>
Total Governmental Activities	<u>\$ 37,398,010</u>	<u>\$ 412,974</u>	<u>\$ 2,906,165</u>	<u>\$ 34,904,819</u>	<u>\$ 2,980,984</u>
Business-type Activities:					
Direct borrowing and placements:					
Revenue bonds	\$ -	\$ 9,240,000	\$ -	\$ 9,240,000	\$ -
Unamortized premium	-	565,495	-	565,495	-
Total Business-type Activities	<u>\$ -</u>	<u>\$ 9,805,495</u>	<u>\$ -</u>	<u>\$ 9,805,495</u>	<u>\$ -</u>

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

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

Year Ending June 30,	Governmental Activities			
	Equipment Purchase Agreements		Direct Borrowings and Direct Placements	
			Lease Financing and Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 739,901	\$ 169,395	\$ 1,256,800	\$ 273,851
2025	735,038	152,243	1,286,800	237,170
2026	730,185	135,006	1,327,400	199,291
2027	485,225	117,390	1,353,700	160,353
2028	500,731	104,407	1,395,600	119,733
2029	451,247	90,914	1,433,300	78,110
2030	393,741	78,391	830,100	36,035
2031	408,871	65,937	267,000	14,312
2032	424,508	53,006	115,000	6,747
2033	440,665	39,580	120,000	2,275
2034	457,363	25,644	-	-
2035	474,618	11,181	-	-
Total	\$ <u>6,242,093</u>	\$ <u>1,043,094</u>	\$ <u>9,385,700</u>	\$ <u>1,127,877</u>

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Direct Borrowings and Placements		Direct Borrowings and Placements	
	General Obligation Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 924,025	\$ 674,528	\$ -	\$ 389,223
2025	775,000	632,503	140,000	412,200
2026	780,000	594,318	145,000	404,897
2027	820,000	554,928	155,000	397,209
2028	840,000	499,180	165,000	389,009
2029	885,000	455,624	170,000	380,425
2030	930,000	409,796	180,000	371,456
2031	970,000	368,570	190,000	361,975
2032	1,005,000	332,402	200,000	351,981
2033	1,050,000	293,763	210,000	341,475
2034	1,085,000	253,554	220,000	330,456
2035	1,130,000	212,675	235,000	318,797
2036	1,170,000	173,000	245,000	306,497
2037	1,210,000	134,767	260,000	293,556
2038	1,250,000	94,215	270,000	279,975
2039	425,000	64,496	285,000	265,753
2040	440,000	46,980	300,000	250,763
2041	460,000	28,755	315,000	236,578
2042	480,000	9,720	330,000	223,275
2043	-	-	345,000	209,353
2044	-	-	360,000	194,813
2045	-	-	370,000	179,756
2046	-	-	390,000	164,081
2047	-	-	405,000	147,684
2048	-	-	420,000	130,669
2049	-	-	440,000	112,931
2050	-	-	460,000	94,284
2051	-	-	475,000	74,825
2052	-	-	500,000	54,531
2053	-	-	520,000	33,303
2054	-	-	540,000	11,241
Total	\$ 16,629,025	\$ 5,833,774	\$ 9,240,000	\$ 7,712,971

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Details of governmental activities long-term obligations:

	<u>Installments</u>	<u>Interest Rates</u>	<u>Year Issued</u>	<u>Final Maturity Year</u>	<u>Amount of Original Issue</u>	<u>Balance Governmental Activities</u>	<u>Amount Due Within One Year</u>
Compensated absences (payable from the General Fund)						\$ 602,579	\$ 60,258
Net OPEB liabilities (payable from the General Fund)						\$ 438,285	\$ -
Equipment Purchase Agreements:							
Motorola Solutions, Inc. for communications equipment	Varying annually	1.952%	2013	2026	3,000,000	\$ 765,000	\$ 250,000
Pumper and ambulance	\$72,677 annually	1.475%	2022	2029	964,169	765,174	134,562
Ford police Interceptors	\$24,582 annually	1.175%	2022	2025	144,605	72,888	48,450
School energy equipment	Varying semi-annually	3.133%	2021	2035	5,005,521	4,639,031	306,889
Total Equipment Purchase Agreements						\$ 6,242,093	\$ 739,901
Direct borrowings and direct placements:							
<u>Revenue Bonds:</u>							
Series 2011	Varying annually	3.00%	2011	2029	5,220,100	\$ 3,530,100	\$ 545,700
Series 2013	Varying annually	3.175%	2013	2031	1,375,000	696,000	87,000
Series 2017	Varying annually	2.82% - 5.13%	2017	2033	2,750,000	2,183,633 (a)	185,000
Total Revenue Bonds						\$ 6,409,733	\$ 817,700
<u>Lease Financing Bond:</u>							
Series 2019	Varying annually	1.01%	2019	2030	4,517,800	\$ 3,259,600	\$ 439,100
<u>General Obligation Bonds:</u>							
Series 2003	Varying annually	4.60% - 5.35%	2003	2024	7,055,000	\$ 350,000	\$ 350,000
Series 2004	\$30,000 annually	4.10% - 5.10%	2004	2025	605,000	64,663 (b)	30,000
Series 2010	Varying annually	-	2010	2027	270,000	75,000	15,000
Series 2017	Varying annually	2.05% - 5.05%	2017	2038	11,925,000	10,739,333 (c)	480,000
Series 2019	\$4,557 monthly	4.43%	2019	2024	244,780	49,025	49,025
Series 2022	Varying annually	3.55% - %5.05%	2022	2042	6,130,000	6,674,508 (d)	-
Total General Obligation Bonds						\$ 17,952,529	\$ 924,025
Total Direct Borrowings and Direct Placements						\$ 27,621,862	\$ 924,025
Total outstanding debt - governmental activities						\$ 34,904,819	\$ 2,980,984

(a) Includes unamortized premium of \$283,633

(b) Includes unamortized premium of \$4,663

(c) Includes unamortized premium of \$774,333

(d) Includes unamortized premium of \$544,508

Details of business-type activities long-term obligations:

	<u>Installments</u>	<u>Interest Rates</u>	<u>Year Issued</u>	<u>Final Maturity Year</u>	<u>Amount of Original Issue</u>	<u>Balance Business-Type Activities</u>	<u>Amount Due Within One Year</u>
Direct borrowings and direct placements:							
<u>Revenue Bonds:</u>							
Series 2023	Varying annually	5.125%	2023	2054	9,240,000	9,805,495 (a)	-
Total Revenue Bonds						9,805,495	-
Total outstanding debt - business-type activities						\$ 9,805,495	\$ -

(a) Includes unamortized premium of \$565,495

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 8—LONG-TERM OBLIGATIONS: (CONTINUED)

Component Unit—School Board:

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

	<u>Balance at July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2023</u>	<u>Amounts Due Within One Year</u>
Compensated absences (payable from the School Operating Fund)	\$ 288,456	\$ -	\$ 31,762	\$ 256,694	\$ 25,669
Net pension liability	10,794,587	10,288,958	7,797,550	13,285,995	-
Net OPEB liabilities	3,538,768	1,250,891	1,035,966	3,753,693	-
Total incurred by School Board	<u>\$ 14,621,811</u>	<u>\$ 11,539,849</u>	<u>\$ 8,865,278</u>	<u>\$ 17,296,382</u>	<u>\$ 25,669</u>

NOTE 9—DEFERRED AND UNAVAILABLE REVENUE:

At June 30, 2023, deferred and unavailable revenue were reported as follows:

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures \$	-	\$ 2,281,353
2nd half assessments due in December 2023	5,443,864	5,443,864
Prepaid property taxes due in December 2023 but paid in advance by taxpayers	163,377	163,377
	<u>\$ 5,607,241</u>	<u>\$ 7,888,594</u>

The County also reports unavailable revenue related to the opioid settlement funds of \$164,556 at June 30, 2023.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 10—COMMITMENTS AND CONTINGENCIES:

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

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

A Consent Special Order issued under the authority of Virginia Code 62.1-44.15(8a) between the state Water Control Board and the Hampton Roads Sanitation District, the cities of Chesapeake, Hampton, Newport News, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg; the counties of King William, Isle of Wight, and York; the James City Service Authority; and the town of Smithfield for the purpose of resolving certain alleged violations of environmental laws and regulations. All parties have agreed to a two-phased approach to address the initiative: the first phase is principally a data collection, evaluation and plan development program and the second phase will implement long-term capacity enhancement and sewer rehabilitation plans.

Developer Agreements

Between fiscal years 2003 and 2007, the County entered into multiple development agreements with local developers. According to the agreements, the County was deeded water and wastewater infrastructure in exchange for future connection fee credits. As of June 30, 2023, all credits in connection with these agreements had been fully earned and were recorded as revenue on the Statement of Revenues, Expenditures and Changes in Fund balances.

Federal and State Assisted Programs

The County and School Board have received proceeds from several federal and state grant programs. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

The County was committed under the following construction contracts at June 30, 2023:

<u>Contractor</u>	<u>Project</u>	<u>Contract Sum</u>	<u>Balance</u>
Southern Air	HVAC - Acquinton Elementary School	\$ 1,700,000	\$ 218,948
Southern Air	HVAC - King William High School	800,000	270,704
Southern Air	HVAC - Cool Spring Primary School	1,400,000	388,486
US Asphalt Maintenance LLC	Asphalt repairs	1,200,000	1,181,100
Colonial Roofing of Virginia	Roofing - Cool Spring Primary School	950,000	627,750
Bowman	Evaluation for WWTP	500,000	480,190

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 (CONTINUED)

NOTE 11—LITIGATION:

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

NOTE 12—RISK MANAGEMENT:

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees and others; and natural disasters. To reduce insurance costs and the need for self-insurance, the County has joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools to operate as common risk management and insurance programs for member municipalities. The County is not self-insured.

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

The County continues to carry commercial insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the last three fiscal years.

Health Insurance - School Board

The School Board retains a portion of the risks through a self-insurance health insurance program and has also purchased insurance to transfer other risks to outside parties. There has been no significant reduction in insurance coverage during the past year.

NOTE 13—PENSION PLAN:

Plan Description

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

Benefit Structures

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

NOTE 13—PENSION PLAN: (CONTINUED)

Benefit Structures (Continued)

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	81	27
Inactive members:		
Vested inactive members	29	11
Non-vested inactive members	34	26
Inactive members active elsewhere in VRS	62	8
Total inactive members	125	45
Active members	108	57
Total covered employees	<u>314</u>	<u>129</u>

Contributions

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

The County’s contractually required employer contribution rate for the year ended June 30, 2023 was 9.97% 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 \$593,897 and \$434,659 for the years ended June 30, 2023 and June 30, 2022, respectively.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Contributions (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2023 was 2.35% 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 \$22,028 and \$71,965 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net Pension Asset

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

Actuarial Assumptions - General Employees

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

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Discount Rate

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

Changes in Net Pension Asset

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 20,287,470	\$ 21,659,500	\$ (1,372,030)
Changes for the year:			
Service cost	\$ 599,582	\$ -	\$ 599,582
Interest	1,372,925	-	1,372,925
Differences between expected and actual experience	(16,707)	-	(16,707)
Contributions - employer	-	432,576	(432,576)
Contributions - employee	-	317,945	(317,945)
Net investment income	-	(18,121)	18,121
Benefit payments, including refunds	(1,094,845)	(1,094,845)	-
Administrative expenses	-	(13,484)	13,484
Other changes	-	500	(500)
Net changes	\$ 860,955	\$ (375,429)	\$ 1,236,384
Balances at June 30, 2022	\$ 21,148,425	\$ 21,284,071	\$ (135,646)

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Changes in Net Pension Liability

	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	\$ 3,855,557	\$ 4,773,671	\$ (918,114)
Changes for the year:			
Service cost	\$ 112,120	\$ -	\$ 112,120
Interest	259,345	-	259,345
Differences between expected and actual experience	(216,760)	-	(216,760)
Contributions - employer	-	62,008	(62,008)
Contributions - employee	-	63,136	(63,136)
Net investment income	-	(2,488)	2,488
Benefit payments, including refunds	(251,053)	(251,053)	-
Administrative expenses	-	(2,983)	2,983
Other changes	-	109	(109)
Net changes	\$ (96,348)	\$ (131,271)	\$ 34,923
Balances at June 30, 2022	\$ 3,759,209	\$ 4,642,400	\$ (883,191)

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	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County			
Net Pension Liability (Asset)	\$ 2,637,318	\$ (135,646)	\$ (2,399,692)
Component Unit School Board (Nonprofessional)			
Net Pension Liability (Asset)	\$ (373,009)	\$ (883,191)	\$ (1,298,226)

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (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 (\$1,201) and (\$138,076), 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	\$ -	\$ 102,808	\$ -	\$ 234,231
Change in assumptions	233,869	-	44,185	-
Net difference between projected and actual earnings on pension plan investments	-	636,112	-	136,407
Employer contributions subsequent to the measurement date	593,897	-	22,028	-
Total	<u>\$ 827,766</u>	<u>\$ 738,920</u>	<u>\$ 66,213</u>	<u>\$ 370,638</u>

\$593,897 and \$22,028 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 (increase) of 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	\$ (112,562)	\$ (150,595)
2025	(262,319)	(132,639)
2026	(423,784)	(107,292)
2027	293,614	64,073
2028	-	-
Thereafter	-	-

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (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 political subdivisions 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 division were \$2,017,579 and \$2,073,166 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 \$13,285,995 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 0.13955% as compared to 0.13905% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$385,963. 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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 916,122
Change in assumptions	1,252,602	-
Net difference between projected and actual earnings on pension plan investments	-	1,732,216
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,917	567,533
Employer contributions subsequent to the measurement date	<u>2,017,579</u>	-
Total	<u>\$ 3,318,098</u>	<u>\$ 3,215,871</u>

\$2,017,579 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (679,464)
2025	(775,666)
2026	(1,254,140)
2027	793,918
2028	-

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 13—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 23,729,805	\$ 13,285,995	\$ 4,782,438

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board				
	Deferred Outflows	Deferred Inflows	Net Pension Asset	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Asset	Net Pension Liability	Pension Expense
VRS Pension Plans:									
Primary Government	\$ 827,766	\$ 738,920	\$ 135,646	\$ (1,201)	\$ -	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	66,213	370,638	883,191	-	(138,076)
School Board Professional	-	-	-	-	3,318,098	3,215,871	-	13,285,995	385,963
Totals	<u>\$ 827,766</u>	<u>\$ 738,920</u>	<u>\$ 135,646</u>	<u>\$ (1,201)</u>	<u>\$ 3,384,311</u>	<u>\$ 3,586,509</u>	<u>\$ 883,191</u>	<u>\$ 13,285,995</u>	<u>\$ 247,887</u>

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the 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

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Contributions (Continued)

ended June 30, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$34,768 and \$31,948 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 professional group were \$68,161 and \$69,604 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 \$8,327 and \$7,634 for the years ended June 30, 2023 and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$30.4 million to the Group Life Insurance Plan. This special payment was authorized by a Budget Amendment included in Chapter 1 of the 2022 Appropriation Act.

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

At June 30, 2023, the County reported a liability of \$327,514 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$713,548 and \$78,266, 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 0.02720% as compared to 0.02530% at June 30, 2021. At June 30, 2022, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05930% and 0.00650%, respectively as compared to 0.05920% and 0.00630% respectively at June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$28,027. For the year ended June 30, 2023, the Component Unit School Board professional group recognized GLI OPEB expense of \$9,320. For the year ended June 30, 2023, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$40. 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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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

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

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	\$ 25,935	\$ 13,139	\$ 56,504	\$ 28,626	\$ 6,198	\$ 3,140
Net difference between projected and actual earnings on GLI OPEB plan investment	-	20,465	-	44,586	-	4,890
Change of assumptions	12,216	31,901	26,614	69,502	2,919	7,623
Changes in proportionate share	57,102	47	706	36,812	19,721	18,978
Employer contributions subsequent to the measurement date	34,768	-	68,161	-	8,327	-
Total	\$ 130,021	\$ 65,552	\$ 151,985	\$ 179,526	\$ 37,165	\$ 34,631

\$34,768, \$68,161 and \$8,327, 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:

<u>Year Ended June 30</u>	Primary	Component	Component
	Government	Unit School Board (professional)	Unit School Board (nonprofessional)
2024	\$ 11,827	\$ (24,864)	\$ (3,336)
2025	11,293	(21,999)	(2,321)
2026	(5,205)	(44,101)	(4,266)
2027	9,922	454	4,203
2028	1,864	(5,192)	(73)
Thereafter	-	-	-

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

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

NET GLI OPEB Liability

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

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—GROUP LIFE INSURANCE (GLI) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 14—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 (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 476,572	\$ 327,514	\$ 207,056
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	1,038,295	713,548	451,107
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	113,887	78,266	49,480

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 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Plan Description (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:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	10
Inactive members:	
Vested inactive members	<u>1</u>
Total inactive members	<u>11</u>
Active members	<u>57</u>
Total covered employees	<u><u>68</u></u>

NOTE 15—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 School Board’s contractually required employer contribution rate for the year ended June 30, 2023 was 0.70% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the School Board to the HIC Plan were \$10,720 and \$9,878 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability

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

Actuarial Assumptions

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2021	\$ 81,550	\$ 10,011	\$ 71,539
Changes for the year:			
Service cost	\$ 2,739	\$ -	\$ 2,739
Interest	5,642	-	5,642
Differences between expected and actual experience	(5,127)	-	(5,127)
Assumption changes	3,709	-	3,709
Contributions - employer	-	9,878	(9,878)
Net investment income	-	(212)	212
Benefit payments	(1,404)	(1,404)	-
Administrative expenses	-	(34)	34
Net changes	\$ 5,559	\$ 8,228	\$ (2,669)
Balances at June 30, 2022	\$ 87,109	\$ 18,239	\$ 68,870

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 78,191	\$ 68,870	\$ 60,953

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

For the year ended June 30, 2023, the School Board recognized HIC Plan OPEB expense of \$8,320. At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board’s HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience \$	-	\$ 4,285
Net difference between projected and actual earnings on HIC OPEB plan investments	478	-
Change in assumptions	7,392	-
Employer contributions subsequent to the measurement date	10,720	-
Total	\$ 18,590	\$ 4,285

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 15—HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

\$10,720 reported as deferred outflows of resources related to the HIC OPEB resulting from the County’s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ 866
2025	866
2026	865
2027	1,017
2028	(9)
Thereafter	(20)

HIC Plan Data

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

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN):

Plan Description

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

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2023 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was the final approved General Assembly rate, which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$152,528 and \$155,827 for the years ended June 30, 2023 and June 30, 2022, respectively.

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

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

At June 30, 2023, the school division reported a liability of \$1,725,932 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The school division’s proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division’s actuarially determined employer contributions to the VRS Teacher Employee HIC 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 0.13818% as compared to 0.13820% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$112,071. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 70,352
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	1,732
Change in assumptions	50,423	4,407
Change in proportionate share and differences between actual and expected contributions	-	95,449
Employer contributions subsequent to the measurement date	<u>152,528</u>	<u>-</u>
Total	<u>\$ 202,951</u>	<u>\$ 171,940</u>

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

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

\$152,528 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2024	\$ (31,130)
2025	(28,429)
2026	(23,889)
2027	(15,079)
2028	(15,427)
Thereafter	(7,563)

Actuarial Assumptions

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Net Teacher Employee HIC OPEB Liability

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

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

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

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COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Long-Term Expected Rate of Return

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

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

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

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

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 rate. From July 1, 2022 on, all agencies are assumed to continue to contribute 100% of the actuarially determined

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 16—TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN (OPEB PLAN): (CONTINUED)

Discount Rate (Continued)

contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

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

The follow 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	\$ 1,945,146	\$ 1,725,932	\$ 1,540,111

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 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN):

County and School Board

Plan Description

In addition to the pension and other postemployment benefits previously described, the County administers a single-employer defined benefit healthcare plan, The County of King William Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County’s pension plans. The plan does not issue a publicly available financial report.

In addition to the pension and other postemployment benefits previously described, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The King William 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.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible retirees include medical insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. No benefits are provided to Medicare eligible retirees or their spouses.

Postemployment benefits that are provided to eligible retirees include medical, vision, 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. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the King William County Public School's retiree medical plan. The participant must pay the entire premium.

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	99	261
Total retirees with coverage	-	12
Total	99	273

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 \$0 and \$162,359.

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 that date.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

Actuarial Assumptions

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

Primary Government	
Discount Rate	3.86% based on 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Salary Increases	3.00% salary increase for all employees
Healthcare Trend Rate	3.94% based on the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax
Demographic	Assume 20% of employees with medical coverage would elect to retain coverage at retirement

Component Unit School Board	
Inflation	2.50% per year
Salary Increases	The salary increase rate was 3.50% to 5.35% per annum
Discount Rate	3.65% based on the Bond Buyer General Obligation 20-Bond Municipal Index.
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.30% graded down to 4.00% over 55 years

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2021	\$ 91,899	\$ 930,972
Changes for the year:		
Service cost	18,385	81,171
Interest	3,372	32,980
Difference between expected and actual experience	(1,031)	166,420
Changes in assumptions	(1,854)	117,893
Benefit payments	-	(162,359)
Net changes	\$ 18,872	\$ 236,105
Balances at June 30, 2022	\$ 110,771	\$ 1,167,077

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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

The following amounts present the total OPEB liability of the 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 (2.86% for the County and 2.65% for the School Board) or one percentage point higher (4.86% for the County and 4.65% for the School Board) than the current discount rate:

	Rate		
	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Primary Government:			
Total OPEB liability	\$ 122,234	\$ 110,771	\$ 10,588

	Rate		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Component Unit School Board:			
Total OPEB liability	\$ 1,229,958	\$ 1,167,077	\$ 1,106,268

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 (2.94% for the County and 5.30% decreasing to 3.00% over 55 years for the School Board) or one percentage point higher (4.94% for the County and 7.30% decreasing to 5.00% over 55 years for the School Board) than the current healthcare cost trend rates:

	Rate		
	1% Decrease (2.94%)	Healthcare Trend (3.94%)	1% Increase (4.94%)
Primary Government:			
Total OPEB liability	\$ 94,274	\$ 110,771	\$ 131,009

	Rate		
	1% Decrease (5.30% decreasing to 3.00%)	Healthcare Trend (6.30% decreasing to 4.00%)	1% Increase (7.30% decreasing to 5.00%)
Component Unit School Board:			
Total OPEB liability	\$ 1,059,946	\$ 1,167,077	\$ 1,290,092

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 17—MEDICAL, DENTAL AND VISION PAY-AS-YOU-GO (OPEB PLAN): (CONTINUED)

County and School Board: (Continued)

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 (\$3,847) and \$188,721. 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 Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 56,613	\$ 208,756	\$ 247,804
Changes in assumptions	5,137	34,382	174,817	51,088
Total	\$ 5,137	\$ 90,995	\$ 383,573	\$ 298,892

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
2022	\$ (25,520)	\$ 74,570
2023	(26,391)	(12,388)
2024	(16,217)	(35,358)
2025	(17,250)	22,939
2026	(480)	34,918
Thereafter	-	-

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

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 18—SUMMARY OF OTHER POSTEMPLOYMENT BENEFIT PLANS:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 14):								
County	\$ 130,021	\$ 65,552	\$ 327,514	\$ 28,027	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	37,165	34,631	78,266	40
School Board Professional	-	-	-	-	151,985	179,526	713,548	9,320
Health Insurance Credit Plan (Note 15)	-	-	-	-	18,590	4,285	68,870	8,320
Teacher Health Insurance Credit Plan (Note 16)	-	-	-	-	202,951	171,940	1,725,932	112,071
County Stand-Alone Plan (Note 17)	5,137	90,995	110,771	(3,847)	-	-	-	-
School Stand-Alone Plan (Note 17)	-	-	-	-	383,573	298,892	1,167,077	188,721
Totals	<u>\$ 135,158</u>	<u>\$ 156,547</u>	<u>\$ 438,285</u>	<u>\$ 24,180</u>	<u>\$ 794,264</u>	<u>\$ 689,274</u>	<u>\$ 3,753,693</u>	<u>\$ 318,472</u>

NOTE 19—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 VRSA. VRSA 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 VRSA. 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 \$41,367.

COUNTY OF KING WILLIAM, VIRGINIA

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 (CONTINUED)

NOTE 20—RESTATEMENT OF BEGINNING BALANCES:

The County had the following restatement of beginning balances:

	Net Position				Fund Balance
	Governmental Activities	Business-Type Activities			General Fund
		Water Fund	Sewer Fund	Total	
Balance, June 30, 2022, as previously stated	\$ 16,590,986	\$ -	\$ -	\$ -	\$ 14,109,249
Adjustments:					
Reclassification of water fund amounts previously included in general fund	(997,433)	997,433	-	997,433	(997,433)
Reclassification of sewer fund amounts previously included in general fund	(1,833,909)	-	1,833,909	1,833,909	(1,833,909)
Capital assets moved from governmental activities to water fund	(1,047,684)	1,047,684	-	1,047,684	-
Balance, July 1, 2022, as restated	\$ 12,711,960	\$ 2,045,117	\$ 1,833,909	\$ 3,879,026	\$ 11,277,907

NOTE 21—UPCOMING PRONOUNCEMENTS:

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

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

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

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

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

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 21,975,978	\$ 22,386,197	\$ 22,054,682	\$ (331,515)
Other local taxes	3,491,468	3,491,468	4,601,258	1,109,790
Permits, privilege fees, and regulatory licenses	435,900	435,900	393,295	(42,605)
Fines and forfeitures	94,000	94,000	125,385	31,385
Revenue from the use of money and property	119,267	179,317	356,910	177,593
Charges for services	450,629	470,451	655,521	185,070
Miscellaneous	61,143	85,471	127,492	42,021
Recovered costs	215,737	215,737	231,283	15,546
Intergovernmental:				
Commonwealth	8,007,922	8,439,206	8,549,079	109,873
Federal	1,664,186	1,069,972	1,045,637	(24,335)
Total revenues	<u>\$ 36,516,230</u>	<u>\$ 36,867,719</u>	<u>\$ 38,140,542</u>	<u>\$ 1,272,823</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,745,006	\$ 2,726,219	\$ 2,675,679	\$ 50,540
Judicial administration	938,777	1,195,107	1,044,902	150,205
Public safety	8,098,205	8,441,805	7,434,370	1,007,435
Public works	2,008,773	2,039,864	2,126,122	(86,258)
Health and welfare	2,680,269	2,623,501	2,204,530	418,971
Education	13,953,441	13,953,441	15,271,487	(1,318,046)
Parks, recreation, and cultural	918,891	1,076,306	1,055,412	20,894
Community development	567,189	568,325	486,775	81,550
Nondepartmental	1,540,133	1,535,356	1,725,168	(189,812)
Debt service:				
Principal retirement	-	-	295,132	(295,132)
Interest and other fiscal charges	-	-	152,294	(152,294)
Total expenditures	<u>\$ 33,450,684</u>	<u>\$ 34,159,924</u>	<u>\$ 34,471,871</u>	<u>\$ (311,947)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,065,546</u>	<u>\$ 2,707,795</u>	<u>\$ 3,668,671</u>	<u>\$ 960,876</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,365,742	\$ 1,399,248	\$ 391,460	\$ (1,007,788)
Transfers out	<u>(3,552,644)</u>	<u>(3,552,644)</u>	<u>(3,765,039)</u>	<u>(212,395)</u>
Total other financing sources (uses)	<u>\$ (2,186,902)</u>	<u>\$ (2,153,396)</u>	<u>\$ (3,373,579)</u>	<u>\$ (1,220,183)</u>
Net change in fund balances	\$ 878,644	\$ 554,399	\$ 295,092	\$ (259,307)
Fund balances - beginning, as restated	<u>(878,644)</u>	<u>(554,399)</u>	<u>11,277,907</u>	<u>11,832,306</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,572,999</u>	<u>\$ 11,572,999</u>

Note: The budget is adopted on a basis consistent with generally accepted accounting principles.

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 71,075	\$ 71,075
Intergovernmental:				
Federal	-	-	474,731	474,731
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 545,806</u>	<u>\$ 545,806</u>
EXPENDITURES				
Current:				
Judicial administration	\$ -	\$ -	\$ 45,342	\$ (45,342)
Public safety	-	2,875	508,097	(505,222)
Total expenditures	<u>\$ -</u>	<u>\$ 2,875</u>	<u>\$ 553,439</u>	<u>\$ (550,564)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (2,875)</u>	<u>\$ (7,633)</u>	<u>\$ (4,758)</u>
Net change in fund balances	\$ -	\$ (2,875)	\$ (7,633)	\$ (4,758)
Fund balances - beginning	-	2,875	7,633	4,758
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF KING WILLIAM, VIRGINIA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability			
Service cost	\$ 599,582	\$ 551,521	\$ 498,360
Interest	1,372,925	1,256,772	1,231,894
Changes of benefit terms	-	31,272	-
Changes of assumptions	-	747,867	-
Difference between expected and actual experience	(16,707)	(294,213)	(382,914)
Benefit payments	(1,094,845)	(1,249,178)	(708,391)
Net change in total pension liability	<u>\$ 860,955</u>	<u>\$ 1,044,041</u>	<u>\$ 638,949</u>
Total pension liability - beginning	<u>20,287,470</u>	<u>19,243,429</u>	<u>18,604,480</u>
Total pension liability - ending (a)	<u><u>\$ 21,148,425</u></u>	<u><u>\$ 20,287,470</u></u>	<u><u>\$ 19,243,429</u></u>
 Plan fiduciary net position			
Contributions - employer	\$ 432,576	\$ 383,927	\$ 389,628
Contributions - employee	317,945	241,599	230,242
Net investment income	(18,121)	4,749,847	333,333
Benefit payments	(1,094,845)	(1,249,178)	(708,391)
Administrator charges	(13,484)	(12,098)	(11,148)
Other	500	444	(396)
Net change in plan fiduciary net position	<u>\$ (375,429)</u>	<u>\$ 4,114,541</u>	<u>\$ 233,268</u>
Plan fiduciary net position - beginning	<u>21,659,500</u>	<u>17,544,959</u>	<u>17,311,691</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 21,284,071</u></u>	<u><u>\$ 21,659,500</u></u>	<u><u>\$ 17,544,959</u></u>
 County's net pension liability - ending (a) - (b)	 <u>\$ (135,646)</u>	 <u>\$ (1,372,030)</u>	 <u>\$ 1,698,470</u>
 Plan fiduciary net position as a percentage of the total pension liability	 100.64%	 106.76%	 91.17%
 Covered payroll	 \$ 5,853,701	 \$ 5,176,559	 \$ 4,947,660
 County's net pension liability as a percentage of covered payroll	 -2.32%	 -26.50%	 34.33%

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.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	461,711	\$ 454,526	\$ 413,783	\$ 399,804	\$ 427,980	\$ 425,539
	1,160,608	1,079,622	1,036,388	1,005,764	960,437	900,618
	-	-	-	-	-	-
	537,672	-	(16,844)	-	-	-
	211,545	291,924	(178,886)	(409,236)	(251,096)	-
	(694,347)	(643,892)	(629,749)	(487,936)	(491,661)	(451,521)
\$	<u>1,677,189</u>	<u>\$ 1,182,180</u>	<u>\$ 624,692</u>	<u>\$ 508,396</u>	<u>\$ 645,660</u>	<u>\$ 874,636</u>
	16,927,291	15,745,111	15,120,419	14,612,023	13,966,363	13,091,727
\$	<u>18,604,480</u>	<u>\$ 16,927,291</u>	<u>\$ 15,745,111</u>	<u>\$ 15,120,419</u>	<u>\$ 14,612,023</u>	<u>\$ 13,966,363</u>
\$	370,865	\$ 304,470	\$ 294,179	\$ 372,193	\$ 365,362	\$ 393,290
	221,187	190,664	199,433	180,702	172,177	172,426
	1,094,690	1,133,488	1,683,245	241,338	593,824	1,752,531
	(694,347)	(643,892)	(629,749)	(487,936)	(491,661)	(451,521)
	(10,661)	(9,712)	(9,652)	(8,272)	(7,965)	(9,260)
	(691)	(1,014)	(1,501)	(101)	(128)	92
\$	<u>981,043</u>	<u>\$ 974,004</u>	<u>\$ 1,535,955</u>	<u>\$ 297,924</u>	<u>\$ 631,609</u>	<u>\$ 1,857,558</u>
	16,330,648	15,356,644	13,820,689	13,522,765	12,891,156	11,033,598
\$	<u>17,311,691</u>	<u>\$ 16,330,648</u>	<u>\$ 15,356,644</u>	<u>\$ 13,820,689</u>	<u>\$ 13,522,765</u>	<u>\$ 12,891,156</u>
\$	1,292,789	\$ 596,643	\$ 388,467	\$ 1,299,730	\$ 1,089,258	\$ 1,075,207
	93.05%	96.48%	97.53%	91.40%	92.55%	92.30%
\$	4,644,318	\$ 3,754,254	\$ 3,721,702	\$ 3,577,844	\$ 3,598,101	\$ 3,734,948
	27.84%	15.89%	10.44%	36.33%	30.27%	28.79%

COUNTY OF KING WILLIAM, VIRGINIA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability			
Service cost	\$ 112,120	\$ 114,814	\$ 107,568
Interest	259,345	247,496	243,199
Changes of assumptions	-	109,165	-
Difference between expected and actual experience	(216,760)	(204,375)	(113,279)
Benefit payments	(251,053)	(156,310)	(191,339)
Net change in total pension liability	\$ (96,348)	\$ 110,790	\$ 46,149
Total pension liability - beginning	3,855,557	3,744,767	3,698,618
Total pension liability - ending (a)	<u>\$ 3,759,209</u>	<u>\$ 3,855,557</u>	<u>\$ 3,744,767</u>
Plan fiduciary net position			
Contributions - employer	\$ 62,008	\$ 57,962	\$ 36,578
Contributions - employee	63,136	58,907	43,418
Net investment income	(2,488)	1,033,515	71,673
Benefit payments	(251,053)	(156,310)	(191,339)
Administrator charges	(2,983)	(2,536)	(2,502)
Other	109	98	(85)
Net change in plan fiduciary net position	\$ (131,271)	\$ 991,636	\$ (42,257)
Plan fiduciary net position - beginning	4,773,671	3,782,035	3,824,292
Plan fiduciary net position - ending (b)	<u>\$ 4,642,400</u>	<u>\$ 4,773,671</u>	<u>\$ 3,782,035</u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (883,191)	\$ (918,114)	\$ (37,268)
Plan fiduciary net position as a percentage of the total pension liability	123.49%	123.81%	101.00%
Covered payroll	\$ 1,411,088	\$ 1,283,170	\$ 935,050
School Division's net pension liability (asset) as a percentage of covered payroll	-62.59%	-71.55%	-3.99%

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 15

	2019	2018	2017	2016	2015	2014
\$	130,936	\$ 132,918	\$ 135,196	\$ 147,006	\$ 149,564	\$ 148,866
	220,411	212,564	199,924	185,682	162,279	146,068
	105,727	-	(67,991)	-	-	-
	159,146	(109,826)	19,693	(47,205)	90,966	-
	(132,653)	(114,463)	(98,040)	(66,013)	(70,936)	(55,770)
\$	483,567	\$ 121,193	\$ 188,782	\$ 219,470	\$ 331,873	\$ 239,164
	3,215,051	3,093,858	2,905,076	2,685,606	2,353,733	2,114,569
\$	3,698,618	\$ 3,215,051	\$ 3,093,858	\$ 2,905,076	\$ 2,685,606	\$ 2,353,733
\$	53,438	\$ 58,831	\$ 61,425	\$ 86,210	\$ 87,689	\$ 112,627
	61,090	61,738	63,992	66,926	68,007	67,436
	241,348	248,079	363,846	52,781	122,327	348,354
	(132,653)	(114,463)	(98,040)	(66,013)	(70,936)	(55,770)
	(2,332)	(2,092)	(2,028)	(1,679)	(1,565)	(1,757)
	(153)	(224)	(328)	(22)	(29)	19
\$	220,738	\$ 251,869	\$ 388,867	\$ 138,203	\$ 205,493	\$ 470,909
	3,603,554	3,351,685	2,962,818	2,824,615	2,619,122	2,148,213
\$	3,824,292	\$ 3,603,554	\$ 3,351,685	\$ 2,962,818	\$ 2,824,615	\$ 2,619,122
\$	(125,674)	\$ (388,503)	\$ (257,827)	\$ (57,742)	\$ (139,009)	\$ (265,389)
	103.40%	112.08%	108.33%	101.99%	105.18%	111.28%
\$	1,288,422	\$ 1,214,486	\$ 1,340,453	\$ 1,366,858	\$ 1,391,726	\$ 1,751,586
	-9.75%	-31.99%	-19.23%	-4.22%	-9.99%	-15.15%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
 Pension 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 (5)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (6)
2022	0.13955%	\$ 13,285,995	\$ 12,878,243	103.17%	82.61%
2021	0.13905%	10,794,587	12,222,357	88.32%	85.46%
2020	0.14310%	20,829,174	12,522,785	166.33%	71.47%
2019	0.14535%	19,128,886	12,395,075	154.33%	73.51%
2018	0.14814%	17,421,000	11,613,756	150.00%	74.81%
2017	0.14995%	18,441,000	11,764,523	156.75%	72.92%
2016	0.15270%	21,399,000	11,677,255	183.25%	68.28%
2015	0.15775%	19,855,000	11,655,579	170.35%	70.68%
2014	0.15381%	18,588,000	9,045,366	205.50%	70.88%

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

Schedule of Employer Contributions - Pension Plan
 For the Years Ended June 30, 2015 though June 30, 2023

<u>Date</u>	<u>Contractually Required Contribution*</u> (1)	<u>Contributions in Relation to Contractually Required Contribution*</u> (2)	<u>Contribution Deficiency (Excess)</u> (3)	<u>Employer's Covered Payroll</u> (4)	<u>Contributions as a % of Covered Payroll</u> (5)
Primary Government					
2023	\$ 593,897	\$ 593,897	\$ -	\$ 6,387,778	9.30%
2022	434,659	434,659	-	5,853,701	7.43%
2021	358,001	358,001	-	5,176,559	6.92%
2020	389,641	389,641	-	4,947,660	7.88%
2019	370,815	370,815	-	4,644,318	7.98%
2018	304,470	304,470	-	3,754,254	8.11%
2017	294,179	294,179	-	3,721,702	7.90%
2016	376,747	376,747	-	3,577,844	10.53%
2015	378,880	378,880	-	3,598,101	10.53%
Component Unit School Board (nonprofessional)					
2023	\$ 22,028	\$ 22,028	\$ -	\$ 1,531,485	1.44%
2022	71,965	71,965	-	1,411,088	5.10%
2021	57,963	57,963	-	1,283,170	4.52%
2020	36,157	36,157	-	935,050	3.87%
2019	53,876	53,876	-	1,288,422	4.18%
2018	58,831	58,831	-	1,214,486	4.84%
2017	61,425	61,425	-	1,340,453	4.58%
2016	87,889	87,889	-	1,366,858	6.43%
2015	89,488	89,488	-	1,391,726	6.43%
Component Unit School Board (professional)					
2023	\$ 2,017,579	\$ 2,017,579	\$ -	\$ 12,605,581	16.01%
2022	2,073,166	2,073,166	-	12,878,243	16.10%
2021	1,967,188	1,967,188	-	12,222,357	16.09%
2020	1,901,973	1,901,973	-	12,522,782	15.19%
2019	1,874,061	1,874,061	-	12,395,075	15.12%
2018	1,895,365	1,895,365	-	11,613,756	16.32%
2017	1,706,234	1,706,234	-	11,764,523	14.50%
2016	1,641,822	1,641,822	-	11,677,255	14.06%
2015	1,690,059	1,690,059	-	11,655,579	14.50%

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

Schedule is intended to show information for 10 years. Information prior to the 2015 valuation is not available. However, additional years will be included as they become available.

Notes to Required Supplementary Information - Pension 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:

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

Date	Employer's Proportion of the Net GLI OPEB Liability (Asset)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
(1)	(2)	(3)	(4)	(5)	(6)
Primary Government:					
2022	0.02720%	\$ 327,514	\$ 5,916,324	5.54%	67.21%
2021	0.02530%	295,026	5,231,257	5.64%	67.45%
2020	0.02421%	404,025	4,983,088	8.11%	52.64%
2019	0.02351%	382,570	4,609,038	8.30%	52.00%
2018	0.02059%	313,000	3,915,385	7.99%	51.22%
2017	0.02020%	304,000	3,725,679	8.16%	48.86%
Component Unit School Board (professional):					
2022	0.05930%	\$ 713,548	\$ 12,889,714	5.54%	67.21%
2021	0.05920%	689,248	12,222,357	5.64%	67.45%
2020	0.06085%	1,015,486	12,522,782	8.11%	52.64%
2019	0.06232%	1,014,113	12,219,038	8.30%	52.00%
2018	0.06307%	958,000	11,992,308	7.99%	51.22%
2017	0.06406%	964,000	11,816,832	8.16%	48.86%
Component Unit School Board (nonprofessional):					
2022	0.00650%	\$ 78,266	\$ 1,413,675	5.54%	67.21%
2021	0.00630%	73,116	1,295,870	5.64%	67.45%
2020	0.00454%	75,765	935,050	8.10%	52.64%
2019	0.00657%	106,912	1,285,962	8.31%	52.00%
2018	0.00679%	103,000	1,290,577	7.98%	51.22%
2017	0.00714%	107,000	1,317,024	8.12%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2017 through June 30, 2023

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government:					
2023	\$ 34,768	\$ 34,768	\$ -	\$ 6,438,601	0.54%
2022	31,948	31,948	-	5,916,324	0.54%
2021	28,249	28,249	-	5,231,257	0.54%
2020	25,912	25,912	-	4,983,088	0.52%
2019	23,967	23,967	-	4,609,038	0.52%
2018	20,360	20,360	-	3,915,385	0.52%
2017	19,374	19,374	-	3,725,679	0.52%
Component Unit School Board (professional):					
2023	\$ 68,161	\$ 68,161	\$ -	\$ 12,622,490	0.54%
2022	69,604	69,604	-	12,889,714	0.54%
2021	66,001	66,001	-	12,222,357	0.54%
2020	65,118	65,118	-	12,522,782	0.52%
2019	63,359	63,359	-	12,219,038	0.52%
2018	62,360	62,360	-	11,992,308	0.52%
2017	61,448	61,448	-	11,816,832	0.52%
Component Unit School Board (nonprofessional):					
2023	\$ 8,327	\$ 8,327	\$ -	\$ 1,542,005	0.54%
2022	7,634	7,634	-	1,413,675	0.54%
2021	6,998	6,998	-	1,295,870	0.54%
2020	4,862	4,862	-	935,050	0.52%
2019	6,687	6,687	-	1,285,962	0.52%
2018	6,711	6,711	-	1,290,577	0.52%
2017	6,849	6,849	-	1,317,024	0.52%

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

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability			
Service cost	\$ 2,739	\$ 2,621	\$ -
Interest	5,642	4,591	-
Changes in benefit terms	-	-	68,012
Differences between expected and actual experience	(5,127)	-	-
Changes of assumptions	3,709	6,326	-
Benefit payments	(1,404)	-	-
Net change in total HIC OPEB liability	<u>\$ 5,559</u>	<u>\$ 13,538</u>	<u>\$ 68,012</u>
Total HIC OPEB Liability - beginning	81,550	68,012	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 87,109</u></u>	<u><u>\$ 81,550</u></u>	<u><u>\$ 68,012</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 9,878	\$ 8,982	\$ -
Net investment income	(212)	1,068	-
Benefit payments	(1,404)	-	-
Administrator charges	(34)	(39)	-
Net change in plan fiduciary net position	<u>\$ 8,228</u>	<u>\$ 10,011</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	10,011	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ 18,239</u></u>	<u><u>\$ 10,011</u></u>	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 68,870	\$ 71,539	\$ 68,012
Plan fiduciary net position as a percentage of the total HIC OPEB liability	20.94%	12.28%	0.00%
Covered payroll	\$ 1,411,088	\$ 1,283,170	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	4.88%	5.58%	0.00%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 10,720	\$ 10,720	-	\$ 1,531,485	0.70%
2022	9,878	9,878	-	1,411,088	0.70%
2021	8,982	8,982	-	1,283,170	0.70%

Schedule is intended to show information for 10 years. However, the program was not utilized until the year ended June 30, 2021.

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2022	0.13818% \$	1,725,932 \$	12,878,243	13.40%	15.08%
2021	0.13820%	1,773,893	12,222,357	14.51%	13.15%
2020	0.14280%	1,863,372	12,522,782	14.88%	6.23%
2019	0.14570%	1,906,700	12,219,038	15.60%	6.23%
2018	0.14828%	1,882,000	12,292,167	15.31%	8.08%
2017	0.14937%	1,899,000	11,816,832	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.

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

Date	Contractually Required Contribution (1)	Contributions in Relation to		Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
		Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2023	\$ 152,528	\$ 152,528	\$ -	\$ 12,605,581	1.21%
2022	155,827	155,827	-	12,878,243	1.21%
2021	147,891	147,891	-	12,222,357	1.21%
2020	150,273	150,273	-	12,522,782	1.20%
2019	147,072	147,072	-	12,219,038	1.20%
2018	147,506	147,506	-	12,292,167	1.20%
2017	131,167	131,167	-	11,816,832	1.11%

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

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

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

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

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

COUNTY OF KING WILLIAM, VIRGINIA

Schedule of Changes in Total OPEB Liability and Related Ratios

Primary Government

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

	<u>2023</u>	<u>2022</u>
Total OPEB liability		
Service cost	\$ 18,385	\$ 19,723
Interest	3,372	3,222
Changes in assumptions	(1,854)	(49,017)
Differences between expected and actual experience	(1,031)	(51,612)
Net change in total OPEB liability	<u>\$ 18,872</u>	<u>\$ (77,684)</u>
Total OPEB liability - beginning	91,899	169,583
Total OPEB liability - ending	<u><u>\$ 110,771</u></u>	<u><u>\$ 91,899</u></u>
Covered employee payroll	\$ N/A	\$ N/A
County's total OPEB liability (asset) as a percentage of covered-employee or covered payroll	N/A	N/A

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

Exhibit 28

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
\$	17,523	\$	18,563	\$	16,429	\$	15,947
	3,467		5,551		5,476		4,726
	7,936		(476)		7,030		(516)
	(1,720)		(60,563)		(1,800)		-
\$	<u>27,206</u>	\$	<u>(36,925)</u>	\$	<u>27,135</u>	\$	<u>20,157</u>
	142,377		179,302		152,167		132,010
\$	<u><u>169,583</u></u>	\$	<u><u>142,377</u></u>	\$	<u><u>179,302</u></u>	\$	<u><u>152,167</u></u>
\$	N/A	\$	N/A	\$	N/A	\$	N/A
	N/A		N/A		N/A		N/A

COUNTY OF KING WILLIAM, VIRGINIA

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

	<u>2023</u>	<u>2022</u>
Total OPEB liability		
Service cost	\$ 81,171	\$ 85,635
Interest	32,980	22,861
Changes in assumptions	117,893	-
Differences between expected and actual experience	166,420	(74,163)
Benefit payments	<u>(162,359)</u>	<u>(151,419)</u>
Net change in total OPEB liability	\$ 236,105	\$ (117,086)
Total OPEB liability - beginning	930,972	1,048,058
Total OPEB liability - ending	<u>\$ 1,167,077</u>	<u>\$ 930,972</u>
Covered employee payroll	\$ 13,262,425	\$ 12,144,881
School Board's total OPEB liability (asset) as a percentage of covered-employee or covered payroll	8.80%	7.67%

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

Exhibit 29

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	80,180	\$ 79,437	\$ 54,563	\$ 65,813
	34,272	55,554	57,694	46,173
	22,618	52,249	273,532	(26,341)
	(473,083)	-	369,582	-
	<u>(172,084)</u>	<u>(275,455)</u>	<u>(352,000)</u>	<u>(194,429)</u>
\$	<u>(508,097)</u>	\$ <u>(88,215)</u>	\$ 403,371	\$ <u>(108,784)</u>
	1,556,155	1,644,370	1,240,999	1,349,783
\$	<u><u>1,048,058</u></u>	\$ <u><u>1,556,155</u></u>	\$ <u><u>1,644,370</u></u>	\$ <u><u>1,240,999</u></u>
\$	12,144,881	\$ 13,348,806	\$ 11,731,946	\$ 11,906,700
	8.63%	11.66%	14.02%	10.42%

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

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.86% based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher
Healthcare Trend Rate	The healthcare trend rate assumption starts at 3.94%
Salary Increase Rates	The salary increase rate was 3.00% for all employees
Demographic Assumption	20% of employees with medical coverage would elect to retain coverage at retirement.

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

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

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.65%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption were 6.30% to 4.00% over 55 years
Salary Increase Rates	The salary increases, including inflation were 3.50% to 5.35%
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for active and healthy retirees was calculated using the RP-2014 White Collar 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 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. The mortality rates for disabled retirees was calculated using the RP-2014 Disabled 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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Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 173,348	\$ 173,348	\$ 112,228	\$ (61,120)
Intergovernmental:				
Local government	1,538,112	1,538,112	1,538,112	-
Total revenues	<u>\$ 1,711,460</u>	<u>\$ 1,711,460</u>	<u>\$ 1,650,340</u>	<u>\$ (61,120)</u>
EXPENDITURES				
Debt service:				
Principal retirement	\$ 2,264,265	\$ 2,324,315	\$ 2,268,628	\$ 55,687
Interest and other fiscal charges	780,003	974,588	975,008	(420)
Total expenditures	<u>\$ 3,044,268</u>	<u>\$ 3,298,903</u>	<u>\$ 3,243,636</u>	<u>\$ 55,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,332,808)</u>	<u>\$ (1,587,443)</u>	<u>\$ (1,593,296)</u>	<u>\$ (5,853)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 1,187,454</u>	<u>\$ 1,247,504</u>	<u>\$ 1,587,443</u>	<u>\$ 339,939</u>
Total other financing sources (uses)	<u>\$ 1,187,454</u>	<u>\$ 1,247,504</u>	<u>\$ 1,587,443</u>	<u>\$ 339,939</u>
Net change in fund balances	\$ (145,354)	\$ (339,939)	\$ (5,853)	\$ 334,086
Fund balances (deficits) - beginning	145,354	339,939	(3,529)	(343,468)
Fund balances (deficits) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,382)</u>	<u>\$ (9,382)</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 206,908	\$ 206,908
Miscellaneous	200,000	200,000	299,613	99,613
Total revenues	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 506,521</u>	<u>\$ 306,521</u>
EXPENDITURES				
Capital projects	\$ 13,883,636	\$ 14,364,012	\$ 6,179,742	\$ 8,184,270
Total expenditures	<u>\$ 13,883,636</u>	<u>\$ 14,364,012</u>	<u>\$ 6,179,742</u>	<u>\$ 8,184,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (13,683,636)</u>	<u>\$ (14,164,012)</u>	<u>\$ (5,673,221)</u>	<u>\$ 8,490,791</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,819,636	\$ 4,218,350	\$ 1,955,350	\$ (2,263,000)
Transfers out	(249,164)	(312,164)	(109,214)	202,950
Issuance of bonds	8,568,810	8,568,810	-	(8,568,810)
Total other financing sources (uses)	<u>\$ 12,139,282</u>	<u>\$ 12,474,996</u>	<u>\$ 1,846,136</u>	<u>\$ (10,628,860)</u>
Net change in fund balances	\$ (1,544,354)	\$ (1,689,016)	\$ (3,827,085)	\$ (2,138,069)
Fund balances - beginning	1,544,354	1,689,016	10,920,572	9,231,556
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,093,487</u>	<u>\$ 7,093,487</u>

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Local government	\$ 400,689	\$ 400,689	\$ 716,146	\$ 315,457
Commonwealth	1,264,540	1,264,540	1,018,400	(246,140)
Federal	1,392,793	1,392,793	1,373,157	(19,636)
Total revenues	<u>\$ 3,058,022</u>	<u>\$ 3,058,022</u>	<u>\$ 3,107,703</u>	<u>\$ 49,681</u>
EXPENDITURES				
Current:				
Capital projects	\$ 2,549,228	\$ 2,549,228	\$ 2,914,459	\$ (365,231)
Total expenditures	<u>\$ 2,549,228</u>	<u>\$ 2,549,228</u>	<u>\$ 2,914,459</u>	<u>\$ (365,231)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 508,794</u>	<u>\$ 508,794</u>	<u>\$ 193,244</u>	<u>\$ (315,550)</u>
Net change in fund balances	\$ 508,794	\$ 508,794	\$ 193,244	\$ (315,550)
Fund balances - beginning	(508,794)	(508,794)	43,078	551,872
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 236,322</u>	<u>\$ 236,322</u>

COUNTY OF KING WILLIAM, VIRGINIA

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

	Custodial Funds		
	Special Welfare	VJCCCA	Project Lifesaver
ASSETS			
Cash and cash equivalents	\$ 10,466	\$ 118,080	\$ 6,866
Due from other governmental units	-	15,793	-
Total assets	<u>\$ 10,466</u>	<u>\$ 133,873</u>	<u>\$ 6,866</u>
LIABILITIES			
Accounts payable	\$ -	\$ 3,254	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 3,254</u>	<u>\$ -</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$ 10,466	\$ 130,619	\$ 6,866
Total net position	<u>\$ 10,466</u>	<u>\$ 130,619</u>	<u>\$ 6,866</u>

Exhibit 35

<u>D.A.R.E.</u>	<u>Sheriff's Office</u>	<u>Fire and EMS</u>	<u>Total</u>
\$ 7,207	\$ 306	\$ 7,089	\$ 150,014
-	-	-	15,793
<u>\$ 7,207</u>	<u>\$ 306</u>	<u>\$ 7,089</u>	<u>\$ 165,807</u>
\$ -	\$ -	\$ -	\$ 3,254
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,254</u>
\$ 7,207	\$ 306	\$ 7,089	\$ 162,553
<u>\$ 7,207</u>	<u>\$ 306</u>	<u>\$ 7,089</u>	<u>\$ 162,553</u>

COUNTY OF KING WILLIAM, VIRGINIA

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

	Custodial Funds		
	Special Welfare	VJCCCA	Project Lifesaver
ADDITIONS			
Contributions	\$ 2,509	\$ 18,850	\$ 2,600
Electronic monitoring fees	-	112,575	-
Local shares	-	48,400	-
Revenue from the Commonwealth	-	40,014	-
Total additions	<u>\$ 2,509</u>	<u>\$ 219,839</u>	<u>\$ 2,600</u>
DEDUCTIONS			
Recipient payments	\$ 2,070	\$ -	\$ -
Salaries and wages	-	148,752	-
Fringe benefits	-	38,762	-
Purchased services	-	3,166	-
Miscellaneous	-	42,892	2,740
Total deductions	<u>\$ 2,070</u>	<u>\$ 233,572</u>	<u>\$ 2,740</u>
Net increase (decrease) in fiduciary net position	439	(13,733)	(140)
Net position, beginning	<u>10,027</u>	<u>144,352</u>	<u>7,006</u>
Net position, ending	<u>\$ 10,466</u>	<u>\$ 130,619</u>	<u>\$ 6,866</u>

Exhibit 36

<u>D.A.R.E.</u>	<u>Sheriff's Office</u>	<u>Fire and EMS</u>	<u>Total</u>
\$ 3,500	\$ 35	\$ 2,038	\$ 29,532
-	-	-	112,575
-	-	-	48,400
-	-	-	40,014
<u>\$ 3,500</u>	<u>\$ 35</u>	<u>\$ 2,038</u>	<u>\$ 230,521</u>
\$ -	\$ -	\$ -	\$ 2,070
-	-	-	148,752
-	-	-	38,762
-	-	-	3,166
1,247	1,019	495	48,393
<u>\$ 1,247</u>	<u>\$ 1,019</u>	<u>\$ 495</u>	<u>\$ 241,143</u>
2,253	(984)	1,543	(10,622)
4,954	1,290	5,546	173,175
<u>\$ 7,207</u>	<u>\$ 306</u>	<u>\$ 7,089</u>	<u>\$ 162,553</u>

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*DISCRETELY PRESENTED COMPONENT UNIT
SCHOOL BOARD*

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

	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activity Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,799,015	\$ 556,804	\$ 544,068	\$ 253,975	\$ 7,153,862
Receivables (net of allowance for uncollectibles):					
Accounts receivable	1,859	2,176	-	-	4,035
Due from other governmental units	1,200,880	-	26,518	-	1,227,398
Total assets	<u>\$ 7,001,754</u>	<u>\$ 558,980</u>	<u>\$ 570,586</u>	<u>\$ 253,975</u>	<u>\$ 8,385,295</u>
LIABILITIES					
Accounts payable	\$ 64,807	\$ 2,176	\$ -	\$ -	\$ 66,983
Accrued liabilities	1,182,217	39,914	-	-	1,222,131
Unearned revenue	72,463	-	-	-	72,463
Total liabilities	<u>\$ 1,319,487</u>	<u>\$ 42,090</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,577</u>
FUND BALANCES					
Assigned	\$ 5,682,267	\$ 516,890	\$ 570,586	\$ 253,975	\$ 7,023,718
Total fund balances	<u>\$ 5,682,267</u>	<u>\$ 516,890</u>	<u>\$ 570,586</u>	<u>\$ 253,975</u>	<u>\$ 7,023,718</u>
Total liabilities and fund balances	<u>\$ 7,001,754</u>	<u>\$ 558,980</u>	<u>\$ 570,586</u>	<u>\$ 253,975</u>	<u>\$ 8,385,295</u>

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

Total fund balances per above \$ 7,023,718

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 43,519,563	
Accumulated depreciation	<u>(19,852,842)</u>	23,666,721

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

Net pension asset		883,191
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Deferred outflows of resources are not available to pay for current-period expenditures, and, therefore, are not reported in the funds.

Pension related items	\$ 3,384,311	
OPEB related items	<u>794,264</u>	4,178,575

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,876,696

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

Compensated absences	\$ (256,694)	
Net OPEB liability	(3,753,693)	
Net pension liability	<u>(13,285,995)</u>	(17,296,382)

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

Pension related items	\$ (3,586,509)	
OPEB related items	<u>(689,274)</u>	(4,275,783)

Net position of governmental activities \$ 16,056,736

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

	School Operating Fund	School Cafeteria Fund	School Textbook Fund	School Activity Funds	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ 81,584	\$ 10,582	\$ -	\$ -	\$ 92,166
Charges for services	94,850	446,938	-	-	541,788
Miscellaneous	130,389	17,136	-	549,532	697,057
Recovered costs	28,884	-	-	-	28,884
Intergovernmental:					
Local government	15,262,679	-	-	-	15,262,679
Commonwealth	13,215,577	31,425	186,252	-	13,433,254
Federal	2,229,119	731,748	26,518	-	2,987,385
Total revenues	<u>\$ 31,043,082</u>	<u>\$ 1,237,829</u>	<u>\$ 212,770</u>	<u>\$ 549,532</u>	<u>\$ 33,043,213</u>
EXPENDITURES					
Current:					
Education	\$ -	\$ 1,286,013	\$ 61,716	\$ 535,746	\$ 1,883,475
Instruction	18,634,959	-	-	-	18,634,959
Administration, Attendance, Health	1,988,709	-	-	-	1,988,709
Pupil Transportation	2,298,215	-	-	-	2,298,215
Operations and Maintenance	2,101,568	-	-	-	2,101,568
Technology	1,061,298	-	-	-	1,061,298
Reimbursements to primary government	2,254,258	-	-	-	2,254,258
Total expenditures	<u>\$ 28,339,007</u>	<u>\$ 1,286,013</u>	<u>\$ 61,716</u>	<u>\$ 535,746</u>	<u>\$ 30,222,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,704,075</u>	<u>\$ (48,184)</u>	<u>\$ 151,054</u>	<u>\$ 13,786</u>	<u>\$ 2,820,731</u>
Net change in fund balances	\$ 2,704,075	\$ (48,184)	\$ 151,054	\$ 13,786	\$ 2,820,731
Fund balances - beginning	2,978,192	565,074	419,532	240,189	4,202,987
Fund balances - ending	<u>\$ 5,682,267</u>	<u>\$ 516,890</u>	<u>\$ 570,586</u>	<u>\$ 253,975</u>	<u>\$ 7,023,718</u>

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

Net change in fund balances - total governmental funds - per above	\$ 2,820,731
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 2,115,881	
Changes in jointly owned assets	(2,292,270)	
Depreciation expense	<u>(1,529,455)</u>	(1,705,844)

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds	617,329
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

The following is a summary of items supporting this adjustment:

Change in compensated absences	\$ 31,762	
Pension expense	1,781,764	
OPEB expense	<u>120,240</u>	1,933,766

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

Change in net position of governmental activities	<u>\$ 2,923,250</u>
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Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 60,450	\$ 60,450	\$ 81,584	\$ 21,134
Charges for services	78,800	78,800	94,850	16,050
Miscellaneous	90,710	90,710	130,389	39,679
Recovered costs	-	-	28,884	28,884
Intergovernmental:				
Local government	15,478,754	15,478,754	15,262,679	(216,075)
Commonwealth	13,334,918	13,334,918	13,215,577	(119,341)
Federal	2,370,254	2,370,254	2,229,119	(141,135)
Total revenues	<u>\$ 31,413,886</u>	<u>\$ 31,413,886</u>	<u>\$ 31,043,082</u>	<u>\$ (370,804)</u>
EXPENDITURES				
Current:				
Instruction	\$ 21,498,275	\$ 21,498,275	\$ 18,634,959	\$ 2,863,316
Administration, Attendance, Health	2,015,412	2,015,412	1,988,709	26,703
Pupil Transportation	2,506,134	2,506,134	2,298,215	207,919
Operations and Maintenance	2,730,506	2,730,506	2,101,568	628,938
Technology	1,125,447	1,125,447	1,061,298	64,149
Reimbursements to primary government	1,538,112	1,538,112	2,254,258	(716,146)
Total expenditures	<u>\$ 31,413,886</u>	<u>\$ 31,413,886</u>	<u>\$ 28,339,007</u>	<u>\$ 3,074,879</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,704,075</u>	<u>\$ 2,704,075</u>
Net change in fund balances	\$ -	\$ -	\$ 2,704,075	\$ 2,704,075
Fund balances - beginning	-	-	2,978,192	2,978,192
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,682,267</u></u>	<u><u>\$ 5,682,267</u></u>

COUNTY OF KING WILLIAM, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 110	\$ 110	\$ 10,582	\$ 10,472
Charges for services	466,000	466,000	446,938	(19,062)
Miscellaneous	84,561	84,561	17,136	(67,425)
Intergovernmental:				
Commonwealth	7,500	7,500	31,425	23,925
Federal	691,690	691,690	731,748	40,058
Total revenues	<u>\$ 1,249,861</u>	<u>\$ 1,249,861</u>	<u>\$ 1,237,829</u>	<u>\$ (12,032)</u>
EXPENDITURES				
Current:				
Education	\$ 1,249,861	\$ 1,249,861	\$ 1,286,013	\$ (36,152)
Total expenditures	<u>\$ 1,249,861</u>	<u>\$ 1,249,861</u>	<u>\$ 1,286,013</u>	<u>\$ (36,152)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (48,184)	\$ (48,184)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ (48,184)	\$ (48,184)
Fund balances - beginning	-	-	565,074	565,074
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 516,890</u>	<u>\$ 516,890</u>

School Textook Fund				Variance with Final Budget Positive (Negative)
Budgeted Amounts		<u>Actual</u>		
<u>Original</u>	<u>Final</u>			
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
196,664	196,664	186,252		(10,412)
-	-	26,518		26,518
<u>\$ 196,664</u>	<u>\$ 196,664</u>	<u>\$ 212,770</u>	<u>\$</u>	<u>16,106</u>
\$ 640,000	\$ 640,000	\$ 61,716	\$	578,284
<u>\$ 640,000</u>	<u>\$ 640,000</u>	<u>\$ 61,716</u>	<u>\$</u>	<u>578,284</u>
<u>\$ (443,336)</u>	<u>\$ (443,336)</u>	<u>\$ 151,054</u>	<u>\$</u>	<u>594,390</u>
\$ 443,336	\$ 443,336	\$ -	\$	-
<u>\$ 443,336</u>	<u>\$ 443,336</u>	<u>\$ -</u>	<u>\$</u>	<u>-</u>
\$ -	\$ -	\$ 151,054	\$	594,390
-	-	419,532		419,532
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570,586</u>	<u>\$</u>	<u>\$ 1,013,922</u>

Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Discretely Presented Component Unit School Board
 June 30, 2023

	<u>Custodial Funds</u>		
	<u>Regional Adult Education Program</u>	<u>Regional Alternative Education Program</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 79,146	\$ 717,605	\$ 796,751
Accounts receivable	39,998	-	39,998
Total assets	<u>\$ 119,144</u>	<u>\$ 717,605</u>	<u>\$ 836,749</u>
LIABILITIES			
Accounts payable	\$ 180	\$ 5,642	\$ 5,822
Accrued liabilities	2,097	10,402	12,499
Total liabilities	<u>\$ 2,277</u>	<u>\$ 16,044</u>	<u>\$ 18,321</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	\$ 116,867	\$ 701,561	\$ 818,428
Total net position	<u>\$ 116,867</u>	<u>\$ 701,561</u>	<u>\$ 818,428</u>

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Discretely Presented Component Unit School Board
 For the Year Ended June 30, 2023

	<u>Custodial Funds</u>		
	<u>Regional Adult Education Program</u>	<u>Regional Alternative Education Program</u>	<u>Total</u>
ADDITIONS			
Revenue from the Commonwealth	\$ 87,171	\$ 591,693	\$ 678,864
Revenue from the Federal Government	174,280	9,419	183,699
Payments from another County	34,320	-	34,320
Total additions	<u>\$ 295,771</u>	<u>\$ 601,112</u>	<u>\$ 896,883</u>
DEDUCTIONS			
Salaries and wages	\$ 171,677	\$ 304,072	\$ 475,749
Fringe benefits	55,633	75,556	131,189
Purchased services	43,877	102,318	146,195
Miscellaneous	16,833	56,048	72,881
Total deductions	<u>\$ 288,020</u>	<u>\$ 537,994</u>	<u>\$ 826,014</u>
Net increase (decrease) in fiduciary net position	\$ 7,751	\$ 63,118	\$ 70,869
Net position, beginning	<u>109,116</u>	<u>638,443</u>	<u>747,559</u>
Net position, ending	<u>\$ 116,867</u>	<u>\$ 701,561</u>	<u>818,428</u>

Statement of Net Position
 Internal Service Fund - Discretely Presented Component Unit - School Board
 June 30, 2023

	Self- Insurance Fund
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ <u>2,098,752</u>
Total assets	\$ <u>2,098,752</u>
LIABILITIES	
Insurance and benefit claims payable	\$ <u>222,056</u>
Total liabilities	\$ <u>222,056</u>
NET POSITION	
Unrestricted	\$ <u>1,876,696</u>
Total net position	\$ <u><u>1,876,696</u></u>

Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	<u>Self- Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ 3,496,470
Total operating revenues	<u>\$ 3,496,470</u>
OPERATING EXPENSES	
Administrative charges	\$ 7
Insurance claims and expenses	4,275,047
Total operating expenses	<u>\$ 4,275,054</u>
Operating income (loss)	<u>\$ (778,584)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	\$ 35,852
Total nonoperating revenues (expenses)	<u>\$ 35,852</u>
Change in Net position	<u>\$ (742,732)</u>
Total net position - beginning	2,619,428
Total net position - ending	<u><u>\$ 1,876,696</u></u>

Statement of Cash Flows
 Internal Service Fund - Discretely Presented Component Unit - School Board
 For the Year Ended June 30, 2023

	<u>Self- Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 3,496,470
Claims and benefits paid	(4,169,288)
Payments to suppliers for goods and services	(7)
Net cash provided by (used for) operating activities	<u>\$ (672,825)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Interest received on investment securities	\$ 35,852
Net cash provided (used) by capital and related financing activities	<u>\$ 35,852</u>
Net increase (decrease) in cash and cash equivalents	(636,973)
Cash and cash equivalents - beginning	<u>2,735,725</u>
Cash and cash equivalents - ending	<u><u>\$ 2,098,752</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ <u>(778,584)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase (decrease) in insurance and benefit claims	\$ 105,759
Total adjustments	<u>\$ 105,759</u>
Net cash provided by (used for) operating activities	<u><u>\$ (672,825)</u></u>

SUPPORTING SCHEDULES

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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	\$ 13,603,371	\$ 13,603,371	\$ 13,560,372	\$ (42,999)
Real and personal public service corporation taxes	422,896	422,896	356,948	(65,948)
Personal property taxes	5,301,665	5,711,884	5,293,730	(418,154)
Mobile home taxes	-	-	4,991	4,991
Machinery and tools taxes	2,131,846	2,131,846	2,244,262	112,416
Penalties	516,200	516,200	281,026	(235,174)
Interest	-	-	313,353	313,353
Total general property taxes	<u>\$ 21,975,978</u>	<u>\$ 22,386,197</u>	<u>\$ 22,054,682</u>	<u>\$ (331,515)</u>
Other local taxes:				
Local sales and use taxes	\$ 1,571,468	\$ 1,571,468	\$ 2,153,324	\$ 581,856
Consumers' utility taxes	260,000	260,000	298,005	38,005
Electric consumption taxes	45,000	45,000	50,151	5,151
Natural gas consumption taxes	-	-	1,139	1,139
Business license taxes	420,000	420,000	521,640	101,640
Bank stock taxes	120,000	120,000	223,224	103,224
Taxes on recordation and wills	250,000	250,000	331,777	81,777
Motor vehicle licenses	425,000	425,000	457,722	32,722
Restaurant food taxes	400,000	400,000	564,276	164,276
Total other local taxes	<u>\$ 3,491,468</u>	<u>\$ 3,491,468</u>	<u>\$ 4,601,258</u>	<u>\$ 1,109,790</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 5,364	\$ 364
Land use application fees	30,000	30,000	22,993	(7,007)
Transfer fees	700	700	806	106
Permits and other licenses	400,200	400,200	364,132	(36,068)
Total permits, privilege fees, and regulatory licenses	<u>\$ 435,900</u>	<u>\$ 435,900</u>	<u>\$ 393,295</u>	<u>\$ (42,605)</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 94,000	\$ 94,000	\$ 125,385	\$ 31,385
Total fines and forfeitures	<u>\$ 94,000</u>	<u>\$ 94,000</u>	<u>\$ 125,385</u>	<u>\$ 31,385</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 50,000	\$ 110,050	\$ 281,691	\$ 171,641
Revenue from use of property	69,267	69,267	75,219	5,952
Total revenue from use of money and property	<u>\$ 119,267</u>	<u>\$ 179,317</u>	<u>\$ 356,910</u>	<u>\$ 177,593</u>

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)				
Charges for services:				
Charges for law enforcement and traffic control	\$ 300	\$ 300	\$ 357	\$ 57
Charges for courthouse costs	3,700	3,700	3,265	(435)
Charges for courthouse security	5,000	5,000	740	(4,260)
Charges for Commonwealth's Attorney	2,200	2,200	1,565	(635)
Animal shelter fees	6,500	6,500	6,470	(30)
Children's services act fees	2,500	2,500	1,104	(1,396)
Charges for EMS	170,654	170,654	303,071	132,417
Charges for parks and recreation	259,775	279,597	338,939	59,342
Charges for sale of publications and commemorative material	-	-	10	10
Total charges for services	<u>\$ 450,629</u>	<u>\$ 470,451</u>	<u>\$ 655,521</u>	<u>\$ 185,070</u>
Miscellaneous:				
Miscellaneous	\$ 61,143	\$ 85,471	\$ 127,492	\$ 42,021
Total miscellaneous	<u>\$ 61,143</u>	<u>\$ 85,471</u>	<u>\$ 127,492</u>	<u>\$ 42,021</u>
Recovered costs:				
Juvenile and domestic relations court costs	\$ 3,400	\$ 3,400	\$ 1,567	\$ (1,833)
Victim witness recovered costs	6,773	6,773	6,773	-
Dispatch services to West Point	40,000	40,000	40,000	-
Animal shelter	165,564	165,564	182,943	17,379
Total recovered costs	<u>\$ 215,737</u>	<u>\$ 215,737</u>	<u>\$ 231,283</u>	<u>\$ 15,546</u>
Total revenue from local sources	<u>\$ 26,844,122</u>	<u>\$ 27,358,541</u>	<u>\$ 28,545,826</u>	<u>\$ 1,187,285</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 16,000	\$ 16,000	\$ 33,753	\$ 17,753
Mobile home titling tax	8,000	8,000	9,222	1,222
Motor vehicle rental tax	4,000	4,000	10,183	6,183
Communication tax	255,000	255,000	248,700	(6,300)
Personal property tax relief funds	1,203,773	1,203,773	1,204,131	358
Miscellaneous	600	600	25,059	24,459
Total noncategorical aid	<u>\$ 1,487,373</u>	<u>\$ 1,487,373</u>	<u>\$ 1,531,048</u>	<u>\$ 43,675</u>

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:				
Shared expenses:				
Commonwealth's attorney	\$ 241,640	\$ 253,447	\$ 241,267	\$ (12,180)
Sheriff	813,963	852,950	900,720	47,770
Commissioner of revenue	119,412	124,908	125,426	518
Treasurer	72,333	102,402	90,945	(11,457)
Registrar/electoral board	66,509	84,500	66,084	(18,416)
Clerk of the Circuit Court	209,712	229,626	266,339	36,713
Total shared expenses	<u>\$ 1,523,569</u>	<u>\$ 1,647,833</u>	<u>\$ 1,690,781</u>	<u>\$ 42,948</u>
Other categorical aid:				
Public assistance and welfare administration	\$ 394,514	\$ 327,960	\$ 265,759	\$ (62,201)
Children's services act	683,451	683,451	667,134	(16,317)
Litter prevention grant	7,000	7,000	12,479	5,479
Victim witness	105,307	105,307	30,396	(74,911)
E911 wireless grant	30,000	30,000	65,389	35,389
Library grant	4,500	4,500	4,500	-
Fire programs	42,000	42,000	57,758	15,758
Asset forfeiture	6,000	6,000	-	(6,000)
State sales tax	3,694,605	3,694,605	3,921,604	226,999
Other state grants	29,603	403,177	302,231	(100,946)
Total other categorical aid	<u>\$ 4,996,980</u>	<u>\$ 5,304,000</u>	<u>\$ 5,327,250</u>	<u>\$ 23,250</u>
Total categorical aid	<u>\$ 6,520,549</u>	<u>\$ 6,951,833</u>	<u>\$ 7,018,031</u>	<u>\$ 66,198</u>
Total revenue from the Commonwealth	<u>\$ 8,007,922</u>	<u>\$ 8,439,206</u>	<u>\$ 8,549,079</u>	<u>\$ 109,873</u>
Revenue from the federal government:				
Categorical aid:				
DMV ground transportation safety grant	\$ 8,733	\$ 8,733	\$ -	\$ (8,733)
American Rescue Plan Act	-	29,324	29,324	-
LEMPG grant	7,500	7,500	5,155	(2,345)
Public assistance and welfare administration	1,272,239	648,701	564,520	(84,181)
Violence Against Women Formula grant	40,000	40,000	40,000	-
Victim witness grant	-	-	70,924	70,924
AFG grant	335,714	335,714	335,714	-
Total categorical aid	<u>\$ 1,664,186</u>	<u>\$ 1,069,972</u>	<u>\$ 1,045,637</u>	<u>\$ (24,335)</u>
Total revenue from the federal government	<u>\$ 1,664,186</u>	<u>\$ 1,069,972</u>	<u>\$ 1,045,637</u>	<u>\$ (24,335)</u>
Total General Fund	<u>\$ 36,516,230</u>	<u>\$ 36,867,719</u>	<u>\$ 38,140,542</u>	<u>\$ 1,272,823</u>

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)
Debt Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 173,348	\$ 173,348	\$ 112,228	\$ (61,120)
Total revenue from use of money and property	\$ 173,348	\$ 173,348	\$ 112,228	\$ (61,120)
Total revenue from local sources	\$ 173,348	\$ 173,348	\$ 112,228	\$ (61,120)
Intergovernmental:				
Revenue from local governments:				
Contribution from School Board	\$ 1,538,112	\$ 1,538,112	\$ 1,538,112	\$ -
Total revenue from local governments:	\$ 1,538,112	\$ 1,538,112	\$ 1,538,112	\$ -
Total Debt Service Fund	\$ 1,711,460	\$ 1,711,460	\$ 1,650,340	\$ (61,120)
Capital Projects Funds:				
Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 206,908	\$ 206,908
Total revenue from use of money and property	\$ -	\$ -	\$ 206,908	\$ 206,908
Miscellaneous:				
Cash proffers	\$ 200,000	\$ 200,000	\$ 299,613	\$ 99,613
Total miscellaneous	\$ 200,000	\$ 200,000	\$ 299,613	\$ 99,613
Total revenue from local sources	\$ 200,000	\$ 200,000	\$ 506,521	\$ 306,521
Total Capital Projects Fund	\$ 200,000	\$ 200,000	\$ 506,521	\$ 306,521
School Capital Projects Fund:				
Intergovernmental:				
Revenue from local governments:				
Contribution from School Board	\$ 400,689	\$ 400,689	\$ 716,146	\$ 315,457
Total revenue from local governments	\$ 400,689	\$ 400,689	\$ 716,146	\$ 315,457
Revenue from the Commonwealth:				
Categorical aid:				
VPSA technology grant	\$ 154,000	\$ 154,000	\$ 61,611	\$ (92,389)
VPSA security equipment grant	207,803	207,803	54,052	(153,751)
School construction grant	902,737	902,737	902,737	-
Total categorical aid	\$ 1,264,540	\$ 1,264,540	\$ 1,018,400	\$ (246,140)
Total revenue from the Commonwealth	\$ 1,264,540	\$ 1,264,540	\$ 1,018,400	\$ (246,140)
Revenue from the federal government:				
Categorical aid:				
ESSER	\$ 274,105	\$ 274,105	\$ 254,469	\$ (19,636)
HVAC grant	403,080	403,080	403,080	-
USAF grant	715,608	715,608	715,608	-
Total categorical aid	\$ 1,392,793	\$ 1,392,793	\$ 1,373,157	\$ (19,636)
Total revenue from the federal government	\$ 1,392,793	\$ 1,392,793	\$ 1,373,157	\$ (19,636)
Total School Capital Projects Fund	\$ 3,058,022	\$ 3,058,022	\$ 3,107,703	\$ 49,681

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 Funds:				
ARPA Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 71,075	\$ 71,075
Total revenue from use of money and property	\$ -	\$ -	\$ 71,075	\$ 71,075
Total revenue from local sources	\$ -	\$ -	\$ 71,075	\$ 71,075
Revenue from the federal government:				
Noncategorical aid:				
American Rescue Plan Act	\$ -	\$ -	\$ 474,731	\$ 474,731
Total noncategorical aid	\$ -	\$ -	\$ 474,731	\$ 474,731
Total revenue from the federal government	\$ -	\$ -	\$ 474,731	\$ 474,731
Total ARPA Fund	\$ -	\$ -	\$ 545,806	\$ 545,806
Total Primary Government	\$ 41,485,712	\$ 41,837,201	\$ 43,950,912	\$ 2,113,711

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:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 60,450	\$ 60,450	\$ 81,584	\$ 21,134
Total revenue from use of money and property	<u>\$ 60,450</u>	<u>\$ 60,450</u>	<u>\$ 81,584</u>	<u>\$ 21,134</u>
Charges for services:				
Tuition and payments from other divisions	\$ 78,800	\$ 78,800	\$ 94,850	\$ 16,050
Miscellaneous:				
Other miscellaneous	\$ 90,710	\$ 90,710	\$ 130,389	\$ 39,679
Recovered costs:				
E-Rate	\$ -	\$ -	\$ 28,884	\$ 28,884
Total recovered costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,884</u>	<u>\$ 28,884</u>
Total revenue from local sources	<u>\$ 229,960</u>	<u>\$ 229,960</u>	<u>\$ 335,707</u>	<u>\$ 105,747</u>
Intergovernmental:				
Revenue from local governments:				
Contribution from County of King William, Virginia	\$ 15,478,754	\$ 15,478,754	\$ 15,262,679	\$ (216,075)
Total revenue from local governments	<u>\$ 15,478,754</u>	<u>\$ 15,478,754</u>	<u>\$ 15,262,679</u>	<u>\$ (216,075)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Basic school aid	\$ 7,984,128	\$ 7,984,128	\$ 7,781,854	\$ (202,274)
Remedial summer education	31,599	31,599	33,220	1,621
Remedial education	174,812	174,812	177,276	2,464
Special education	936,495	936,495	949,690	13,195
Gifted and talented	76,307	76,307	77,382	1,075
English as a second language	23,226	23,226	21,115	(2,111)
Vocational standards of quality payments	237,245	237,245	240,588	3,343
Social security fringe benefits	455,067	455,067	461,479	6,412
Retirement fringe benefits	1,061,361	1,061,361	1,076,316	14,955
Group life insurance fringe benefits	31,910	31,910	32,360	450
State lottery payments	550,944	550,944	568,394	17,450
Early reading intervention	95,912	95,912	72,582	(23,330)
Project graduation	4,178	4,178	4,178	-
Homebound education	7,499	7,499	5,609	(1,890)
Vocational educational equipment	46,326	46,326	12,622	(33,704)
At risk payments	277,822	277,822	282,113	4,291
Indian Children	46,841	46,841	43,488	(3,353)
Algebra Readiness	23,744	23,744	21,036	(2,708)
Compensation supplement	473,278	473,278	480,193	6,915
Supplemental in lieu of sales tax	166,208	166,208	166,208	-
Hold harmless	493,469	493,469	493,469	-
Other state funds	136,547	136,547	214,405	77,858
Total categorical aid	<u>\$ 13,334,918</u>	<u>\$ 13,334,918</u>	<u>\$ 13,215,577</u>	<u>\$ (119,341)</u>
Total revenue from the Commonwealth	<u>\$ 13,334,918</u>	<u>\$ 13,334,918</u>	<u>\$ 13,215,577</u>	<u>\$ (119,341)</u>

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 federal government:				
Categorical aid:				
Title VII	\$ 7,300	\$ 7,300	\$ 7,108	\$ (192)
Title II-A (Teacher Quality)	55,314	55,314	295	(55,019)
Title I	264,926	264,926	317,014	52,088
Payments from the Air Force	65,000	65,000	61,193	(3,807)
Idea 619, special education pre-school	14,333	14,333	14,905	572
Idea 611, flow through	550,824	550,824	536,463	(14,361)
Vocational education	28,000	28,000	18,045	(9,955)
ESSER	1,049,900	1,049,900	962,271	(87,629)
ARPA	213,265	213,265	213,265	-
Other federal funds	121,392	121,392	98,560	(22,832)
Total categorical aid	<u>\$ 2,370,254</u>	<u>\$ 2,370,254</u>	<u>\$ 2,229,119</u>	<u>\$ (141,135)</u>
Total revenue from the federal government	<u>\$ 2,370,254</u>	<u>\$ 2,370,254</u>	<u>\$ 2,229,119</u>	<u>\$ (141,135)</u>
Total School Operating Fund	<u><u>\$ 31,413,886</u></u>	<u><u>\$ 31,413,886</u></u>	<u><u>\$ 31,043,082</u></u>	<u><u>\$ (370,804)</u></u>
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 110	\$ 110	\$ 10,582	\$ 10,472
Total revenue from use of money and property	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ 10,582</u>	<u>\$ 10,472</u>
Charges for services:				
Cafeteria sales	\$ 408,000	\$ 408,000	\$ 417,660	\$ 9,660
Other charges for services	58,000	58,000	29,278	(28,722)
Total charges for services	<u>\$ 466,000</u>	<u>\$ 466,000</u>	<u>\$ 446,938</u>	<u>\$ (19,062)</u>
Miscellaneous:				
VPI, SPED	\$ 1,500	\$ 1,500	\$ 1,857	\$ 357
Rebates	2,500	2,500	6,625	4,125
Other miscellaneous	80,561	80,561	8,654	(71,907)
Total miscellaneous	<u>\$ 84,561</u>	<u>\$ 84,561</u>	<u>\$ 17,136</u>	<u>\$ (67,425)</u>
Total revenue from local sources	<u>\$ 550,671</u>	<u>\$ 550,671</u>	<u>\$ 474,656</u>	<u>\$ (76,015)</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Reimbursement Indian children	\$ -	\$ -	\$ 2,981	\$ 2,981
State meal reimbursements	7,500	7,500	28,444	20,944
Total categorical aid	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 31,425</u>	<u>\$ 23,925</u>
Total revenue from the Commonwealth	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 31,425</u>	<u>\$ 23,925</u>

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 Cafeteria Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Meal reimbursement	\$ 631,611	\$ 631,611	\$ 656,763	\$ 25,152
USDA commodities	60,079	60,079	74,985	14,906
Total categorical aid	<u>\$ 691,690</u>	<u>\$ 691,690</u>	<u>\$ 731,748</u>	<u>\$ 40,058</u>
Total revenue from the federal government	<u>\$ 691,690</u>	<u>\$ 691,690</u>	<u>\$ 731,748</u>	<u>\$ 40,058</u>
Total School Cafeteria Fund	<u><u>\$ 1,249,861</u></u>	<u><u>\$ 1,249,861</u></u>	<u><u>\$ 1,237,829</u></u>	<u><u>\$ (12,032)</u></u>
School Textbook Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Textbook payments	\$ 196,664	\$ 196,664	\$ 186,252	\$ (10,412)
Total categorical aid	<u>\$ 196,664</u>	<u>\$ 196,664</u>	<u>\$ 186,252</u>	<u>\$ (10,412)</u>
Total revenue from the Commonwealth	<u>\$ 196,664</u>	<u>\$ 196,664</u>	<u>\$ 186,252</u>	<u>\$ (10,412)</u>
Revenue from the federal government:				
Categorical aid:				
ESSER	\$ -	\$ -	\$ 26,518	\$ 26,518
Total categorical aid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,518</u>	<u>\$ 26,518</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,518</u>	<u>\$ 26,518</u>
Total School Textbook Fund	<u><u>\$ 196,664</u></u>	<u><u>\$ 196,664</u></u>	<u><u>\$ 212,770</u></u>	<u><u>\$ 16,106</u></u>
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 549,532	\$ 549,532
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,532</u>	<u>\$ 549,532</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,532</u>	<u>\$ 549,532</u>
Total School Activity Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 549,532</u></u>	<u><u>\$ 549,532</u></u>
Total Discretely Presented Component Unit - School Board	<u><u>\$ 32,860,411</u></u>	<u><u>\$ 32,860,411</u></u>	<u><u>\$ 33,043,213</u></u>	<u><u>\$ 182,802</u></u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 90,068	\$ 90,068	\$ 82,062	\$ 8,006
General and financial administration:				
County administrator	\$ 723,785	\$ 723,785	\$ 725,052	\$ (1,267)
County attorney	153,000	153,000	231,693	(78,693)
Commissioner of revenue	328,949	335,034	327,858	7,176
County assessor	-	-	363	(363)
Treasurer	238,136	207,553	193,826	13,727
Department of information technology	305,771	305,771	292,250	13,521
Other general and financial administration	620,683	621,194	627,556	(6,362)
Total general and financial administration	<u>\$ 2,370,324</u>	<u>\$ 2,346,337</u>	<u>\$ 2,398,598</u>	<u>\$ (52,261)</u>
Board of elections:				
Electoral board and officials	\$ 284,614	\$ 289,814	\$ 195,019	\$ 94,795
Total board of elections	<u>\$ 284,614</u>	<u>\$ 289,814</u>	<u>\$ 195,019</u>	<u>\$ 94,795</u>
Total general government administration	<u>\$ 2,745,006</u>	<u>\$ 2,726,219</u>	<u>\$ 2,675,679</u>	<u>\$ 50,540</u>
Judicial administration:				
Courts:				
Circuit court	\$ 27,340	\$ 27,340	\$ 25,155	\$ 2,185
General district court	11,650	11,650	7,389	4,261
Juvenile and domestic relations district court	10,757	10,757	9,186	1,571
Clerk of the circuit court	332,398	577,840	482,439	95,401
Victim and witness assistance	118,852	118,852	110,620	8,232
Total courts	<u>\$ 500,997</u>	<u>\$ 746,439</u>	<u>\$ 634,789</u>	<u>\$ 111,650</u>
Commonwealth's attorney:				
Commonwealth's attorney	\$ 437,780	\$ 448,668	\$ 410,113	\$ 38,555
Total Commonwealth's attorney	<u>\$ 437,780</u>	<u>\$ 448,668</u>	<u>\$ 410,113</u>	<u>\$ 38,555</u>
Total judicial administration	<u>\$ 938,777</u>	<u>\$ 1,195,107</u>	<u>\$ 1,044,902</u>	<u>\$ 150,205</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,605,816	\$ 2,831,096	\$ 2,319,819	\$ 511,277
Emergency operations center	832,195	839,909	753,728	86,181
Other protection services	509,709	509,709	544,394	(34,685)
Total law enforcement and traffic control	<u>\$ 3,947,720</u>	<u>\$ 4,180,714</u>	<u>\$ 3,617,941</u>	<u>\$ 562,773</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire and rescue squads	\$ 520,801	\$ 530,801	\$ 560,959	\$ (30,158)
Mutual aid partners	13,644	13,644	13,644	-
Emergency services	1,713,769	1,792,262	1,234,246	558,016
Total fire and rescue services	<u>\$ 2,248,214</u>	<u>\$ 2,336,707</u>	<u>\$ 1,808,849</u>	<u>\$ 527,858</u>
Correction and detention:				
Regional security center	\$ 1,077,384	\$ 1,077,384	\$ 1,174,323	\$ (96,939)
Probation and pretrial	24,800	24,800	22,469	2,331
Juvenile probation and detention	37,623	37,623	86,879	(49,256)
Total correction and detention	<u>\$ 1,139,807</u>	<u>\$ 1,139,807</u>	<u>\$ 1,283,671</u>	<u>\$ (143,864)</u>
Inspections:				
Building	\$ 203,001	\$ 203,909	\$ 191,008	\$ 12,901
Total inspections	<u>\$ 203,001</u>	<u>\$ 203,909</u>	<u>\$ 191,008</u>	<u>\$ 12,901</u>
Other protection:				
Animal control and shelter	\$ 551,913	\$ 573,118	525,966	\$ 47,152
Medical examiner	300	300	140	160
Court services	7,250	7,250	6,795	455
Total other protection	<u>\$ 559,463</u>	<u>\$ 580,668</u>	<u>\$ 532,901</u>	<u>\$ 47,767</u>
Total public safety	<u>\$ 8,098,205</u>	<u>\$ 8,441,805</u>	<u>\$ 7,434,370</u>	<u>\$ 1,007,435</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 1,077,498	\$ 1,077,498	\$ 1,069,408	\$ 8,090
Water services	-	14,324	54,366	(40,042)
Litter prevention	5,000	5,000	12,482	(7,482)
Total sanitation and waste removal	<u>\$ 1,082,498</u>	<u>\$ 1,096,822</u>	<u>\$ 1,136,256</u>	<u>\$ (39,434)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 926,275	\$ 943,042	\$ 989,866	\$ (46,824)
Total maintenance of general buildings and grounds	<u>\$ 926,275</u>	<u>\$ 943,042</u>	<u>\$ 989,866</u>	<u>\$ (46,824)</u>
Total public works	<u>\$ 2,008,773</u>	<u>\$ 2,039,864</u>	<u>\$ 2,126,122</u>	<u>\$ (86,258)</u>
Health and welfare:				
Health:				
Supplement of local health department	\$ 204,129	\$ 204,129	\$ 204,129	\$ -
Total health	<u>\$ 204,129</u>	<u>\$ 204,129</u>	<u>\$ 204,129</u>	<u>\$ -</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Community services board	\$ 60,624	\$ 60,624	\$ 60,624	\$ -
Total mental health and mental retardation	<u>\$ 60,624</u>	<u>\$ 60,624</u>	<u>\$ 60,624</u>	<u>\$ -</u>
Welfare and social services:				
Welfare administration	\$ 1,122,957	\$ 1,047,105	\$ 825,135	\$ 221,970
Public assistance	88,422	66,641	45,071	21,570
Purchased services	61,248	102,113	53,467	48,646
Children's Services Act	1,142,889	1,142,889	1,016,104	126,785
Total welfare and social services	<u>\$ 2,415,516</u>	<u>\$ 2,358,748</u>	<u>\$ 1,939,777</u>	<u>\$ 418,971</u>
Total health and welfare	<u>\$ 2,680,269</u>	<u>\$ 2,623,501</u>	<u>\$ 2,204,530</u>	<u>\$ 418,971</u>
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 8,808	\$ 8,808	\$ 8,808	\$ -
Contribution to County School Board	13,944,633	13,944,633	15,262,679	(1,318,046)
Total education	<u>\$ 13,953,441</u>	<u>\$ 13,953,441</u>	<u>\$ 15,271,487</u>	<u>\$ (1,318,046)</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	\$ -	\$ -	\$ 595	\$ (595)
Park operations	464,794	484,616	463,127	21,489
Total parks and recreation	<u>\$ 464,794</u>	<u>\$ 484,616</u>	<u>\$ 463,722</u>	<u>\$ 20,894</u>
Cultural enrichment:				
Art galleries	\$ 9,500	\$ 17,266	\$ 17,266	\$ -
Total cultural enrichment	<u>\$ 9,500</u>	<u>\$ 17,266</u>	<u>\$ 17,266</u>	<u>\$ -</u>
Library:				
Contribution to regional library	\$ 444,597	\$ 574,424	\$ 574,424	\$ -
Total library	<u>\$ 444,597</u>	<u>\$ 574,424</u>	<u>\$ 574,424</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 918,891</u>	<u>\$ 1,076,306</u>	<u>\$ 1,055,412</u>	<u>\$ 20,894</u>
Community development:				
Planning and community development:				
Planning	\$ 410,532	\$ 411,668	\$ 365,485	\$ 46,183
MPPC support	23,471	23,471	24,186	(715)
Contribution to soil and water conservation district	5,000	5,000	5,000	-
Agricultural and home economics	41,936	41,936	35,804	6,132
Economic development	56,250	56,250	26,300	29,950
Contribution to airport	30,000	30,000	30,000	-
Total planning and community development	<u>\$ 567,189</u>	<u>\$ 568,325</u>	<u>\$ 486,775</u>	<u>\$ 81,550</u>
Total community development	<u>\$ 567,189</u>	<u>\$ 568,325</u>	<u>\$ 486,775</u>	<u>\$ 81,550</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Other nondepartmental	\$ -	\$ 10,000	\$ 88,304	\$ (78,304)
Contingency	65,000	50,223	38,790	11,433
Town portion of local and state taxes	1,475,133	1,475,133	1,598,074	(122,941)
Total nondepartmental	<u>\$ 1,540,133</u>	<u>\$ 1,535,356</u>	<u>\$ 1,725,168</u>	<u>\$ (189,812)</u>
Debt service:				
Principal retirement	\$ -	\$ -	\$ 295,132	\$ (295,132)
Interest and other fiscal charges	-	-	152,294	(152,294)
Total debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447,426</u>	<u>\$ (447,426)</u>
Total General Fund	<u>\$ 33,450,684</u>	<u>\$ 34,159,924</u>	<u>\$ 34,471,871</u>	<u>\$ (311,947)</u>
Debt Service Fund:				
Debt service:				
Principal retirement	\$ 2,264,265	\$ 2,324,315	\$ 2,268,628	\$ 55,687
Interest and other fiscal charges	780,003	974,588	975,008	(420)
Total Debt Service Fund	<u>\$ 3,044,268</u>	<u>\$ 3,298,903</u>	<u>\$ 3,243,636</u>	<u>\$ 55,267</u>
Capital Projects Funds:				
Capital Projects Fund:				
Capital projects expenditures:				
County capital assets	\$ 9,848,761	\$ 9,900,423	\$ 1,150,645	\$ 8,749,778
Equipment and vehicles	1,339,875	1,768,589	996,568	772,021
Broadband initiative	2,500,000	2,500,000	543,104	1,956,896
Data processing	-	-	42,802	(42,802)
School building construction	-	-	3,363,923	(3,363,923)
Recreational improvements	195,000	195,000	82,700	112,300
Total capital projects expenditures	<u>\$ 13,883,636</u>	<u>\$ 14,364,012</u>	<u>\$ 6,179,742</u>	<u>\$ 8,184,270</u>
Total Capital Projects Fund	<u>\$ 13,883,636</u>	<u>\$ 14,364,012</u>	<u>\$ 6,179,742</u>	<u>\$ 8,184,270</u>
School Capital Projects Fund:				
Capital projects expenditures:				
Equipment and vehicles	\$ 197,803	\$ 197,803	\$ 419,773	\$ (221,970)
School capital assets	2,076,191	2,076,191	2,124,972	(48,781)
Data processing	275,234	275,234	369,714	(94,480)
Total capital projects expenditures	<u>\$ 2,549,228</u>	<u>\$ 2,549,228</u>	<u>\$ 2,914,459</u>	<u>\$ (365,231)</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Fund:				
ARPA Fund:				
Judicial administration:				
Commonwealth's attorney:				
Commonwealth's attorney	\$ -	\$ -	\$ 45,342	\$ (45,342)
Total Commonwealth's attorney	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,342</u>	<u>\$ (45,342)</u>
Total judicial administration	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,342</u>	<u>\$ (45,342)</u>
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ -	\$ 2,875	\$ 66,523	\$ (63,648)
Total law enforcement and traffic control	<u>\$ -</u>	<u>\$ 2,875</u>	<u>\$ 66,523</u>	<u>\$ (63,648)</u>
Fire and rescue services:				
Emergency services	\$ -	\$ -	\$ 441,574	\$ (441,574)
Total fire and rescue services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 441,574</u>	<u>\$ (441,574)</u>
Total public safety	<u>\$ -</u>	<u>\$ 2,875</u>	<u>\$ 508,097</u>	<u>\$ (505,222)</u>
Total ARPA Fund	<u>\$ -</u>	<u>\$ 2,875</u>	<u>\$ 553,439</u>	<u>\$ (550,564)</u>
Total Primary Government	<u>\$ 52,927,816</u>	<u>\$ 54,374,942</u>	<u>\$ 47,363,147</u>	<u>\$ 7,011,795</u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ 21,498,275	\$ 21,498,275	\$ 18,634,959	\$ 2,863,316
Total instruction costs	<u>\$ 21,498,275</u>	<u>\$ 21,498,275</u>	<u>\$ 18,634,959</u>	<u>\$ 2,863,316</u>
Administration, Attendance and Health:				
School board	\$ 113,042	\$ 113,042	\$ 109,361	\$ 3,681
Other administration	1,902,370	1,902,370	1,879,348	23,022
Total administration, attendance and health	<u>\$ 2,015,412</u>	<u>\$ 2,015,412</u>	<u>\$ 1,988,709</u>	<u>\$ 26,703</u>
Pupil transportation:				
Pupil transportation	\$ 2,506,134	\$ 2,506,134	\$ 2,298,215	\$ 207,919
Total pupil transportation	<u>\$ 2,506,134</u>	<u>\$ 2,506,134</u>	<u>\$ 2,298,215</u>	<u>\$ 207,919</u>
Operating and maintenance costs:				
Operation and maintenance	\$ 2,730,506	\$ 2,730,506	\$ 2,101,568	\$ 628,938
Total operating and maintenance costs	<u>\$ 2,730,506</u>	<u>\$ 2,730,506</u>	<u>\$ 2,101,568</u>	<u>\$ 628,938</u>
Other costs:				
Technology	\$ 1,125,447	\$ 1,125,447	\$ 1,061,298	\$ 64,149
Total technology	<u>\$ 1,125,447</u>	<u>\$ 1,125,447</u>	<u>\$ 1,061,298</u>	<u>\$ 64,149</u>
Reimbursement to primary government:				
Contribution to primary government	\$ 1,538,112	\$ 1,538,112	\$ 2,254,258	\$ (716,146)
Total reimbursement to primary government	<u>\$ 1,538,112</u>	<u>\$ 1,538,112</u>	<u>\$ 2,254,258</u>	<u>\$ (716,146)</u>
Total School Operating Fund	<u><u>\$ 31,413,886</u></u>	<u><u>\$ 31,413,886</u></u>	<u><u>\$ 28,339,007</u></u>	<u><u>\$ 3,074,879</u></u>

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

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit-School Board: (Continued)				
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,189,782	\$ 1,189,782	\$ 1,211,028	\$ (21,246)
USDA commodities	60,079	60,079	74,985	(14,906)
Total education	<u>\$ 1,249,861</u>	<u>\$ 1,249,861</u>	<u>\$ 1,286,013</u>	<u>\$ (36,152)</u>
Total School Cafeteria Fund	<u>\$ 1,249,861</u>	<u>\$ 1,249,861</u>	<u>\$ 1,286,013</u>	<u>\$ (36,152)</u>
School Textbook Fund:				
Education:				
Purchase of textbooks and supplies	\$ 640,000	\$ 640,000	\$ 61,716	\$ 578,284
Total education	<u>\$ 640,000</u>	<u>\$ 640,000</u>	<u>\$ 61,716</u>	<u>\$ 578,284</u>
Total School Textbook Fund	<u>\$ 640,000</u>	<u>\$ 640,000</u>	<u>\$ 61,716</u>	<u>\$ 578,284</u>
School Activity Funds:				
Education:				
Instruction:				
School Activity Funds	\$ -	\$ -	\$ 535,746	\$ (535,746)
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,746</u>	<u>\$ (535,746)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 33,303,747</u>	<u>\$ 33,303,747</u>	<u>\$ 30,222,482</u>	<u>\$ 3,081,265</u>

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STATISTICAL SECTION

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Statistical Section

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Financial Trends

These tables contain trend information to help the reader understand how the County's financial performance and wellbeing have changed over time. 1-4

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Demographic and Economic Information

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Operating Information

These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs. 13-16

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

COUNTY OF KING WILLIAM, VIRGINIA

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 3,166,483	\$ (815,467)	\$ 7,477,158	\$ 9,485,457
Restricted	2,698,286	2,322,578	377,177	514,998
Unrestricted	14,054,429	15,083,875	13,101,761	10,954,751
Total governmental activities net postion	<u>\$ 19,919,198</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>	<u>\$ 20,955,206</u>
Business-Type activities				
Net investment in capital assets	\$ 934,672	\$ (815,467)	\$ 7,477,158	\$ 9,485,457
Restricted	-	2,322,578	377,177	514,998
Unrestricted	2,741,984	15,083,875	13,101,761	10,954,751
Total business-type activities net postion	<u>\$ 3,676,656</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>	<u>\$ 20,955,206</u>
Primary government				
Net investment in capital assets	\$ 4,101,155	\$ (815,467)	\$ 7,477,158	\$ 9,485,457
Restricted	2,698,286	2,322,578	377,177	514,998
Unrestricted	16,796,413	15,083,875	13,101,761	10,954,751
Total primary government net postion	<u>\$ 23,595,854</u>	<u>\$ 16,590,986</u>	<u>\$ 20,956,096</u>	<u>\$ 20,955,206</u>

Table 1

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$	11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632	\$ 4,817,073
	5,177,731	1,208,247	1,329,008	848,217	989,614	1,861,710
	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370	6,209,949
\$	<u>10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>	<u>\$ 12,888,732</u>
\$	11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632	\$ 4,817,073
	5,177,731	1,208,247	1,329,008	848,217	989,614	1,861,710
	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370	6,209,949
\$	<u>10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>	<u>\$ 12,888,732</u>
\$	11,351,123	\$ 3,471,545	\$ 6,377,053	\$ 6,102,702	\$ 5,966,632	\$ 4,817,073
	5,177,731	1,208,247	1,329,008	848,217	989,614	1,861,710
	(6,247,894)	11,327,540	11,133,394	8,946,754	6,514,370	6,209,949
\$	<u>10,280,960</u>	<u>\$ 16,007,332</u>	<u>\$ 18,839,455</u>	<u>\$ 15,897,673</u>	<u>\$ 13,470,616</u>	<u>\$ 12,888,732</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses			
Governmental activities:			
General government administration	\$ 1,498,560	\$ 2,459,277	\$ 3,080,055
Judicial administration	1,171,306	1,025,131	986,586
Public safety	9,625,320	7,905,194	10,089,348
Public works	2,536,675	5,400,078	2,439,220
Health and welfare	2,177,819	2,351,783	2,351,903
Education	16,478,269	15,602,239	15,753,981
Parks, recreation, culture	1,113,920	875,474	863,040
Planning and community development	2,173,966	2,378,819	2,551,887
Interest on long-term debt	1,045,569	727,384	943,981
Total governmental activities expenses	<u>37,821,404</u>	<u>38,725,379</u>	<u>39,060,001</u>
Business-type activities:			
Water	\$ 1,075,784	\$ -	\$ -
Total business-type activities expenses	<u>1,075,784</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 38,897,188</u>	<u>\$ 38,725,379</u>	<u>\$ 39,060,001</u>
Program Revenues			
Governmental activities:			
Charges for services			
General government administration	\$ -	\$ -	\$ -
Judicial administration	126,950	105,016	97,128
Public safety	319,267	350,959	284,025
Public works	-	1,678,823	1,278,265
Health and welfare	1,104	2,894	7,644
Education	-	-	-
Parks, recreation, culture	338,939	236,914	57,582
Planning and community development	463,160	449,312	569,197
Operating grants and contributions			
General government administration	584,686	416,823	472,176
Judicial administration	538,002	484,907	416,730
Public safety	1,517,463	1,203,183	1,120,997
Public works	-	-	-
Health and welfare	1,497,413	1,527,956	1,530,680
Education	6,313,161	4,152,053	3,516,247
Parks, recreation, culture	-	-	-
Planning and community development	4,500	4,500	4,500
Capital grants and contributions			
Judicial administration	-	-	-
Public safety	-	-	-
Public works	-	-	-
Education	-	-	-
Parks, recreation, culture	-	-	-
Total governmental activities program revenues	<u>\$ 11,704,645</u>	<u>\$ 10,613,340</u>	<u>\$ 9,355,171</u>
Business-type activities:			
Charges for services	\$ 401,201	\$ -	\$ -
Capital grants and contributions	458,200	-	-
Total business-type activities program revenues	<u>\$ 859,401</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government program revenues	<u>\$ 12,564,046</u>	<u>\$ 10,613,340</u>	<u>\$ 9,355,171</u>
Net (Expense)/Revenue:			
Governmental activities	\$ (26,116,759)	\$ (28,112,039)	\$ (29,704,830)
Business-type activities	<u>(216,383)</u>	<u>-</u>	<u>-</u>
Total primary government net expense	<u>\$ (26,333,142)</u>	<u>\$ (28,112,039)</u>	<u>\$ (29,704,830)</u>

	2020	2019	2018	2017	2016	2015	2014
\$	2,506,255	\$ 2,104,830	\$ 1,860,624	\$ 1,659,886	\$ 1,710,633	\$ 1,891,619	\$ 1,991,266
	956,785	873,220	883,699	791,733	760,857	825,326	828,978
	6,708,634	6,362,331	5,664,409	5,747,012	4,870,998	5,814,590	4,869,354
	2,181,125	2,799,756	2,047,249	1,905,315	1,896,034	934,531	2,511,346
	2,517,415	2,784,955	2,257,419	3,272,265	1,984,796	1,853,888	1,925,297
	16,672,920	18,861,910	16,943,630	11,791,832	12,074,082	12,327,218	9,976,507
	860,145	844,000	765,324	712,945	702,854	693,945	659,605
	2,509,907	426,016	325,374	351,232	401,302	401,274	383,302
	818,403	905,111	1,405,763	750,283	842,101	926,078	1,020,009
	<u>35,731,589</u>	<u>35,962,129</u>	<u>32,153,491</u>	<u>26,982,503</u>	<u>25,243,657</u>	<u>25,668,469</u>	<u>24,165,664</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	<u>35,731,589</u>	<u>35,962,129</u>	<u>32,153,491</u>	<u>26,982,503</u>	<u>25,243,657</u>	<u>25,668,469</u>	<u>24,165,664</u>
\$	-	\$ 332,792	\$ 267,695	\$ 982,484	\$ -	\$ -	\$ -
	63,622	25,309	33,511	30,577	35,530	24,449	26,098
	167,933	599,811	512,594	446,129	439,066	473,347	561,506
	950,022	461,125	619,409	485,781	495,386	439,764	449,819
	21,614	1,071	4,113	18,604	18,346	41,720	-
	-	-	-	-	-	32,579	266
	172,938	218,695	182,245	142,611	112,524	111,301	97,908
	411,255	315,527	361,337	319,556	286,331	226,438	216,907
	333,151	211,956	211,690	207,187	223,701	198,003	200,716
	418,576	436,342	449,974	431,854	396,613	373,388	383,598
	932,779	1,336,543	933,350	1,072,746	872,307	1,013,237	1,128,150
	-	121,779	7,817	8,016	8,321	8,229	8,240
	1,561,094	1,619,292	1,459,358	1,236,981	1,156,323	1,050,752	1,082,488
	3,172,612	-	1,959,374	2,181,480	2,272,601	2,309,062	-
	-	-	-	4,500	5,000	13,913	44,303
	4,500	-	-	-	-	20,650	-
	-	-	-	-	-	-	25,903
	-	1,249,580	-	-	-	-	-
	-	33,168	180,000	210,000	90,000	624,212	256,687
	-	195,005	-	-	-	-	-
	-	-	-	-	-	-	102,000
\$	<u>8,210,096</u>	<u>7,157,995</u>	<u>7,182,467</u>	<u>7,778,506</u>	<u>6,412,049</u>	<u>6,961,044</u>	<u>4,584,589</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	<u>8,210,096</u>	<u>7,157,995</u>	<u>7,182,467</u>	<u>7,778,506</u>	<u>6,412,049</u>	<u>6,961,044</u>	<u>4,584,589</u>
\$	(27,521,493)	\$ (28,804,134)	\$ (24,971,024)	\$ (19,203,997)	\$ (18,831,608)	\$ (18,707,425)	\$ (19,581,075)
	-	-	-	-	-	-	-
\$	<u>(27,521,493)</u>	<u>(28,804,134)</u>	<u>(24,971,024)</u>	<u>(19,203,997)</u>	<u>(18,831,608)</u>	<u>(18,707,425)</u>	<u>(19,581,075)</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
General property taxes	\$ 23,139,139	\$ 20,624,621	\$ 19,620,895
Grants and contributions not restricted to specific programs	2,005,779	2,528,417	4,514,568
Local sales and use tax	2,153,324	1,928,546	1,752,679
Consumer utility tax	298,005	278,450	266,682
Business license taxes	521,640	483,919	474,845
Restaurant food taxes	564,276	532,181	442,389
Taxes on recordation and wills	331,777	433,576	394,664
Other local taxes	732,236	693,867	657,214
Revenues from use of money and property	671,902	185,635	168,210
Miscellaneous	591,661	518,114	528,299
Payment from King William County School Board	2,254,258	545,124	-
Transfers	60,000	-	-
Total governmental activities	<u>\$ 33,323,997</u>	<u>\$ 28,752,450</u>	<u>\$ 28,820,445</u>
Business-type activities:			
Revenues from use of money and property	\$ 52,272	\$ -	\$ -
Miscellaneous	21,741	-	-
Transfers	(60,000)	-	-
Total business-type activities	<u>\$ 14,013</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Positio:			
Governmental activities	\$ 7,207,238	\$ 640,411	\$ (884,385)
Business-type activities	<u>(202,370)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 7,004,868</u>	<u>\$ 640,411</u>	<u>\$ (884,385)</u>

	2020	2019	2018	2017	2016	2015	2014
\$	18,700,770	\$ 17,946,512	\$ 17,806,401	\$ 17,540,299	\$ 16,887,147	\$ 16,779,917	\$ 15,901,842
	2,043,734	1,596,248	1,633,590	1,605,118	1,632,439	1,581,199	1,639,303
	1,582,699	1,084,402	952,243	932,215	950,003	918,000	803,574
	263,549	255,977	220,617	231,786	218,970	235,700	232,777
	420,384	501,619	500,403	437,265	416,827	423,697	353,097
	426,402	438,264	421,829	395,593	371,470	377,113	366,296
	290,488	226,000	219,987	218,718	198,605	148,828	154,912
	616,859	520,012	501,672	435,663	415,039	371,725	344,955
	251,183	462,598	157,047	116,286	105,986	93,295	91,637
	256,177	46,130	22,030	68,859	62,179	24,674	145,429
	2,272,154	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>27,124,399</u>	<u>\$ 23,077,762</u>	<u>\$ 22,435,819</u>	<u>\$ 21,981,802</u>	<u>\$ 21,258,665</u>	<u>\$ 20,954,148</u>	<u>\$ 20,033,822</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	(397,094)	\$ (5,726,372)	\$ (2,535,205)	\$ 2,777,805	\$ 2,427,057	\$ 2,246,723	\$ 452,747
	-	-	-	-	-	-	-
\$	<u>(397,094)</u>	<u>\$ (5,726,372)</u>	<u>\$ (2,535,205)</u>	<u>\$ 2,777,805</u>	<u>\$ 2,427,057</u>	<u>\$ 2,246,723</u>	<u>\$ 452,747</u>

COUNTY OF KING WILLIAM, VIRGINIA

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund				
Nonspendable	\$ 38,553	\$ 87,835	\$ 33,247	\$ 195,851
Restricted	2,562,640	950,548	377,177	514,998
Committed	712,167	3,444,986	3,327,218	1,311,679
Assigned	-	-	-	-
Unassigned	8,259,639	9,625,880	7,118,032	6,364,785
Total General Fund	<u>\$ 11,572,999</u>	<u>\$ 14,109,249</u>	<u>\$ 10,855,674</u>	<u>\$ 8,387,313</u>
All Other Governmental Funds				
Nonspendable	\$ 137,712	\$ 160,422	\$ -	\$ -
Restricted				
Debt Service	-	-	-	-
General capital projects	3,407,509	7,165,628	2,066,038	4,517,800
School capital projects	-	-	-	-
Committed	3,922,300	3,742,492	3,136,259	3,083,452
Unassigned	(147,094)	(100,788)	(3,807)	-
Total all other governmental funds	<u>\$ 7,320,427</u>	<u>\$ 10,967,754</u>	<u>\$ 5,198,490</u>	<u>\$ 7,601,252</u>

Table 3

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 60,067	\$ 46,985	\$ -	\$ -	\$ -	\$ 19,159
610,618	464,405	206,684	206,684	-	363
772,658	1,864,345	1,478,408	1,478,408	1,344,344	1,265,335
117,812	49,707	45,000	45,000	1,023	-
6,119,501	10,853,502	10,123,786	10,123,786	8,645,161	6,365,262
<u>\$ 7,680,656</u>	<u>\$ 13,278,944</u>	<u>\$ 11,853,878</u>	<u>\$ 11,853,878</u>	<u>\$ 9,990,528</u>	<u>\$ 7,650,119</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
117,397	13,164	116,642	124,343	122,528	-
3,391,026	730,678	1,005,682	432,942	506,420	1,219,107
1,058,690	8,626,938	-	290,932	360,303	92,667
-	-	-	-	-	-
-	-	(58,299)	-	-	-
<u>\$ 4,567,113</u>	<u>\$ 9,370,780</u>	<u>\$ 1,064,025</u>	<u>\$ 848,217</u>	<u>\$ 989,251</u>	<u>\$ 1,311,774</u>

COUNTY OF KING WILLIAM, VIRGINIA

Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES				
General property taxes	\$ 22,054,682	\$ 21,089,327	\$ 19,758,695	\$ 18,641,418
Other local taxes	4,601,258	8,502,592	7,504,720	6,746,284
Permits, privilege fees, and regulatory licenses	393,295	454,813	573,849	415,954
Fines and forfeitures	125,385	102,495	95,978	62,505
Revenue from the use of money and property	747,121	185,635	168,210	251,183
Charges for services	655,521	2,266,610	1,624,014	1,308,925
Miscellaneous	427,105	518,114	528,299	256,177
Recovered costs	231,283	232,759	233,580	207,459
Intergovernmental revenues:				
Local	2,254,258	545,124	-	2,272,154
Commonwealth	9,567,479	4,363,848	4,597,704	4,212,107
Federal	2,893,525	1,801,938	3,461,947	1,108,436
Total revenues	\$ <u>43,950,912</u>	\$ <u>40,063,255</u>	\$ <u>38,546,996</u>	\$ <u>35,482,602</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,675,679	\$ 2,436,982	\$ 2,652,449	\$ 1,953,557
Judicial administration	1,090,244	909,061	875,896	798,225
Public safety	7,942,467	7,377,445	7,264,398	5,932,966
Public works	2,126,122	2,437,116	2,260,295	2,029,926
Health and welfare	2,204,530	2,412,246	2,341,606	2,454,526
Education	15,271,487	13,485,513	13,219,546	13,931,840
Parks, recreation, and cultural	1,055,412	851,720	816,458	830,072
Community development	486,775	547,042	494,174	590,346
Nondepartmental	1,725,168	1,840,086	2,049,731	1,903,705
Capital projects	9,094,201	3,554,145	3,447,836	3,413,763
Debt service:				
Principal retirement	2,563,760	2,194,958	1,963,758	1,511,681
Interest and other fiscal charges	1,127,302	777,385	1,023,524	908,999
Bond issuance costs	-	-	-	-
Total expenditures	\$ <u>47,363,147</u>	\$ <u>38,823,699</u>	\$ <u>38,409,671</u>	\$ <u>36,259,606</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>(3,412,235)</u>	\$ <u>1,239,556</u>	\$ <u>137,325</u>	\$ <u>(777,004)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 3,934,253	\$ 3,388,296	\$ 3,266,967	\$ 2,451,726
Transfers out	(3,874,253)	(3,388,296)	(3,266,967)	(2,451,726)
Issuance of refunding bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Premium on issuance of debt	-	544,509	-	-
Issuance of debt	-	7,238,774	-	4,517,800
Total other financing sources (uses)	\$ <u>60,000</u>	\$ <u>7,783,283</u>	\$ <u>-</u>	\$ <u>4,517,800</u>
Net change in fund balances	\$ <u><u>(3,352,235)</u></u>	\$ <u><u>9,022,839</u></u>	\$ <u><u>137,325</u></u>	\$ <u><u>3,740,796</u></u>
Debt Service as a percentage of noncapital expenditures	<u>8.92%</u>	<u>8.11%</u>	<u>9.15%</u>	<u>7.94%</u>

Table 4

	2019	2018	2017	2016	2015	2014
\$	17,897,750	\$ 17,735,870	\$ 17,429,956	\$ 17,063,632	\$ 16,738,071	\$ 15,659,767
	3,026,274	2,816,751	2,651,240	2,570,914	2,475,063	2,255,611
	654,090	635,939	1,309,151	292,138	265,096	222,561
	81,656	91,020	88,376	85,568	78,708	96,349
	462,598	157,047	116,286	105,986	93,295	91,637
	1,039,414	1,050,484	779,078	761,335	724,506	708,788
	46,130	22,030	68,859	66,013	24,674	145,429
	293,079	203,461	249,137	248,142	281,288	324,806
	195,005	1,959,374	2,181,480	2,272,601	2,309,062	-
	4,511,977	4,035,752	3,792,887	3,700,880	3,708,525	3,637,075
	696,274	660,027	773,515	593,824	550,846	849,723
\$	<u>28,904,247</u>	<u>\$ 29,367,755</u>	<u>\$ 29,439,965</u>	<u>\$ 27,761,033</u>	<u>\$ 27,249,134</u>	<u>\$ 23,991,746</u>
\$	1,715,668	\$ 1,561,477	\$ 1,464,231	\$ 1,423,122	\$ 1,581,231	\$ 1,614,235
	737,218	744,623	626,460	587,496	673,888	653,387
	5,758,055	5,341,959	5,468,473	4,586,918	4,709,621	4,647,683
	2,025,533	1,882,886	1,745,109	1,731,929	1,576,985	1,566,425
	2,773,911	2,244,689	2,133,666	1,977,818	1,899,605	1,901,885
	9,142,876	10,497,291	10,598,065	10,451,449	10,541,174	8,126,913
	806,933	741,104	676,304	657,695	649,921	622,812
	435,974	341,670	377,799	387,168	393,600	387,357
	68,581	34,456	-	-	-	-
	9,530,324	5,779,943	1,146,202	486,170	1,875,450	1,778,531
	5,087,410	2,147,414	2,295,205	2,351,613	2,147,921	2,082,507
	1,223,719	842,915	829,293	920,280	1,012,396	1,094,711
	-	430,915	-	-	-	-
\$	<u>39,306,202</u>	<u>\$ 32,591,342</u>	<u>\$ 27,360,807</u>	<u>\$ 25,561,658</u>	<u>\$ 27,061,792</u>	<u>\$ 24,476,446</u>
\$	<u>(10,401,955)</u>	<u>\$ (3,223,587)</u>	<u>\$ 2,079,158</u>	<u>\$ 2,199,375</u>	<u>\$ 187,342</u>	<u>\$ (484,700)</u>
\$	10,754,547	\$ 4,688,044	\$ 1,937,694	\$ 1,318,807	\$ 2,299,649	\$ 875,252
	(10,754,547)	(4,688,044)	(1,937,694)	(1,318,807)	(2,299,649)	(875,252)
	-	2,790,000	-	-	-	-
	-	453,814	-	-	-	-
	-	(3,319,596)	-	-	-	(1,346,029)
	-	1,106,190	-	-	-	-
	-	11,925,000	-	-	-	1,375,000
\$	<u>-</u>	<u>\$ 12,955,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,971</u>
\$	<u>(10,401,955)</u>	<u>\$ 9,731,821</u>	<u>\$ 2,079,158</u>	<u>\$ 2,199,375</u>	<u>\$ 187,342</u>	<u>\$ (455,729)</u>
	<u>16.33%</u>	<u>9.44%</u>	<u>11.58%</u>	<u>13.64%</u>	<u>13.70%</u>	<u>13.57%</u>

Tax Revenues by Source - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	General Property	Direct Local Sales and Use	Consumer Utility	Business Licenses	Motor Vehicle License Taxes	Taxes on Recordation and Wills	Other Local	Total
2023	\$ 22,054,682	\$ 2,153,324	\$ 298,005	\$ 521,640	\$ 457,722	\$ 331,777	\$ 838,790	\$ 26,655,940
2022	21,089,327	1,928,546	278,450	483,919	456,336	433,576	769,712	25,439,866
2021	19,758,695	1,752,679	266,682	474,845	455,701	394,664	643,902	23,747,168
2020	18,641,417	1,582,699	263,549	420,384	432,214	290,488	578,462	22,209,213
2019	17,897,750	1,084,402	255,977	501,619	438,264	226,000	520,012	20,924,024
2018	17,735,870	952,243	220,617	500,403	421,829	219,987	501,672	20,552,621
2017	17,429,956	932,215	231,786	437,265	395,593	218,718	435,663	20,081,196
2016	17,063,632	950,003	218,970	416,827	371,470	198,605	415,039	19,634,546
2015	16,738,071	918,000	235,700	423,697	377,113	148,828	371,725	19,213,134
2014	15,659,767	803,574	232,777	353,097	366,296	154,912	344,955	17,915,378

Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years

Calendar Year Ended	Real Estate (1)	Personal Property	Machinery and Tools	Public Service (2)	Total
2022	1,705,179,606	225,581,756	188,477,517	50,246,544	2,169,485,423
2021	1,786,960,076	201,680,508	180,748,104	58,643,303	2,228,031,991
2020	1,746,163,674	349,978,600	175,593,893	55,996,143	2,327,732,310
2019	1,723,260,996	160,100,372	159,621,361	55,357,266	2,098,339,995
2018	1,697,651,830	147,601,610	147,460,995	56,144,681	2,048,859,116
2017	1,671,037,639	140,092,933	141,846,004	58,288,293	2,011,264,869
2016	1,644,073,297	132,063,242	134,139,236	57,267,883	1,967,543,658
2015	1,640,296,131	121,293,448	120,601,181	54,136,191	1,936,326,951
2014	1,703,941,330	114,769,874	118,147,729	46,295,443	1,983,154,376
2013	1,665,940,794	120,782,359	114,575,046	46,295,443	1,947,593,642

Source: Commissioner of Revenue

Notes:

- (1) Real estate is assessed at 100% of fair market value.
- (2) Assessed values are established by the State Corporation Commission.

Direct Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate (1,2)		Personal Property (1,2)	Vehicle (1)	Machinery and Tools (1)
	1st Half	2nd Half			
2023	\$ 0.375/0.46	\$ 0.27/0.31	\$ 1.65/2.00	\$ 1.65/2.00	\$ 2.25/1.00
2022	0.38/0.48	0.375/0.46	1.65/2.00	1.195/1.455	2.25/1.00
2021	0.38/0.48	0.38/0.48	1.65/2.00		2.25/1.00
2020	0.38/0.48	0.38/0.48	1.65/2.00		2.25/1.00
2019	0.39/0.49	0.38/0.48	1.65/2.00		2.25/1.00
2018	0.40/0.50	0.39/0.49	1.65/2.00		2.25/1.00
2017	0.41/0.51	0.40/0.50	1.65/2.00		2.25/1.00
2016	0.43/0.51	0.41/0.51	1.65/2.00		2.25/1.00
2015	0.38/0.44	0.43/0.51	1.65/2.00		2.25/1.00
2014	0.79	0.82	3.65		2.25

Notes:

- (1) For each type of tax, the two rates include that which is charged for the County as a whc as well as the rate to support King William County Public Schools (Districts 2-5). County/
*This is due to The Split Levy Legislation that was put into affect on July 1, 2014
- (2) Also applies to Public Service

Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Type of Business	FY 2023			FY 2014		
		Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
RockTenn Container Plant LLC	Paper Mill	\$ 100,446,942	1	5.89%	\$ 39,901,700	1	2.24%
Nestle Purina Pet Care	Cat Litter Manufacturing Plant	55,586,300	2	3.26%	9,652,700	2	0.54%
Guy David Chenault	Land Owner/ Farmer	10,328,100	3	0.61%			
4195/4197 TH LLC	Shopping Centers	9,482,400	4	0.56%			
King William Place LLC	Apartments	7,925,300	5	0.46%			
Bailey Living Trust	Land Owner/ Developer	7,556,173	6	0.44%			
Old Town LLC	Land Owner	5,974,600	7	0.35%			
John N. Mills & Sons	Land Owner/ Farmer	5,795,400	8	0.34%	5,456,700	4	0.31%
Siegel Family LP	Land Owner/ Farmer	5,694,300	9	0.33%	5,342,800	10	0.30%
Darrell Kellum Inc	Developer	5,481,700	10	0.32%			
West Point Square LLC	Developer				4,663,942	3	0.26%
Central Garage II LLC	Developer				4,404,309	5	0.25%
Charles S. Hunter III	Land Owner				5,002,900	6	0.28%
Riverside Healthcare	Healthcare				2,990,849	7	0.17%
The Lafferty Foundation	Grain Farm				2,766,400	8	0.16%
Romancoke LLC	Land-Owner				4,198,700	9	0.24%
		<u>\$ 214,271,215</u>		<u>12.57%</u>	<u>\$ 84,381,000</u>		<u>4.74%</u>

Source: King William County Commissioner of Revenue Department

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Tax Year	Adjustments including PPTRA	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections Amount ⁽¹⁾	Total Collections to Date	
				Amount ⁽¹⁾	Percentage of Adjusted Levy		Amount ⁽¹⁾	Percentage of Adjusted Levy
2023	\$ 23,196,081	\$ (1,204,205)	\$ 21,991,876	\$ 15,151,191	68.89%	\$ 1,249,783	\$ 16,400,975	74.58%
2022	22,190,193	(1,204,655)	20,985,538	19,379,052	92.34%	1,173,115	20,552,167	97.93%
2021	23,061,920	(1,203,773)	21,858,147	17,743,945	81.18%	278,541	18,022,486	82.45%
2020	20,164,828	(1,366,943)	18,797,885	17,309,966	92.08%	787,864	18,245,883	97.06%
2019	19,101,911	(1,321,213)	17,780,698	16,898,113	95.04%	812,623	17,710,736	99.61%
2018	19,086,229	(1,441,885)	17,644,344	16,507,440	93.56%	1,142,962	17,650,402	100.03%
2017	19,138,245	(1,403,672)	17,734,573	16,655,769	93.92%	1,076,647	17,732,416	99.99%
2016	18,335,019	(1,354,538)	16,980,481	16,117,985	94.92%	818,952	16,936,937	99.74%
2015	18,252,522	(1,458,111)	16,794,411	15,835,342	94.29%	708,713	16,544,055	98.51%
2014	20,354,582	(1,411,635)	18,942,947	17,781,558	93.87%	464,325	18,245,883	96.32%

Source: King William County Commissioner of Revenue and Treasurer

Notes:

(1) Exclusive penalties and interest

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita(a)
	General Obligation Bonds	State Literary Funds Loans	Capital Lease and Notes Payable	Revenue Bonds	Revenue Bonds	Revenue Bonds			
2023	\$ 18,236,162	\$ -	\$ 6,242,093	\$ 9,385,700	\$ 9,240,000	\$ 43,103,955	*	\$ 2,669.31	
2022	19,227,563	-	6,962,709	10,323,400	-	36,513,672	*	2,232.71	
2021	13,517,883	-	6,255,521	11,237,900	-	31,011,304	3.54%	1,906.16	
2020	14,455,597	-	1,485,000	12,114,900	-	28,055,497	3.37%	1,717.72	
2019	15,595,805	-	1,715,000	8,049,100	-	25,359,905	3.19%	1,525.22	
2018	19,657,142	250,000	1,940,000	8,491,100	-	30,338,242	5.47%	1,793.46	
2017	7,510,051	500,000	2,270,000	9,458,245	-	19,738,296	2.54%	1,152.06	
2016	8,668,297	934,032	2,590,000	10,064,077	-	22,256,406	2.81%	1,224.83	
2015	9,820,887	1,368,232	2,905,000	10,572,828	-	24,666,947	3.20%	1,368.41	
2014	10,973,102	1,802,432	3,214,023	10,884,239	-	26,873,796	3.63%	1,484.17	

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements. See demographic statistic on Table 13.

*Information not available at the time of completion.

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

Fiscal Year	Popu- lation	General Bonded Debt Outstanding General Obligation Bonds				Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt per Capita
		Assessed Value (2)	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt		
2023	18,107	\$ 2,169,485,423	\$ 18,236,162	\$ -	\$ 18,236,162	0.84%	\$ 1007
2022	18,026	2,228,031,991	19,227,563	-	19,227,563	0.86%	1067
2021	18,171	2,327,732,310	13,517,883	-	13,517,883	0.58%	744
2020	17,133	2,098,339,995	14,455,597	-	14,455,597	0.69%	844
2019	16,916	2,048,859,116	15,595,805	-	15,595,805	0.76%	922
2018	16,627	2,011,264,869	19,657,142	-	19,657,142	0.98%	1182
2017	16,333	1,967,543,658	7,510,051	116,642	7,393,409	0.38%	453
2016	16,269	1,936,326,951	8,668,297	124,343	8,543,954	0.44%	525
2015	16,354	1,983,154,376	9,820,887	122,891	9,697,996	0.49%	593
2014	16,148	1,947,593,642	10,973,102	549,936	10,423,166	0.54%	645

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) Population data can be found in Table 12

(b) See Table 6 for property value data

(c) Includes all long-term general obligation bonded debt, and excludes revenue bonds, State Literary Fund Loans, capital leases, and compensated absences.

Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population (1)	Per Capita Personal Income (2)	Total Personal Income	School Enrollment (3)	Unemployment Rate (4)
2023	18,107	*	*	2,058	2.70%
2022	18,026	*	*	1,987	2.80%
2021	18,171	53,900	979,416,900	2,006	3.40%
2020	17,133	50,951	872,943,483	2,168	5.20%
2019	16,916	47,802	808,618,632	2,173	2.60%
2018	16,627	32,809	545,515,243	2,181	2.90%
2017	16,333	45,300	739,884,900	2,180	3.40%
2016	16,269	43,562	708,710,178	2,167	3.80%
2015	16,354	42,809	700,098,386	2,195	4.20%
2014	16,148	40,831	659,338,988	2,193	5.20%

*Information not available at the time of completion.

Sources:

- (1) Weldon Cooper Estimates for Virginia and its Counties and Cities, provisional estimate.
- (2) US Census Bureau
- (3) Superintendent's Annual Report, Virginia Department of Education
- (4) Virginia Employment Commission

* Unavailable

Principal Employers
Current Year and Nine Years Ago

	<u>2023</u>	<u>2014</u>
<u>Employer</u>	<u>Rank</u>	<u>Rank</u>
Alliance Group - RockTenn	1	1
King William County Schools	2	2
Nestle Purina Petcare Company	3	3
County of King William	4	5
Food Lion	5	6
Town of West Point School Board	6	4
Upper Mattaponi Indian Tribe	7	
Parent Child Corporation	8	
Augusta Lumber	9	
Burns King	10	
Virginia Log Company		7
Riverside Regional Medical Center		8
H & R Block		9
McDonald's		10

Sources:
Virginia Employment Commission

Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government Administration	21.0	21.0	19.0	19.0	24.0	21.0	18.5	18.5	18.5	23.8
Judicial administration	8.0	8.0	8.0	8.0	4.0	4.0	4.0	4.0	4.0	4.0
Public safety:										
Sheriff's department	25.0	28.0	23.0	21.0	20.0	20.0	21.5	21.0	21.5	20.2
E911/Dispatch	12.0	11.0	9.0	12.0	12.0	13.0	12.0	12.0	12.0	11.0
Emergency services	11.0	12.0	11.0	8.0	8.0	2.0	1.0	1.0	1.0	1.0
Community connection	3.0	1.0	1.0	1.0	3.0	3.0	2.8	2.8	2.8	2.8
Building inspections	3.0	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Animal control	2.0	2.0	2.0	1.0	2.0	2.5	2.5	2.5	2.2	2.2
Animal shelter	4.0	3.0	3.0	3.0	4.0	5.0	5.0	5.0	4.0	3.0
Public works:										
General Maintenance	9.0	11.0	10.0	9.0	7.0	4.0	4.0	4.0	4.0	4.0
Water Utility	4.0	3.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Health and welfare										
Department of social services	12.0	16.0	12.0	16.0	16.0	14.0	14.6	14.6	13.6	13.6
Culture and recreation										
Parks and recreation	4.0	3.0	3.0	2.0	3.0	3.0	5.5	5.5	5.4	5.4
Community development										
Planning	4.0	3.0	3.0	5.0	5.0	3.0	4.0	4.0	4.0	4.0
TOTAL	122.0	124.0	108.0	110.0	112.0	98.5	98.4	97.9	96.0	98.0

Source: King William Finance Department's payroll records for full-time employees

COUNTY OF KING WILLIAM, VIRGINIA

Operating Indicators by Function
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Sheriff's Department				
Physical arrests	696	784	560	720
Traffic violations	914	674	780	634
Fire/EMS Protection				
Responding agencies	4	4	4	4
EMS calls answered	2,263	2,134	1,771	2,964
Fire calls answered	811	762	819	880
Community Development				
Residential building permits	232	217	631	1,012
Residential building trades	809	865	-	-
Commercial building permits	30	36	42	74
Commercial building trades	23	19	-	-
Signage/Demolition/Leasehold Usage	28	25	5	22
Planning				
Zoning permits	327	413	327	355
Land disturbing permits	131	141	171	168
Parks, Recreation & Tourism				
Program participants	3,572	2,062	1,357	1,742
Water/Sewer				
Service Connections	783	673	636	531
Average daily consumption in gallons	124,151	108,266	106,678	104,316

Sources: Sheriff's Office and Administration Department of King William County

Table 15

2019	2018	2017	2016	2015	2014
451	704	675	780	676	583
616	699	668	626	740	726
4	5	5	5	5	3
1,605	1,597	1,831	1,661	1,565	1,561
1,307	386	327	552	472	279
811	1,042	859	742	492	530
-	-	-	-	-	-
65	59	55	68	23	59
-	-	-	-	-	-
9	9	16	4	8	12
245	290	265	223	159	186
113	149	151	123	76	82
1,900	1,869	1,430	1,500	1,450	1,575
466	453	449	302	263	241
85,569	68,009	77,663	67,830	67,430	54,434

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
General government administration										
Administration building	3	3	3	3	3	3	3	3	2	2
Public safety:										
Police protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	35	29	28	25	25	28	26	28	26	23
Building inspections:										
Vehicles	2	2	1	1	1	1	1	3	1	1
Animal control:										
Vehicles	2	2	2	2	3	3	3	3	3	3
Emergency services:										
Number of stations	1	1	1	1	1	-	-	-	-	-
Vehicles	10	10	13	12	11	6	4	3	1	1
Public works:										
General maintenance:										
Trucks/vehicles	8	8	8	8	7	7	5	5	4	4
Landfill:										
Sites	4	4	4	4	4	4	4	4	4	4
Health and Welfare:										
Department of Social Services:										
Vehicles	6	4	4	3	4	4	3	3	3	3
Culture and recreation:										
Community Centers	2	2	2	2	1	1	1	1	1	1
Parks	2	2	2	2	2	2	2	2	2	2
Park acreage	82	82	82	82	82	82	82	82	82	82
Baseball/softball fields	3	3	3	3	3	3	3	3	3	3
T-ball fields	3	3	3	3	3	3	3	3	3	3
Soccer fields	1	1	1	-	-	-	-	-	-	-
Basketball courts	2	2	2	2	2	2	2	2	2	2
Water System:										
Miles of water mains	17.2	17.2	17.2	15.5	15	15	15	14	14	14
Number of fire hydrants	88	88	88	77	73	73	101	101	101	101
Sewer System:										
Miles of sewer mains	-	-	-	-	16	16	16	16	16	16
Component Unit - School Board										
Education:										
Number of Elementary Schools	2	2	2	2	2	2	2	2	2	2
Number of Middle Schools	1	1	1	1	1	1	1	1	1	1
Number of Secondary Schools	1	1	1	1	1	1	1	1	1	1
Number of school buses	43	43	48	47	45	45	45	45	48	46

Source: King William Finance Department

COMPLIANCE SECTION

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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 King William
King William, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of County of King William, Virginia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County of King William, Virginia's basic financial statements, and have issued our report thereon dated December 7, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of King William, 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 King William, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of King William, 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 King William, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farnum, Cox Associates

Richmond, Virginia
December 7, 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 King William
King William, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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 King William, 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, Farnum, Cox Associates

Richmond, Virginia
December 7, 2023

COUNTY OF KING WILLIAM, 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	Pass-Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia Department of Social Services:				
Title VI-E Prevention Program	93.472	1140122/1140123	\$ 1,389	\$ -
Guardianship Assistance	93.090	1110122/1110123	35	-
MaryLee Allen Promoting Safe and Stable Families	93.556	0950122/0950123	17,179	-
Temporary Assistance for Needy Families	93.558	0400122/0400123	93,097	-
Refugee and Entrant Assistance State/Administered Programs	93.566	0500122/0500123	417	-
Low-Income Home Energy Assistance	93.568	0600422/0600423	19,043	-
Child Care and Development Block Grant (CCDF Cluster)	93.575	0770122/0770123	(183)	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760122/0760123	21,592	-
		Total CCDF Cluster	\$ 21,409	-
Chafee Education and Training Vouchers Program (ETV)	93.599	9162122/9162123	1,207	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900122/0900123	154	-
Foster Care - Title IV-E	93.658	1100122/1100123	49,791	-
Adoption Assistance	93.659	1120122/1120123	11,005	-
Social Services Block Grant	93.667	1000122/1000123	77,739	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	6,311	-
Children's Health Insurance Program	93.767	0540122/0540123	721	-
Medical Assistance Program (Medicaid Cluster)	93.778	1200122/1200123	88,887	-
Elder Abuse Prevention Interventions Program	93.747	8000322/800323	3,282	-
Virginia Department of Education:				
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1790100-40297	68,437	-
Total Department of Health and Human Services			\$ 460,103	\$ -
Department of Agriculture:				
Pass Through Payments:				
Virginia Department of Agriculture:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	Unknown	\$ 628	\$ -
Virginia Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	1790100-40591	186,833	-
Virginia Department of Agriculture:				
Food Distribution--School (Child Nutrition Cluster)	10.555	not available	\$ 74,985	\$ -
Virginia Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	1790100-40623	402,986	-
COVID-19 - National School Lunch Program (Child Nutrition Cluster)	10.555	1790100-40623	55,809	-
		Total 10.555	\$ 533,780	\$ -
Virginia Department of Agriculture:				
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	17901-40591	10,507	-
Total Child Nutrition Cluster			\$ 731,120	\$ -
Virginia Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0010122/0010123	172,854	-
Total Department of Agriculture			\$ 904,602	\$ -
Department of Justice:				
Pass Through Payments:				
Virginia Department of Criminal Justice Service:				
Crime Victim Assistance	16.575	39001-10220	70,924	-
Violence Against Women Formula Grants	16.588	3900100-46500	40,000	-
Total Department of Justice			\$ 110,924	\$ -

COUNTY OF KING WILLIAM, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Pass-Through to Subrecipients
Department of Homeland Security:				
Direct Payments:				
Assistance to Firefighters Grant	97.044	N/A	335,714	-
Pass Through Payments:				
Virginia Department of Emergency Management:				
Emergency Management Performance Grants	97.042	7750100-52749	5,155	-
Total Department of Homeland Security			\$ 340,869	\$ -
Department of Defense:				
Direct Payments:				
ROTC	12.U00	N/A	\$ 61,193	\$ -
Department of Education:				
Direct Payments:				
Indian Education Grants to Local Educational Agencies	84.060	N/A	\$ 7,108	\$ -
Pass Through Payments:				
Virginia Department of Education:				
Adult Education - Basic Grants to States	84.002	1790100-42801,61111	174,280	-
Title I Grants to Local Educational Agencies	84.010	1790100-42901-42999	317,014	-
Special Education - Grants to States (Special Education Cluster)	84.027	1790100-43071-61234	\$ 545,463	\$ -
Special Education - Preschool Grants (Special Education Cluster)	84.173	1790100-82521	14,905	-
Total Special Education Cluster			\$ 560,368	\$ -
Career and Technical Education - Basic Grants to States	84.048	1790100-61095	18,045	-
Supporting Effective Instruction State Grants	84.367	1790100-61480	295	-
Student Support and Academic Enrichment Program	84.424	S424A170048	21,121	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	17901-60177	567,927	-
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	17901-60177	675,332	-
			Total 84.425	\$ 1,243,259
Total Department of Education			\$ 2,341,490	\$ -
Department of the Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	\$ 1,129,820	\$ 14,324
Federal Communications Commission:				
Direct Payments:				
Emergency Connectivity Fund Program	32.009	N/A	\$ 715,608	\$ -
Total Expenditures of Federal Awards			\$ 6,064,609	\$ 14,324

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF KING WILLIAM, 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 King William, 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 King William, 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 King William, 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

The value of federal awards expended in the form of noncash assistance for food commodities is reported in the schedule.

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	\$ 1,045,637
School Capital Projects Fund	1,373,157
ARPA Fund	474,731
Total primary government	<u>\$ 2,893,525</u>

Component Unit School Board:

School Operating Fund	\$ 2,229,119
School Cafeteria Fund	731,748
School Textbook Fund	26,518
Total Component Unit School Board	<u>\$ 2,987,385</u>

Add: Custodial Fund: Regional Adult Education Program

\$ 174,280

Add: Custodial Fund: Regional Alternative Education Program

9,419

Total federal expenditures per basic financial statements

\$ 6,064,609

Total federal expenditures per the Schedule of Expenditures
of Federal Awards

\$ 6,064,609

Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

COUNTY OF KING WILLIAM, VIRGINIA

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

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes ✓ no

 Significant deficiency(ies) identified? yes ✓ none reported

Noncompliance material to financial statements noted? yes ✓ no

Federal Awards

Internal control over major programs

 Material weakness(es) identified? yes ✓ no

 Significant deficiency(ies) identified? yes ✓ none reported

Type of auditors' report issued on compliance for major programs. unmodified

Any audit findings disclosed that are required to be reported in accordance
2 CFR section 200.516(a)? yes ✓ no

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
84.425	COVID-19 - Education Stabilization Fund
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)

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

COUNTY OF KING WILLIAM, VIRGINIA

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

Findings - Financial Statement Audit:

2022-001:

Financial Reporting

Condition:

Errors which required adjustments to current financial statements, indicated a material weakness in financial reporting. Material adjustments were identified related to accounts receivable, accounts payable/accrued expenses, taxes receivable, unavailable revenue related to property taxes, and capital assets.

Recommendation:

The County and School Board should implement steps and procedures to improve its internal controls over financial reporting and to ensure that all year-end adjusting entries are identified and recorded on a timely basis.

Current Status:

Corrective action taken.

2022-002:

Segregation of Duties

Condition:

A proper segregation of duties has not been established in relation to bank reconciliations and cash receipts.

Recommendation:

Steps should be taken to eliminate the performance of conflicting duties where possible or implement effective compensating controls. Recommended compensating controls include a documented review and approval process be established outside of the Treasurer's office. We suggest that the County's Director of Finance review and visibly approve all prepared bank reconciliations including the self-insurance and cafeteria bank reconciliations which are currently prepared at the School Board office.

Current Status:

Corrective action taken.

COUNTY OF KING WILLIAM, VIRGINIA

Summary Schedule of Prior Audit Findings (Continued)
For the Year Ended June 30, 2023

Findings - Financial Statement Audit: (Continued)

2022-003:

Bank Reconciliations

Condition:

The County did not complete bank reconciliations in a timely manner during the year. Many months were not reconciled at all. The June 2022 bank reconciliations were completed many months after the end of the fiscal year.

Recommendation:

The County should put procedures in place to ensure that monthly bank reconciliations are prepared in a timely manner.

Current Status:

Corrective action taken.

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