

# CAROLINE COUNTY

## *Virginia*



## Annual Comprehensive Financial Report

### *Fiscal Year Ending June 30, 2023*



Charles M. Culley, Jr., County Administrator  
Alan L. Partin, Deputy County Administrator  
Tomeka C. Morgan, Deputy County Administrator - Finance



**COUNTY OF CAROLINE, VIRGINIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared By:**  
**Department of Finance**



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## INTRODUCTORY SECTION

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**COUNTY OF CAROLINE, VIRGINIA**  
**DIRECTORY OF PRINCIPAL OFFICIALS**  
**June 30, 2023**

**BOARD OF SUPERVISORS**

Floyd W. Thomas, Chairperson

Jeffrey S. Black  
Clayton T. Forehand

Nancy L. Long  
Jeffery M. Sili

Reginald L. Underwood

**CONSTITUTIONAL OFFICERS**

Honorable Michael E. Levy ..... Judge of the Circuit Court  
Susan W. Minarchi ..... Clark of the Circuit Court  
Mark R. Bissoon ..... Commissioner of the Revenue  
Benjamin Heidt ..... Commonwealth's Attorney  
C. Scott Moser ..... Sheriff  
Elizabeth B. Curran ..... Treasurer  
Honorable Robert Eric Reibach ..... Judge of the General District Court  
Honorable Frank G. Uvanni ..... Judge of the Juvenile and Domestic Relations Court  
Honorable John E. Franklin ..... Judge of the Juvenile and Domestic Relations Court

**COUNTY ADMINISTRATIVE OFFICERS**

Charles M. Culley, Jr. .... County Administrator  
Alan L. Partin ..... Deputy County Administrator  
Christopher M. Mackenzie ..... County Attorney  
Tomeka C. Morgan ..... Deputy County Administrator – Finance  
Jason Loftus ..... Fire – EMS Chief  
Donnell Howard ..... Recreation Director  
Joseph C. Schiebel ..... Public Works/Public Utilities Director  
Wendy Sneed ..... Social Services Director  
Gary R. Wilson ..... Economic Development and Tourism Director  
B. Leon Hughes ..... Planning and Community Development Director  
Megan Upshaw ..... Library Director

**SCHOOL BOARD**

Shawn M. Kelley, Chairperson

Nancy G. Carson  
John I. Copeland

Dr. JoWanda Rollins-Fells  
George L. Spaulding, Jr.

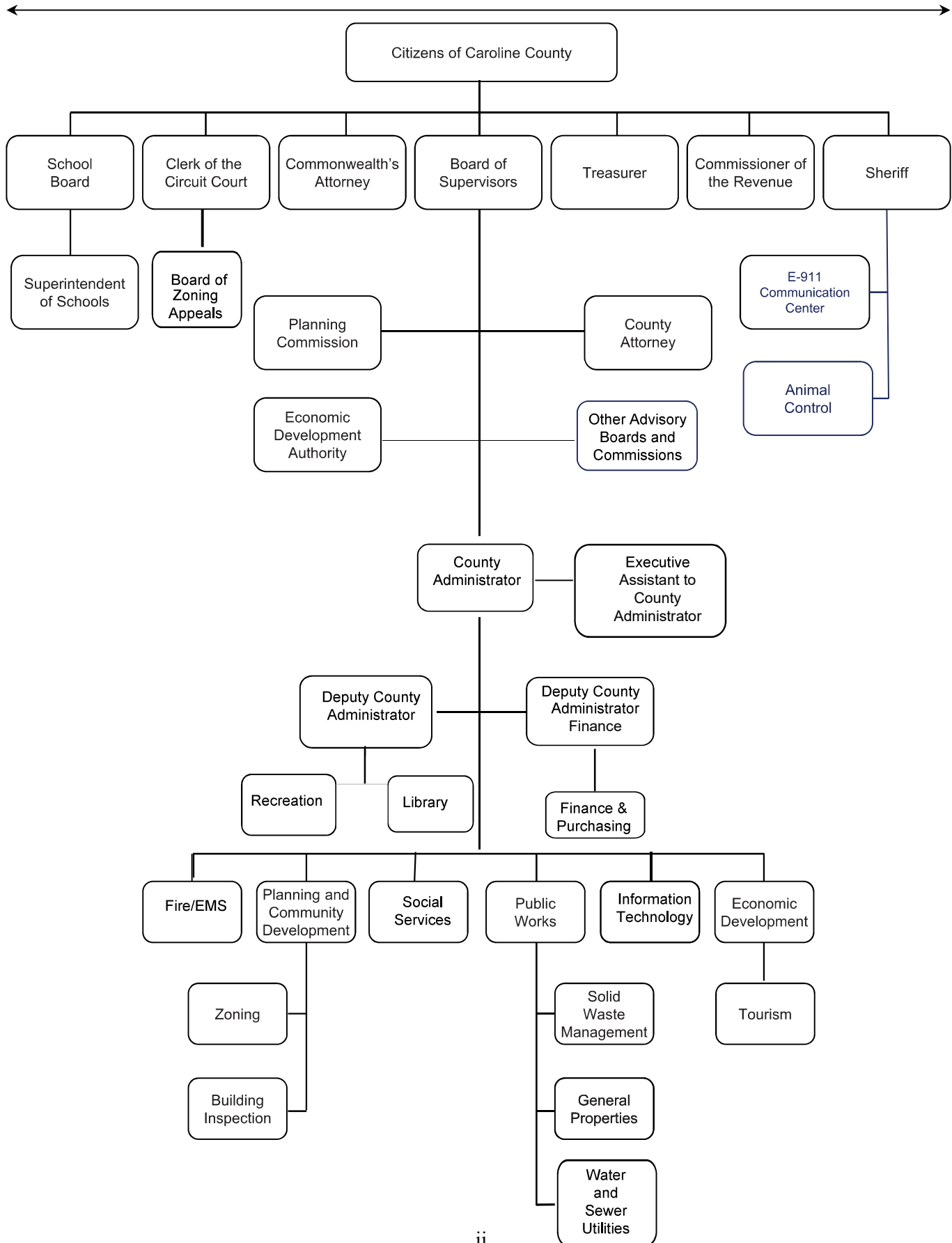
Calvin Taylor, Sr.

**SCHOOL BOARD ADMINISTRATIVE OFFICERS**

Dr. Sarah B. Calveric ..... Superintendent  
Marcia Stevens ..... Chief Operations Officer, Schools

# COUNTY OF CAROLINE, VIRGINIA

## ORGANIZATION CHART





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Caroline County  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

Jeffrey S. Black  
*Western Caroline District*

Clayton T. Forehand  
*Madison District*

Nancy L. Long  
*Port Royal District*

Jeffery M. Sili  
*Bowling Green District*

Floyd W. Thomas  
*Mattaponi District*

Reginald L. Underwood  
*Reedy Church District*

Charles M. Culley, Jr.  
*County Administrator*

# *Caroline County, Virginia*

## *Board of Supervisors*



Caroline County, VA



December 15, 2023

To the Honorable Members of the Board of Supervisors and the Citizens of Caroline County, Virginia

The Annual Comprehensive Financial Report of the County of Caroline, Virginia as of and for the fiscal year ended June 30, 2023, is herewith submitted. Section 15.2-2511 of the *Code of Virginia* essentially requires all localities to produce an independently audited financial report and this Annual Comprehensive Financial Report is provided to meet that requirement. It has been prepared by the County Department of Finance to conform with standards of financial reporting promulgated by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), and the Commonwealth of Virginia Auditor of Public Accounts.

Responsibility for the completeness and reliability of all of the information presented in this report rests with Caroline County management. In order to take meaningful responsibility, County management must have reasonable assurance the underlying financial information on which the report is based is also accurate and reliable. To that end, County management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

It would be irresponsible for any financial statement user to rely on management's representations in the financial statements without some objective review and confirmation. To provide that objective confirmation, Caroline County's financial statements have been audited by Brown, Edwards & Company L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance the financial statements of the County for the fiscal year ended June 30, 2023 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

*"Committed To Service, Dedicated To The People"*

212 North Main Street, P. O. Box 447, Bowling Green, Virginia 22427

(804)633-5380 – Telephone (804)633-4970 – Fax

[www.co.caroline.va.us](http://www.co.caroline.va.us)

The independent audit of the financial statements of Caroline County was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available at the back of this Annual Comprehensive Financial Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Caroline County’s MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

Caroline County was formed in 1728 by action of the Virginia House of Burgesses and is currently one of 95 counties in the Commonwealth of Virginia. Policy-making and legislative authority are vested in a six member Board of Supervisors which is elected by District. The Board of Supervisors is responsible, among other things, for providing overall policy direction for the County government, passing ordinances, adopting the budget, appointing committees, and hiring both a County Administrator and County Attorney. The County Administrator is responsible for carrying out the policies and ordinances of the governing Board, for overseeing the day-to-day operations of the government, and for appointing heads of the various departments. Other officials who play a major role in the County government’s operation or in providing services are separately elected. These officials are: Clerk of the Circuit Court - court clerk and custodian of legal records; Commissioner of the Revenue - the tax assessment officer of the County; Commonwealth Attorney - criminal prosecution attorney for the County; Sheriff - chief law enforcement officer; and Treasurer - recipient and custodian of County funds.

This Annual Comprehensive Financial Report includes all funds and activities of Caroline County. The County is the primary provider of all local government services within its boundaries and provides a full range of those services. This includes law enforcement, fire protection and emergency medical response; the construction and maintenance of public buildings and other infrastructure; solid waste collection and disposal; recreation; and community and economic development.

Public education in the County is provided by the Caroline County School Board. Caroline County Public Schools is a separate legal entity from the County and the School Board is separately elected. However, the School Board has no independent revenue raising authority and must depend on the County for the local contribution required by the Virginia Constitution for the support of the public schools. As a result of this financial dependency, the funds and activities of the Caroline County School Board have been included in this financial report as a component unit in order to provide a comprehensive view of the County’s financial status and activities. Information on the School Board has been presented in discrete columns in the financial statements to emphasize its separate legal identity.

## **Local Economy**

Caroline County is located in east central Virginia and encompasses approximately 549 square miles with an estimated June 30, 2023 population of 31,332. The County seat, the Town of Bowling Green, is located approximately 35 miles north of the State capital of Richmond and approximately 20 miles south of the City of Fredericksburg.

Historically, Caroline County has remained relatively insulated from the dramatic growth seen in the nearby northern Virginia area and remained primarily rural and residential. Its economy has been agriculturally based with a handful of small to medium size industrial businesses and limited commercial development focused along major highway corridors. Fort A. P. Hill, a 77,000 acre undeveloped military training installation entirely within the County's borders, also dominates the landscape. The County's population density of 58.6 persons per square mile compared to densities of well over 200 per square mile in counties just to the north and south and the Virginia average of 202.6 confirm this perspective.

In past years, its location along Interstate 95, the primary north-south transportation artery on the east coast, and increasing congestion in neighboring counties brought extensive development interest to the County. New residential development projects, in addition to existing mixed-use projects, continue to be constructed and are expected to add nearly 10,000 new homes to the County over a 25-year period along with a variety of commercial, recreational and other uses. The growth in population is driving an expansion in retail and other non-residential development. New construction housing in 2022 was at the fastest pace ever in the County, exceeding 300.

The decision by the State Fair of Virginia to relocate to Caroline County in 2005 with a groundbreaking in 2008 helped raise the County's profile. Fortune 10 McKesson Corporation built a 345,000 square foot distribution center in Caroline County in 2010. In 2020, M.C. Dean, an electronics fabricator in Carmel Church, expanded their operations by 90,000 sf, and added 100 technology jobs. An additional 84,000 sf building expansion was completed in 2021. In 2022, M.C. Dean further expanded with a 168,000 square foot building, an investment likely to be assessed around \$20,000,000. M.C. Dean currently employs about 500 working in technology-based jobs.

A retail development previously was successfully recruited and rezoned on the North Rt. 639. The six-acre site is a beginning for what may be significant growth along Ladysmith Road as the widening of that road into a commercial corridor is underway. Success has greeted the County's road investment with the opening of a Sheetz on 639 North, with a Wendy's approved and awaiting construction in the spring of 2024. Other investments are anticipated.

Retail development on the South side of Rt. 639 continues to progress. Additional investments are expected due to the ideal location of Ladysmith on the interstate corridor between the capitals, and the ease of access afforded by the improved Rt. 639.

Tractor Supply, opened in 2021 on Rt. 1, North of the intersection with Rt. 639, providing the invitation to further retail investment due to the County support of utility extensions that not only facilitated Tractor Supply, but also opened up an additional 40 acres for future site development.

Caroline's industrial recruitment strategy of encouraging ready to go sites resulted in the recruitment of Flint Development to build a 1.2 million square foot building in Carmel Church in 2022. The strategic approach saw further success when World Class Distribution was recruited by the County to buy the Flint building and make further investment on the site. The recruitment, which is the second largest industrial investment in Virginia in 2022, is valued as \$275,000,000 and will add 1,000 jobs averaging over \$38,000.

In addition to World Class Distribution, the site preparation strategy has also succeeded in the recruitment of Lingerfelt Development's 325,000 square foot speculative building investment in Carmel Church (perhaps a \$30,000,000 investment once constructed in 2024). Unannounced projects with contracts in place in 2023 total nearly 2,000,000 square feet of additional industrial development in the next three years.

For just the projects announced or completing the planning process, business investment in Caroline in 2023 is approximately \$330,000,000, with a likely increase in employment in 2023/24 of nearly 1,200. This is the largest investment in any signal year in Caroline's history; but there is an additional investment that overturns this investment data.



The economic development landscape has changed to a more dynamic model with the recruitment of data centers. AWS (Amazon) has announced their \$6-18 Billion investment in Caroline over twenty years in 2023, enhancing revenue and boosting technology employment. Additional data center projects are in the pipeline to exceed the Amazon investment on by-right property. Should these projects begin construction in 2024, in approximately three years, Caroline will realize revenue far in excess of any past fiscal year in its history. Ultimately, Caroline announced \$6.3 billion in 2023, already an historic level of investment.

### **Major Projects/Initiatives**

Lighting upgrades for Caroline County Public Schools and parks for softball field lighting, tennis court lighting, and baseball/softball field improvements totaled \$545,254.

Construction of the Voter's Registrar addition to the Administration Building began with \$742,724 being spent.

The expenditure of \$509,238 to replace aging Sheriff motor vehicles and equipment.

Construction of the Carmel Church Fire Station commence with a total cost of \$3,031,092, anticipated completion is early 2024. Design costs for a new Sparta Fire Station in the amount of \$120,300.

Expenditures totaling \$1,156,847 were spent from CARES Act and American Rescue Plan Act funding for various needs to mitigate and stop the spread of COVID-19; of this, \$533,747 was spent to assist in Broadband connectivity across the County.

Due to the COVID-19 pandemic of 2020/2021, most major projects were halted for COVID-19 preparedness and mitigation; however, in FY 2023, the County continued to shift back to completion of those major projects.

### **Other Information**

The following is provided to supplement the information provided in the financial statements and to assist those with an interest in the financial affairs of the County.


*Risk Management:* An active risk management program is essential for the County to protect itself from the many risks of loss it faces in providing services to the public. Risks of property damage, general and auto liability, and workers' injury compensation are covered through premium contributions to an insurance pool operated by the Virginia Association of Counties Group Self-Insurance Risk Pool (VACORP). The County works extensively with representatives of VACORP to identify loss trends and take corrective action to reduce claims. The County has also strengthened its emergency response planning to protect County resources and the public in the event of natural or man-made disasters.

*Pension and Other Employment Benefits:* Pension benefits for County employees are provided through participation in the Virginia Retirement System (VRS), a State-wide pension system for government employees. Bi-annually, VRS actuaries prepare contribution calculations for each local government participating in the system. The County fully funds its required contributions.

The County provides and makes contributions toward a self-funded group health insurance plan for its employees. Premium rates are negotiated annually with a third party insurance administrator and County contribution policies are set based on claims history and to a lesser extent, percentage of premiums contributed by surrounding counties. Retired employees are given the option of continuing their coverage under the County's group plan following termination, but the County makes no contribution toward their premiums.

In closing, we would like to thank the many members of the County staff who assisted in the preparation of this report. Finally, and most particularly, we would like to thank the Board of Supervisors for their interest in and commitment to keeping the County on a solid financial foundation.

Respectfully submitted,



CHARLES M. CULLEY, JR.  
County Administrator



TOMEKA C. MORGAN  
Deputy County Administrator - Finance

## FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Supervisors  
County of Caroline, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Caroline, Virginia (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of 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 *Specifications for Audits of Counties, Cities, and Towns* and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

## **Report on the Audit of the Financial Statements (Continued)**

### ***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 the County'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.

### ***Auditor's 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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 the County'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 the County'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.

## **Report on the Audit of the Financial Statements (Continued)**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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.

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's 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 15, 2023 on our consideration of the County'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 the County'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 the County's internal control over financial reporting and compliance.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 15, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Caroline County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of Caroline County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

#### Government-Wide Financial Statements

- The County's total net position (excluding the component units) on the government-wide basis, at the close of the most recent fiscal year, was \$70,203,357. The County is reporting a surplus in investment in capital assets, net of related debt of \$20,212,795. A surplus in the investment in capital assets, net of related debt of \$10,439,531 is in Governmental Activities.
- The County's total net position increased by \$13,969,185, or 25%, in the fiscal year ended June 30, 2023.
- The County's total outstanding long-term debt reflects a net increase of \$877,123, or 0.6%, to \$137,662,952 during the fiscal year ended June 30, 2023.

#### Fund Financial Statements

- Total fund balance of the County's Governmental Funds, reporting on a current financial resources basis, amounted to \$55,381,634 at June 30, 2023. This was a net increase of \$6,815,442 over the prior year. The General Fund increased 18.6%, \$6,328,991 and the Capital Projects Fund increased 3.8%, \$64,875. The increase for the General Fund is due to several factors: continued personal property tax assessment increases, increases in local sales and use taxes and BPOL taxes, recordation taxes, and building permits due to growth in the County.
- During the fiscal year ended June 30, 2023, the unassigned fund balance in the General Fund decreased by \$526,621 to \$27,631,682. This amount represents 49% of total General Fund expenditures and operating transfers.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Caroline County's basic financial statements. The Caroline County's basic financial statements comprise three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.** The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of Caroline County's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of Caroline County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Caroline County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Caroline County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Caroline County include general government, judicial support, public safety, sanitation, public facility maintenance, social services, education, community development, and culture and recreation. The business-type activities of Caroline County include the Caroline County Utility Fund, a public water and sewer utility, and the Dawn Wastewater System Fund, a public sewer utility.

The government-wide financial statements include not only Caroline County itself (known as the primary government), but also two legally separate component units, the school division for which Caroline County is financially accountable and the Economic Development Authority. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

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

**Governmental Funds.** Governmental funds are used to account for essentially the same functions, reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information can be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Caroline County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, the Debt Service Fund, the Social Services Fund, the Cares Act Fund, and the Proffers Fund, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Caroline County adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided as part of the Required Supplementary Information in the Financial Section of this report to demonstrate compliance with this budget. Budgetary comparison statements for other governmental funds are also provided as Other Supplementary Information in the Financial Section of this report.

**Proprietary Funds.** Caroline County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Caroline County uses enterprise funds to account for its Water and Sewer Utility and for the Dawn Wastewater System. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Caroline County's various functions. Caroline County uses internal service funds to account for vehicle maintenance services and health insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, the Dawn Wastewater System, the Vehicle Maintenance Internal Service Fund and the Self-Insurance Fund.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Caroline County's own programs. The two types of fiduciary funds are trust and custodial funds. The County's only fiduciary funds are custodial funds, which are used to account for resources held for the benefit of parties outside the County. The County's three custodial funds are: Special Welfare, Four Rivers Technology, and Deposit Escrow.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information.** Following the basic financial statements and accompanying notes, this report also presents the combining financial statements referred to earlier in connection with non-major governmental funds and individual budgetary comparison statements for governmental funds except the General Fund. Combining financial statements and fund budgetary comparisons are also presented for the discretely presented Caroline County School Division and the Economic Development Authority (EDA). The School Division and the EDA do not issue separate annual financial reports.

### Government-Wide Financial Analysis

As noted earlier, net position indicates the amount by which the County's total assets exceed its short and long term obligations and is a useful indicator of the County's overall financial condition at the time of measurement. In total, the County's net position for all governmental and business-type activities amounted to \$70,203,357 at June 30, 2023. The following table summarizes the County's Statement of Net Assets:

County of Caroline, Virginia Net Position

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 98,462,342	\$ 96,610,035	\$ 27,620,727	\$ 25,140,895	\$ 126,083,069	\$ 121,750,930
Capital assets	<u>72,403,526</u>	<u>69,869,300</u>	<u>41,514,149</u>	<u>41,648,453</u>	<u>113,917,675</u>	<u>111,517,753</u>
Total assets	<u>170,865,868</u>	<u>166,479,335</u>	<u>69,134,876</u>	<u>66,789,348</u>	<u>240,000,744</u>	<u>233,268,683</u>
Deferred outflows of resources	<u>1,846,293</u>	<u>2,841,842</u>	<u>1,125,884</u>	<u>1,258,279</u>	<u>2,972,177</u>	<u>4,100,121</u>
Current liabilities	8,127,543	10,238,394	1,018,584	1,377,161	9,146,127	11,615,555
Long-term liabilities outstanding	<u>81,233,004</u>	<u>81,378,453</u>	<u>56,429,948</u>	<u>55,407,376</u>	<u>137,662,952</u>	<u>136,785,829</u>
Total liabilities	<u>89,360,547</u>	<u>91,616,847</u>	<u>57,448,532</u>	<u>56,784,537</u>	<u>146,809,079</u>	<u>148,401,384</u>
Deferred inflow of resources	<u>25,380,318</u>	<u>31,672,545</u>	<u>580,167</u>	<u>1,060,703</u>	<u>25,960,485</u>	<u>32,733,248</u>
Net position:						
Net investment in						
capital assets	\$10,439,531	7,125,506	\$9,773,264	9,189,369	20,212,795	16,314,875
Restricted	9,877,590	13,144,298	2,178,483	2,369,407	12,056,073	15,513,705
Unrestricted	<u>37,654,175</u>	<u>25,761,981</u>	<u>280,314</u>	<u>(1,356,389)</u>	<u>37,934,489</u>	<u>24,405,592</u>
Total Net Position	<u>\$ 57,971,296</u>	<u>\$ 46,031,785</u>	<u>\$ 12,232,061</u>	<u>\$ 10,202,387</u>	<u>\$ 70,203,357</u>	<u>\$ 56,234,172</u>

The County is reporting an increase in the balance of unrestricted net position primarily due to the increase in capital assets, there was however, a slight increase to long term debt as well. A portion of the County's assets, \$12,056,073 are subject to external restrictions on their use. These assets are primarily cash held for the payment of debt service or ongoing construction projects. Restricted cash and investments held for the construction of capital assets are offset by related long term debt liabilities in calculating the County's net position.

The County's total balance of working capital, current and other assets minus current liabilities, increased from \$110,135,375 at June 30, 2022 to \$116,936,942 at June 30, 2023. The County's investment in capital assets increased by \$3,897,920 and its long-term liabilities increased by \$877,123 over the same period.

As previously indicated, the County's net position increased \$13,969,185. Net position of governmental activities increased by \$11,939,511 and those of business-type activities, the County's water and sewer utility operations, increased \$2,029,674. The following table summarizes the change in the County's net position as shown in the Statement of Activities:

County of Caroline, Virginia Changes in Net Position						
	Governmental Activities		Business-Type Activities		Totals	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Program Revenues						
Charges for Services	\$ 2,852,124	\$ 2,872,816	\$ 3,823,983	\$ 3,412,971	\$ 6,676,107	\$ 6,285,787
Operating Grants and Contributions	8,875,750	9,115,943	-	-	8,875,750	9,115,943
Capital Grants and Contributions	-	-	3,283,080	2,345,982	3,283,080	2,345,982
Total Program Revenues	11,727,874	11,988,759	7,107,063	5,758,953	18,834,937	17,747,712
General Revenues:						
General Property Taxes	45,523,335	43,737,123	-	-	45,523,335	43,737,123
Local Sales and Use Taxes	3,667,211	3,199,697	-	-	3,667,211	3,199,697
Consumers Utility Taxes	88,109	89,936	-	-	88,109	89,936
Motor Vehicle Licenses	109,701	406,962	-	-	109,701	406,962
Other Local Taxes	5,651,118	4,395,259	-	-	5,651,118	4,395,259
Intergovernmental Revenues-Stat	4,314,221	4,072,181	-	-	4,314,221	4,072,181
Use of Money and Property	2,141,566	250,689	941,017	68,687	3,082,583	319,376
Miscellaneous	1,473,983	979,922	376,408	292,280	1,850,391	1,272,202
Total General Revenues	62,969,244	57,131,769	1,317,425	360,967	64,286,669	57,492,736
Expenses:						
General Government						
Administration	5,328,908	4,950,530	-	-	5,328,908	4,950,530
Judicial Administration	1,777,790	1,772,213	-	-	1,777,790	1,772,213
Public Safety	18,726,853	17,451,750	-	-	18,726,853	17,451,750
Public Works	5,820,761	5,408,507	-	-	5,820,761	5,408,507
Health and Welfare	5,688,038	5,320,263	-	-	5,688,038	5,320,263
Education	19,163,248	18,606,632	-	-	19,163,248	18,606,632
Parks, Recreation, and Cultural	1,197,151	1,094,721	-	-	1,197,151	1,094,721
Community Development	1,600,290	1,561,487	-	-	1,600,290	1,561,487
Interest and Other fiscal Charges	3,250,703	2,730,660	-	-	3,250,703	2,730,660
Water and Sewer Utilities	-	-	6,598,679	5,640,472	6,598,679	5,640,472
Total Expenses	62,553,742	58,896,763	6,598,679	5,640,472	69,152,421	64,537,235
Transfers	(203,865)	(847,630)	203,865	847,630	-	-
Change in Net Position	11,939,511	9,376,135	2,029,674	1,327,078	13,969,185	10,703,213
Net Position, Beginning	46,031,785	36,655,650	10,202,387	8,875,309	56,234,172	45,530,959
Net Position, Ending	\$ 57,971,296	\$ 46,031,785	\$ 12,232,061	\$ 10,202,387	\$ 70,203,357	\$ 56,234,172

Expenditures in the County's governmental activities increased 6% over the prior year with expenditures increasing in most functions. Education again consumed the largest share of the total combined expenditures of the primary County government and its component units during the fiscal year ended June 30, 2023, at 27.7% of the total, which is 1.1% less than the previous year. Public safety spending represents the second largest share of the Primary Government at 27.1%. Program revenues, which include fees, charges and special purpose grants and contributions, funded 27.2% of total functional expenditures of the Primary Government in fiscal year 2023, a slightly decreased level as compared to fiscal year 2022. General property tax revenues increased 4.1% over the prior year and total general revenues for the County's governmental activities increased 10.22%. In the County's business type activities, expenditures increased 17% and program revenues increased 23.4% from the prior year. For the first year, in several years, the County's water and sewer utility operations realized a gain in the current fiscal year and is continuing to prepare for a period of moderate growth sometime in the future. It should again be noted that these expenses are on a full accrual basis and, therefore, include depreciation expense on capital assets.

### **Financial Analysis of the County's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and for public accountability.

**Governmental Funds.** The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of available resources. By analyzing the sources and uses of funds, the differences between the two, and changes in balances over time, such information can be useful in assessing the County's financial needs. In particular, unreserved fund balance is important as a measure of the net resources available for financing future expenditures.

In total, governmental funds reported fund balances of \$55,381,634 at June 30, 2023, \$12,306,969 of that balance is reserved by external restrictions, \$15,524,128 is nonspendable, committed or assigned and the remaining \$27,550,537 is unassigned. Fund balances in the governmental funds increased \$6,815,442 during the fiscal year ended June 30, 2023. Fund balance in the General Fund increased by \$6,328,991. An increase of \$64,875 was realized in the fund balance of the Capital Projects Fund due to completion of new debt incurred and projects have not been completed.

**General Fund.** In the General Fund, fund balance increased to \$40,294,304, an 18.6% increase over the prior year. Revenues increased from \$59,151,234 to \$62,625,189; general property taxes remain the primary revenue source in the General Fund contributing 71.7% of the total revenues during fiscal year 2023, down 0.8% from the prior year. Intergovernmental revenue from the Commonwealth of Virginia contributed 9.7% down from 10.5% for the last two fiscal years and the share added by other local taxes increased to 10.7%, from 9.8% in fiscal year 2022. In previous years, Education had accounted for largest share of the General Fund's expenditures; however, at 34.6% of the total, education has moved after public safety. Public Safety, which is 35.3%, consistent with last fiscal year's share. Public Works accounted for 10.9% increasing from 9.6% also accounted for a substantial share of the expenditures in the fund.

**Proprietary Funds.** The proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements, but in more detail.

The largest of the County's enterprise operations, the County Public Utility Fund had a net position of \$9,042,945 at June 30, 2023, an increase over the previous year of \$2,029,674, this was due to a 44.1% increase in connection and reconnection fees and \$872,330 increase in interest income earned on previous borrowings. The County's main utility fund reported a net operating loss for the fiscal year ended June 30, 2023 of \$965,924, a 72.3% increase over last fiscal year due to a 13.6% increase in revenues and a 21.5% increase in expenditures. The Dawn Wastewater System reported a net operating loss of \$204,060, a 7% decrease from last fiscal year. This year was the fifteenth full year of operation for the Dawn system and the fourteenth full year of depreciation.

**Debt Service Fund.** The debt service fund is used to accumulate financial resources for the payment of principal and interest on all general government and school related debt and for the recording of payments on this debt. In fiscal year 2021, there was a large issuance of refunding bonds and new issuance; however, in fiscal years 2022 and 2023 only issuance of financed purchases. There was a decreased net change in fund balance of \$600,050 for fiscal year 2023 as there was an additional payoff of an earlier issuance.

**Proffer Fund.** The proffer fund provides opportunities to developers to reduce or eliminate the impact of new development within the County. The County saw new development in various areas of the County and was offered \$698,746 in proffers in fiscal year 2023, an increase of 39.2% over fiscal year 2022. There were no transfers out; hence this was a total increase to the fund balance for future enhancements to the County.

**Virginia Public Assistance Fund.** The operation of the Virginia Public Assistance Fund/Department of Social Services is supported through a blend of federal, state and local funding. The majority of general fund appropriations to the Department of Social Services are based on the required match for various federal and state expenditures. While federal funding increased by 4% and expenditures increased by 3.3%, there still was a need for an increase to the transfer in from County funds; however, there was not a transfer from the fund reserve in fiscal year 2023. The fund reserve was increased by \$17,336, whereas last fiscal year there was a decrease of \$75,670 to the fund balance.

#### **General Fund Budgetary Highlights**

The original adopted budget of the General Fund was \$3,423,191, or 6.2% more than the budget adopted for fiscal year ended June 30, 2022. The following is a partial summary of these increases/reductions by function:

- \$ 770,295 for General Government Administration
- \$ 237,585 for Judicial Administration
- \$ 2,028,122 for Public Safety
- \$ 454,445 for Public Works
- \$ 14,198 for Health and Welfare
- \$ 78,139 for Education
- \$ 23,093 for Parks, Recreation, and Cultural
- \$ (131,159) for Community Development
- \$ (51,527) for Transfers out to Other Funds

Actual revenue collections were \$5,487,082 greater than the final budget estimates. Personal property assessment valuations continued to increase in the 2023 calendar year, even with a \$0.30 decrease in tax rate, taxes collected exceeded budget by \$1,783,415. The County mitigated increases in valuations with the continuation of the above-mentioned tax decrease and elimination of the vehicle license tax fees from 2022.

Actual expenditures totaled \$1,496,467 less than the amended budget appropriations, a variance of 3.0%.

The General Fund began fiscal year 2023 with budgeted operating revenue and expenditure amounts that were equal. The fiscal year 2023 Budget required the use of \$1,278,312 in existing unassigned fund balance. During the fiscal year, the Board of Supervisors appropriated an additional usage of \$2,776,394 of unassigned fund balance for various purposes. The table below summarizes the appropriated uses of fund balances in fiscal year 2023:

**Amended Appropriated Use of Fund Balance**

<b><u>Description</u></b>	<b><u>Amount</u></b>	<b><u>Fund Balance Type</u></b>
HR Dept Personnel Increase	\$ 17,989	Unassigned
Planning Dept Personnel Salary Increase	12,273	Unassigned
Fire Rescue Personnel	8,776	Unassigned
CHS Softball Field	190,352	Unassigned
County Tennis Courts	177,777	Unassigned
Keystone Amendments	21,000	Unassigned
Planning Dept Personnel	3,711	Unassigned
Ladysmith Road Project	300,000	Unassigned
Solid Waste Dept Personnel	7,609	Unassigned
Planning Dept Personnel	39,612	Unassigned
Utilities Truck	16,883	Unassigned
Sheriff Dept Personnel	7,623	Unassigned
Fire Rescue unspent - Engine 6 & 01	244,586	Unassigned
FY22 Rollovers	1,015,151	Unassigned
County Employee Bonuses	292,833	Unassigned
Body Cameras Sheriff Department	32,482	Unassigned
FEMA Assistance to FF Grant	49,320	Unassigned
FIRE/EMS CIP	53,558	Unassigned
Sheriff Vehicles	19,646	Unassigned
Sheriff Vehicles	21,127	Unassigned
Utilities Vehicles	117,387	Unassigned
Waterline Extension Project	31,700	Unassigned
Animal Shelters	95,000	Unassigned
<b><i>Total</i></b>	<b><u>\$ 2,776,395</u></b>	

**Capital Assets and Debt Administration**

**Capital Assets.** The County's total investment in capital assets for governmental and business-type activities amounted to \$113,917,675 as of June 30, 2023, net of accumulated depreciation. This investment in capital assets includes land, buildings, property improvements, machinery and equipment, vehicles and utility improvements. It should be noted that this investment value is based on historical cost and is not reflective of the current market value of these assets.

Major capital improvement projects for the year included:

- ❖ \$ 424,783 for Caroline HS/Shelter generator
- ❖ \$ 729,104 for replacement vehicles for aging units
- ❖ \$ 742,724 for Voter/Registrar Addition to the Administration Building
- ❖ \$3,151,392 for build, design, engineering, and architectural costs for new fire stations in Carmel Church and Sparta
- ❖ \$1,156,847 for ARPA expenditures, including Broadband expansion for the County

**Long-Term Debt.** At June 30, 2023, the County's total long-term debt amounted to \$137,662,952. This total is comprised of:

- \$23,221,046 in lease revenue bonds issued through the County's Economic Development Authority for a variety of general government, school and business-type activity improvements and equipment acquisitions.
- \$52,272,046 in utility system revenue bonds for the improvement and expansion of the County's utility enterprise operations and landfill closure.
- \$39,070,905 in general obligation bonds issued for the construction and improvement of County public schools.
- \$5,566,785 in financed purchases for general government and business type radio and motor vehicle equipment.
- \$3,598,677 as the County's liability for closure and post-closure care of the former County Sanitary Landfill.
- \$13,933,493 in unamortized premiums, net OPEB liabilities, and compensated absences for general government and business-type activities.

### **Economic Factors and Next Year's Budget and Tax Rates**

The population of Caroline County, based on the 2020 census has grown to an estimated 31,332. The County Building Division issued 272 residential building permits in the fiscal year ended 2023. This was a 37 permit or 11.9% decrease from fiscal year ending June 30, 2022, when the Division issued 309 permits. The 309 permits issued in Fiscal year 2022 was a 12 permit or 4% decrease from the Fiscal year 2021 when 321 permits were issued. The 321 permits issued in Fiscal year 2021 was an increase of 181 permits or 130% from the 140 permits issued in the Fiscal year 2020.

The County Building Division issued 3 commercial structure permits in fiscal years of 2019 and 2020. There were 4 issued in the fiscal year ended 2021. There were 3 issued in the fiscal year 2022 and 7 in the fiscal year 2023, an increase of 133% from years 2019 to 2023.

Tax rates for Tax Year 2023 remain the same as Tax Year 2022. The latest change in tax rates was in Tax Year 2022, where the personal property rate was reduced from \$3.80/\$100 of assessed value to \$3.50/\$100. The decrease is in response to the sharp rise in assessed values for cars and trucks (personal property assessments for Tax Year 2022 were up approximately 34% compared to 2021 assessments according to the Commissioner of the Revenue's Office and continued to rise for Tax year 2023) to help mitigate the burden on taxpayers. Also, during Tax Year 2022, the Board agreed to eliminate the Vehicle License Tax ("VL") and this continued for Tax Year 2023. Previously, the Code of Caroline County required that "every motor vehicle, including, but not limited to, automobiles and trucks which is garaged, stored or parked within the County shall be licensed in the name of the owner." The fee for such license was \$30 for automobiles and trucks and \$25 for motorcycles and similar two-wheel vehicles. The vehicle license tax, which was applied annually to the June personal property tax bill, remained in place following the decision by the Board of Supervisors to eliminate the requirement to purchase and display a "County sticker" in 2018. This, combined with the significant increase in personal property assessed values led the Board of Supervisors to repeal the ordinance imposing a VL fee on County taxpayers.

These and many other factors were considered in preparing the County's budget for fiscal year 2024. The total budget for all funds in fiscal year 2024, less interfund transfers, is \$135,345,474, which is 0.2% less than fiscal year 2023. The total adopted General Fund budget for fiscal year 2024 is \$64,877,984, a \$5,622,377 or 9.5% increase over the fiscal year 2023 budget. The General Fund is the primary fund for most County operations.



The increase in the General Fund includes the following:

- ❖ \$1,387,473 for an increased transfer to School Operating Fund for increases to operations and cost of school bus purchases,
- ❖ \$1,247,608 to provide a 6% or \$1.75 per hour cost of living increase (whichever is larger) and benefits for employees effective July 1, 2023,
- ❖ \$420,875 increase for County share of employee health insurance,
- ❖ \$323,763 increase in County share of Virginia Retirement System (VRS) contribution (includes enhanced 1.85% multiplier for public safety personnel),
- ❖ \$254,637 increase for County membership in regional correctional facilities,
- ❖ \$200,853 increased transfer to Social Services Fund, and
- ❖ \$25,476 for 1 new part-time position (Facilities Tech for Department of Public Works).

The General Fund transfer to support the Utility Fund (water and sewer) will increase by \$376,713 to \$1,333,984 in fiscal year 2024; however, no monies were transferred in Fiscal Year 2023. A transfer of \$2,448,484 from Unrestricted General Fund Balance to balance fiscal year 2024 budget or \$1,170,172 more than fiscal year 2023, or 91.54%.

There were new employees included in the fiscal year 2024 budget and the costs associated were as follows:

- ❖ \$1,080,526 to fully fund 19 new Department of Fire & Rescue full-time positions for new Carmel Church Fire Station,
- ❖ \$654,840 for 10 new full-time public safety personnel (9 new Firefighter/EMT's in addition to personnel for new Carmel Church Fire Station (to be hired only if application for federal SAFER grant is successful) and 1 new Animal Control Officer),
- ❖ \$316,255 for 7 new full-time positions (Convert 4 part-time positions to full-time (Customer Service Agent (Commissioner of the Revenue's Office), Assistant Registrar Public Utilities Tech and Public Works Groundskeeper), Senior Office Assistant (Planning), Tax Examiner (Commissioner of the Revenue's Office), Accountant (Finance))

### **Requests for Information**

This financial report is designed to provide a general overview of the County of Caroline, Virginia's finances for all those who may have an interest in the County's financial condition and prospects. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tomeka C. Morgan, Deputy County Administrator - Finance, Caroline County, Post Office Box 447, 212 N. Main Street, Bowling Green, Virginia 22427.

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# **BASIC FINANCIAL STATEMENTS**

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## COUNTY OF CAROLINE, VIRGINIA

## STATEMENT OF NET POSITION

June 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	EDA
<b>ASSETS</b>					
Cash and cash equivalents (Note 3)	\$ 45,696,946	\$ 1,121,166	\$ 46,818,112	\$ 5,797,255	\$ 67,127
Cash and cash equivalents, restricted (Note 3)	13,849,832	25,527,153	39,376,985	150,000	-
Receivables, net:					
Taxes receivable	28,559,943	-	28,559,943	-	-
Accounts receivable	724,130	500,203	1,224,333	-	-
Due from other governmental units (Note 4)	3,488,355	13,596	3,501,951	4,525,814	-
Net pension asset (Notes 14 and 18)	6,129,178	457,795	6,586,973	548,290	-
Prepays	13,958	814	14,772	-	-
Capital assets: (Note 5)					
Nondepreciable	7,795,398	4,029,182	11,824,580	1,436,662	-
Depreciable, net	64,608,128	37,484,967	102,093,095	9,854,607	-
Total assets	170,865,867	69,134,876	240,000,743	22,312,628	67,127
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding of debt	76,456	994,297	1,070,753	-	-
Deferred outflows related to pensions (Notes 14 and 18)	1,333,162	99,575	1,432,737	7,300,016	-
Deferred outflows related to OPEB (Notes 15, 16, and 18)	436,675	32,012	468,687	2,106,181	-
Total deferred outflows of resources	1,846,293	1,125,884	2,972,177	9,406,197	-
<b>LIABILITIES</b>					
Accounts payable	1,497,674	292,819	1,790,493	739,759	-
Accrued payroll	682,833	41,937	724,770	3,035,253	-
Accrued liabilities	266,435	41,667	308,102	-	-
Customer deposits	-	311,548	311,548	-	-
Unearned revenue (Note 1)	4,372,448	-	4,372,448	2,074,882	-
Accrued interest payable	963,152	330,613	1,293,765	10,171	-
Insurance and benefits claims (Note 13)	345,000	-	345,000	-	-
Noncurrent liabilities due in more than one year:					
Due within one year (Note 7)	6,329,303	2,178,233	8,507,536	315,935	-
Due in more than one year (Note 7)	72,769,740	54,095,281	126,865,021	1,332,590	-
Net pension liability (Notes 7, 14, and 18)	-	-	-	24,058,553	-
Net OPEB liability (Notes 7, 15, 16, and 18)	2,133,961	156,434	2,290,395	12,369,160	-
Total liabilities	89,360,546	57,448,532	146,809,078	43,936,303	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes (Note 10)	21,984,486	-	21,984,486	-	-
Deferred gain on refunding of debt	-	327,478	327,478	-	-
Deferred inflows related to pensions (Notes 14 and 18)	2,710,879	202,478	2,913,357	6,062,258	-
Deferred inflows related to OPEB (Notes 15, 16, and 18)	684,953	50,211	735,164	3,532,677	-
Total deferred inflows of resources	25,380,318	580,167	25,960,485	9,594,935	-
<b>NET POSITION</b>					
Net investment in capital assets	10,439,531	9,773,264	20,212,795	10,642,656	-
Restricted:					
Revenue amounts not yet spent on specified purposes	1,901,051	-	1,901,051	331,628	-
Debt service reserve	1,847,361	-	1,847,361	-	-
Net pension asset	6,129,178	457,795	6,586,973	548,290	-
Capital projects	-	1,720,688	1,720,688	-	-
Unrestricted (deficit)	37,654,175	280,314	37,934,489	(33,334,987)	67,127
Total net position	\$ 57,971,296	\$ 12,232,061	\$ 70,203,357	\$ (21,812,413)	\$ 67,127

The Notes to Financial Statements are an integral part of this statement.

COUNTY OF CAROLINE, VIRGINIA

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2023

Program Revenues					Net (Expense) Revenue and Changes in Net Position				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-Type Activities	Total	School Board	EDA
Primary Government:									
Governmental activities:									
General government administration	\$ 5,328,908	\$ -	\$ 1,529,218	\$ -	\$ (3,799,690)		\$ (3,799,690)		
Judicial administration	1,777,790	584,572	743,090	-	(450,128)		(450,128)		
Public safety	18,726,853	1,115,481	2,457,092	-	(15,154,280)		(15,154,280)		
Public works	5,820,761	60,179	13,809	-	(5,746,773)		(5,746,773)		
Health and welfare	5,688,038	-	3,856,875	-	(1,831,163)		(1,831,163)		
Education	19,163,248	-	-	-	(19,163,248)		(19,163,248)		
Parks, recreation, and cultural	1,197,151	107,659	218,936	-	(870,556)		(870,556)		
Community development	1,600,290	984,233	56,730	-	(559,327)		(559,327)		
Interest and other debt related costs	3,250,703	-	-	-	(3,250,703)		(3,250,703)		
Total governmental activities	62,553,742	2,852,124	8,875,750	-	(50,825,868)		(50,825,868)		
Business-type activities									
Caroline County Utility	6,301,750	3,731,114	-	3,282,885		712,249	712,249		
Dawn Wastewater System	296,929	92,869	-	195		(203,865)	(203,865)		
Total business-type activities	6,598,679	3,823,983	-	3,283,080		508,384	508,384		
Total primary government	\$ 69,152,421	\$ 6,676,107	\$ 8,875,750	\$ 3,283,080	(50,825,868)	508,384	(50,317,484)		
Component Units:									
School Board	\$ 55,984,827	\$ 261,166	\$ 43,304,299	\$ -				(12,419,362)	
Economic Development Authority	6,910	-	-	-					(6,910)
Total component units	\$ 55,991,737	\$ 261,166	\$ 43,304,299	\$ -				(12,419,362)	(6,910)
General revenues:									
Taxes:									
General property taxes					\$ 45,523,335	\$ -	\$ 45,523,335	\$ -	\$ -
Local sales and use					3,667,211	-	3,667,211	-	-
Consumer utility					88,109	-	88,109	-	-
Motor vehicle licenses and registration fees					109,701	-	109,701	-	-
Business license tax					1,472,905	-	1,472,905	-	-
Meals tax					1,701,519	-	1,701,519	-	-
Other local taxes					2,476,694	-	2,476,694	-	-
Unrestricted revenues from use of money and property					2,141,566	941,017	3,082,583	47,637	73
Miscellaneous					1,473,983	376,408	1,850,391	1,772,780	2,154
Grants and contributions not restricted to specific programs					4,314,221	-	4,314,221	-	-
Payment from Caroline County					-	-	-	17,145,124	-
Transfers (Note 6)					(203,865)	203,865	-	-	-
Total general revenues and transfers					62,765,379	1,521,290	64,286,669	18,965,541	2,227
Change in net position					11,939,511	2,029,674	13,969,185	6,546,179	(4,683)
NET POSITION AT JULY 1					46,031,785	10,202,387	56,234,172	(28,358,592)	71,810
NET POSITION AT JUNE 30					\$ 57,971,296	\$ 12,232,061	\$ 70,203,357	\$ (21,812,413)	\$ 67,127

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**BALANCE SHEET –  
GOVERNMENTAL FUNDS  
June 30, 2023**

	General	Debt Service	County Capital Improvements	Proffers	Virginia Public Assistance	CARES Act	Nonmajor Governmental Funds	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 34,268,378	\$ 1,573,904	\$ -	\$ 2,232,320	\$ 6,421	\$ 4,295,584	\$ 2,309,205	\$ 44,685,812
Receivables, net:								
Taxes receivable	28,559,943	-	-	-	-	-	-	28,559,943
Accounts receivable	379,739	252,775	-	-	-	-	91,616	724,130
Due from other governments	2,793,205	-	-	-	217,236	-	477,914	3,488,355
Due from other funds	3,016,049	-	-	-	-	-	-	3,016,049
Prepays	13,570	-	-	-	-	-	388	13,958
Cash and cash equivalents, restricted	1,711,046	6,793,875	5,344,911	-	-	-	-	13,849,832
Total assets	<u>\$ 70,741,930</u>	<u>\$ 8,620,554</u>	<u>\$ 5,344,911</u>	<u>\$ 2,232,320</u>	<u>\$ 223,657</u>	<u>\$ 4,295,584</u>	<u>\$ 2,879,123</u>	<u>\$ 94,338,079</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 435,992	\$ 1,500	\$ 570,783	\$ -	\$ 6,508	\$ 2,183	\$ 388,440	\$ 1,405,406
Accrued payroll	587,484	-	-	-	61,769	-	33,580	682,833
Accrued liabilities	204,273	-	-	-	60,064	2,098	-	266,435
Due to other funds	-	-	3,009,446	-	-	-	-	3,009,446
Unearned revenue	-	-	-	-	-	4,372,448	-	4,372,448
Total liabilities	<u>1,227,749</u>	<u>1,500</u>	<u>3,580,229</u>	<u>-</u>	<u>128,341</u>	<u>4,376,729</u>	<u>422,020</u>	<u>9,736,568</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	29,219,877	-	-	-	-	-	-	29,219,877
<b>FUND BALANCES (Note 1)</b>								
Nonspendable	13,570	-	-	-	-	-	388	13,958
Restricted	1,847,361	6,793,875	1,764,682	849,844	32,803	-	1,018,404	12,306,969
Committed	7,794,687	-	-	-	-	-	1,438,311	9,232,998
Assigned	3,007,004	1,825,179	-	1,382,476	62,513	-	-	6,277,172
Unassigned	27,631,682	-	-	-	-	(81,145)	-	27,550,537
Total fund balances	<u>40,294,304</u>	<u>8,619,054</u>	<u>1,764,682</u>	<u>2,232,320</u>	<u>95,316</u>	<u>(81,145)</u>	<u>2,457,103</u>	<u>55,381,634</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 70,741,930</u>	<u>\$ 8,620,554</u>	<u>\$ 5,344,911</u>	<u>\$ 2,232,320</u>	<u>\$ 223,657</u>	<u>\$ 4,295,584</u>	<u>\$ 2,879,123</u>	<u>\$ 94,338,079</u>

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 55,381,634

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

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

Nondepreciable	7,795,398	
Depreciable, net	64,608,128	72,403,526

Deferred inflows of resources (i.e. taxes levied) are not available to pay for current period expenditures and, therefore, are deferred in the funds.		7,235,391
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Deferred outflows and inflows of resources related to pensions and other post employment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,333,162	
Deferred inflows of resources related to pensions	(2,710,879)	
Deferred outflows of resources related to other postemployment benefits	436,675	
Deferred inflows of resources related to other postemployment benefits	(684,953)	(1,625,995)

Internal service funds are used by management to charge the cost of goods provided to other departments or funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position		567,262
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(62,384,701)	
Bond issuance premium, net of accumulated amortization	(6,041,529)	
Financed purchases and other long-term obligation	(5,566,785)	
Deferred charge on refundings, net of accumulated amortization	76,456	
Landfill postclosure cost	(3,598,677)	
Interest payable	(963,152)	
Net pension asset	6,129,178	
Net other postemployment benefit liability	(2,133,961)	
Compensated absences	(1,507,351)	(75,990,522)

**Total Net Position – Governmental Activities** \$ 57,971,296



## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

	General	Debt Service	County Capital Improvements	Proffers	Virginia Public Assistance	CARES Act	Nonmajor Governmental Funds	Total
<b>REVENUES</b>								
General property taxes	\$ 44,890,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,890,345
Other local taxes	6,728,121	2,525,085	-	-	-	-	262,933	9,516,139
Permits, privilege fees, and regulatory licenses	1,003,153	-	-	-	-	-	-	1,003,153
Revenue from the use of money and property	1,457,287	377,786	301,409	123	-	-	4,961	2,141,566
Charges for services	1,806,817	-	-	-	-	-	42,154	1,848,971
Miscellaneous	656,441	-	69,388	698,746	19,819	3,503	26,086	1,473,983
Recovered costs	32,432	-	-	-	-	-	513,186	545,618
Intergovernmental:								
Commonwealth	5,975,671	-	288,852	-	882,015	-	1,422,494	8,569,032
Federal	74,922	438,860	-	-	1,773,277	1,211,847	576,415	4,075,321
Total revenues	62,625,189	3,341,731	659,649	698,869	2,675,111	1,215,350	2,848,229	74,064,128
<b>EXPENDITURES</b>								
Current:								
General government administration	4,747,225	-	-	-	-	1,156,847	-	5,904,072
Judicial administration	1,676,428	-	-	-	-	-	9,239	1,685,667
Public safety	17,401,563	-	-	-	-	-	291,492	17,693,055
Public works	5,373,524	-	-	-	-	-	527,884	5,901,408
Health and welfare	553,714	-	-	-	3,260,290	-	1,920,746	5,734,750
Education	17,052,333	-	-	-	-	-	100,000	17,152,333
Parks, recreation, and cultural	1,153,078	-	-	-	-	10,673	-	1,163,751
Community development	1,344,917	-	-	-	-	-	199,975	1,544,892
Capital projects	-	-	6,081,725	-	-	-	-	6,081,725
Debt service:								
Principal retirement	-	6,402,041	-	-	-	-	-	6,402,041
Bond issuance costs	-	25,934	-	-	-	-	-	25,934
Interest and other fiscal charges	-	3,692,193	-	-	-	-	-	3,692,193
Total expenditures	49,302,782	10,120,168	6,081,725	-	3,260,290	1,167,520	3,049,336	72,981,821
Excess (deficiency) of revenues over (under) expenditures	13,322,407	(6,778,437)	(5,422,076)	698,869	(585,179)	47,830	(201,107)	1,082,307
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of debt	-	-	5,937,000	-	-	-	-	5,937,000
Transfers in	100,000	6,178,387	150,000	-	602,515	-	708,698	7,739,600
Transfers out	(7,093,416)	-	(600,049)	-	-	(100,000)	(150,000)	(7,943,465)
Total other financing sources (uses)	(6,993,416)	6,178,387	5,486,951	-	602,515	(100,000)	558,698	5,733,135
Net change in fund balances	6,328,991	(600,050)	64,875	698,869	17,336	(52,170)	357,591	6,815,442
<b>FUND BALANCES AT JULY 1</b>	33,965,313	9,219,104	1,699,807	1,533,451	77,980	(28,975.00)	2,099,512	48,566,192
<b>FUND BALANCES AT JUNE 30</b>	\$ 40,294,304	\$ 8,619,054	\$ 1,764,682	\$ 2,232,320	\$ 95,316	\$ (81,145)	\$ 2,457,103	\$ 55,381,634

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2023**

<b>Net Change in Fund Balance - Governmental Funds</b>		\$ 6,815,442
Amounts reported for governmental activities in the Statement of Activities are different because:		
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.		
Capital outlays	7,360,628	
Depreciation expense	<u>(4,826,402)</u>	
		2,534,226
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Employer pension contributions	977,795	
Pension expense	619,864	
Other postemployment benefit contributions	78,403	
Other postemployment benefit expense	<u>(64,866)</u>	
		1,611,196
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
		632,990
The following transactions affecting long-term debt (provide) consume current financial resources of governmental funds. However, the transactions have no effect on net position:		
Issuance of debt	(5,937,000)	
Payments of principal on long-term obligations	<u>6,402,041</u>	
		465,041
Some expenses reported in the Statement of Activities, such as compensated absences and other post-employment benefits do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences	(468,021)	
Change in interest payable	(10,314)	
Change in landfill postclosure liability	(172,275)	
Amortization of deferred amounts on refunding	(3,889)	
Amortization of premium on bonds payable	<u>481,627</u>	
		(172,872)
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.		
		<u>53,488</u>
<b>Changes in net position of governmental activities</b>		<u><u>\$ 11,939,511</u></u>

## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF NET POSITION –  
PROPRIETARY FUNDS  
June 30, 2023**

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,121,166	\$ -	\$ 1,121,166	\$ 1,011,134
Cash and cash equivalents, restricted	25,527,153	-	25,527,153	-
Receivables, net:				
Accounts receivable	488,169	12,034	500,203	-
Due from other governmental units	13,596	-	13,596	-
Prepays	814	-	814	-
Net pension asset	457,795	-	457,795	-
Total current assets	27,608,693	12,034	27,620,727	1,011,134
Noncurrent assets:				
Capital assets:				
Nondepreciable	3,879,182	150,000	4,029,182	-
Depreciable, net	33,729,918	3,755,049	37,484,967	-
Total noncurrent assets	37,609,100	3,905,049	41,514,149	-
Total assets	65,217,793	3,917,083	69,134,876	1,011,134
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding of debt	994,297	-	994,297	-
Deferred outflows related to pensions	99,575	-	99,575	-
Deferred outflows related to OPEB	32,012	-	32,012	-
Total deferred outflows of resources	1,125,884	-	1,125,884	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	254,238	38,581	292,819	92,268
Accrued payroll	41,937	-	41,937	-
Accrued liabilities	41,667	-	41,667	-
Due to other funds	-	-	-	6,604
Insurance and benefit claims	-	-	-	345,000
Customer deposits	300,859	10,689	311,548	-
Accrued interest	330,613	-	330,613	-
Compensated absences - current portion	10,559	-	10,559	-
Bonds payable - current portion	1,998,000	169,674	2,167,674	-
Total current liabilities	2,977,873	218,944	3,196,817	443,872
Noncurrent liabilities:				
Compensated absences - net of current portion	95,034	-	95,034	-
Bonds payable - net of current portion	53,491,224	509,023	54,000,247	-
Net other postemployment benefit liability	156,434	-	156,434	-
Total noncurrent liabilities	53,742,692	509,023	54,251,715	-
Total liabilities	56,720,565	727,967	57,448,532	443,872
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on refunding of debt	327,478	-	327,478	-
Deferred inflows related to pensions	202,478	-	202,478	-
Deferred inflows related to OPEB	50,211	-	50,211	-
Total deferred inflows of resources	580,167	-	580,167	-
<b>NET POSITION</b>				
Net investment in capital assets	6,546,912	3,226,352	9,773,264	-
Restricted				
Net pension asset	457,795	-	457,795	-
Capital projects	1,720,688	-	1,720,688	-
Unrestricted	317,550	(37,236)	280,314	567,262
Total net position	\$ 9,042,945	\$ 3,189,116	\$ 12,232,061	\$ 567,262

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –  
PROPRIETARY FUNDS  
Year Ended June 30, 2023**

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services:				
Water and sewer revenues	\$ 3,731,114	\$ 92,869	\$ 3,823,983	\$ -
Risk management	-	-	-	5,602,536
Miscellaneous	376,408	-	376,408	-
Total operating revenues	4,107,522	92,869	4,200,391	5,602,536
<b>OPERATING EXPENSES</b>				
Personnel services	1,176,566	12,187	1,188,753	-
Fringe benefits	352,115	2,910	355,025	-
Contractual services	584,184	61,682	645,866	-
Risk financing and benefit payments	-	-	-	5,549,048
Other charges	1,638,842	78,637	1,717,479	-
Depreciation	1,321,739	141,513	1,463,252	-
Total operating expenses	5,073,446	296,929	5,370,375	5,549,048
Operating income (loss)	(965,924)	(204,060)	(1,169,984)	53,488
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Connection and reconnections fees	3,282,885	195	3,283,080	-
Interest income	941,017	-	941,017	-
Interest expense	(1,228,304)	-	(1,228,304)	-
Total non-operating revenues (expenses)	2,995,598	195	2,995,793	-
Income (loss) before transfers	2,029,674	(203,865)	1,825,809	53,488
<b>TRANSFER IN</b>	-	203,865	203,865	-
Change in net position	2,029,674	-	2,029,674	53,488
<b>NET POSITION AT JULY 1</b>	7,013,271	3,189,116	10,202,387	513,774
<b>NET POSITION AT JUNE 30</b>	\$ 9,042,945	\$ 3,189,116	\$ 12,232,061	\$ 567,262

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
Year Ended June 30, 2023

	Enterprise Funds			
	Caroline County Utility Fund	Dawn Wastewater System Fund	Total	Internal Service Funds
<b>OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 4,066,717	\$ 94,963	\$ 4,161,680	\$ 5,604,844
Claims and benefits paid	-	-	-	(5,528,514)
Payments to suppliers	(2,705,898)	(129,291)	(2,835,189)	-
Payments to employees	(1,604,813)	-	(1,604,813)	-
Net cash provided by (used in) operating activities	(243,994)	(34,328)	(278,322)	76,330
<b>NONCAPITAL FINANCING ACTIVITIES</b>				
Grant revenue	(6,725)	-	(6,725)	-
Transfers from other funds	-	203,865	203,865	-
Net cash provided by (used in) noncapital financing activities	(6,725)	203,865	197,140	-
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(1,328,948)	-	(1,328,948)	-
Proceeds from bond issuance	2,628,000	-	2,628,000	-
Principal paid on bonds	(1,221,392)	(169,675)	(1,391,067)	-
Connection and availability fees	3,282,885	195	3,283,080	-
Interest and other fiscal charges	(1,421,420)	-	(1,421,420)	-
Net cash provided by (used in) capital and related financing activities	1,939,125	(169,480)	1,769,645	-
<b>INVESTING ACTIVITIES</b>				
Interest received on investment securities	941,017	-	941,017	-
Net cash provided by investing activities	941,017	-	941,017	-
Net increase in cash and cash equivalents	2,629,423	57	2,629,480	76,330
<b>CASH AND CASH EQUIVALENTS (OVERDRAFT PAYABLE)</b>				
Beginning at July 1	24,018,896	(57)	24,018,839	934,804
Ending June 30	<u>\$ 26,648,319</u>	<u>\$ -</u>	<u>\$ 26,648,319</u>	<u>\$ 1,011,134</u>
<b>RECONCILIATION TO EXHIBIT 7</b>				
Cash and cash equivalents	\$ 1,121,166	\$ -	\$ 1,121,166	\$ 1,011,134
Cash and cash equivalents, restricted	25,527,153	-	25,527,153	-
	<u>\$ 26,648,319</u>	<u>\$ -</u>	<u>\$ 26,648,319</u>	<u>\$ 1,011,134</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (965,924)	\$ (204,060)	\$ (1,169,984)	\$ 53,488
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,321,739	141,513	1,463,252	-
Pension expense net of employer contributions	(119,331)	-	(119,331)	-
OPEB expense net of employer contributions	(993)	-	(993)	-
Change in assets and liabilities:				
(Increase) decrease in receivables, net	(89,461)	718	(88,743)	-
(Increase) decrease in prepaids	(814)	-	(814)	-
Increase (decrease) in accounts payable	(482,058)	26,125	(455,933)	92,268
Increase (decrease) in accrued payroll and accrued liabilities	19,392	-	19,392	-
Increase (decrease) in due to other funds	-	-	-	2,308
Increase (decrease) in insurance and benefit claims	-	-	-	(71,734)
Increase (decrease) in customer deposits	48,656	1,376	50,032	-
Increase (decrease) in compensated absences	24,800	-	24,800	-
Net cash provided by (used in) operating activities	<u>\$ (243,994)</u>	<u>\$ (34,328)</u>	<u>\$ (278,322)</u>	<u>\$ 76,330</u>

The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

STATEMENT OF FIDUCIARY NET POSITION –  
CUSTODIAL FUNDS

June 30, 2023

**ASSETS**

Cash and cash equivalents (Note 3)	\$ 1,857,176
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Total assets	\$ 1,857,176
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**NET POSITION**

Restricted for:

Individuals, organizations, and other governments	\$ 1,857,176
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Total net position	\$ 1,857,176
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The Notes to Financial Statements are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –  
CUSTODIAL FUNDS  
Year Ended June 30, 2023**

**ADDITIONS**

Funds received for benefit of other organizations	\$ 108,866
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Total additions	<u>108,866</u>
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**DEDUCTIONS**

Funds disbursed for benefit of other organizations	<u>166,545</u>
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Total deductions	<u>166,545</u>
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Change in fiduciary net position	(57,679)
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Net position, beginning	<u>1,914,855</u>
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Net position, ending	<u><u>\$ 1,857,176</u></u>
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The Notes to Financial Statements are an integral part of this statement.

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

The County of Caroline, Virginia (the “County”) is governed by an elected six-member Board of Supervisors. The County provides a full range of services for its citizens. These services include law enforcement and volunteer and paid fire protection and rescue services; sanitation services; recreational activities, cultural events, education, and social services.

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

**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. Interfund services provided and used are not eliminated in the process of consolidation. 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 the financial position of the primary government (governmental and business-type activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense – the cost of “using up” capital assets – in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

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

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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.

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

**A. Financial Reporting Entity**

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for the basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Caroline (the primary government) and its component units. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

**B. Individual Component Unit Disclosures**

*Discretely Presented Component Units*

The School Board members are elected by the citizens of Caroline 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. Additionally, the School Board provides a potential benefit or burden to the County, and cannot be included as part of another financial reporting entity. The County not only provides financial support to the School Board but also is responsible for any debt or financial obligation. 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Individual Component Unit Disclosures (Continued)**

*Discretely Presented Component Units (Continued)*

The Caroline County Economic Development Authority (EDA or “Authority”) is responsible for industrial and commercial development in the County. The Authority consists of six members appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, as the County is involved in the day-to-day operations of the EDA, and therefore, it is included in the County’s financial statements as a discrete presentation for the year ended June 30, 2023. The Authority does not issue a separate financial report.

**C. Other Related Organizations**

*Middle Peninsula Juvenile Detention Commission*

The Middle Peninsula Juvenile Detention Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia and is governed by a separate board. The Commission was created to enhance the region for the protection of the citizens by the construction, equipping, maintenance and operation of a juvenile detention facility (the “Center”) serving the eighteen member jurisdictions of which the County Administrator serves as the County’s representative on the board. The Commission is fiscally independent of the County because substantially all of its income will be generated from per diem payments from the member jurisdictions and reimbursements from the Commonwealth of Virginia for a portion of the capital costs. Under the Service Agreement, the County is obligated to pay a per diem rate to be determined annually by the Commission for each day a juvenile from the County is held at the Center or in another detention facility secured by the Commission. If the sum of all per diem rates paid during the fiscal year is below \$2,500, the County shall pay the Commission the amount equal to the difference. The County made per diem contributions totaling \$159,000 in fiscal year 2023. Separate audited financial statements for the Commission can be obtained from the fiscal agent’s office at James City County, P.O. Box 8784, Williamsburg, Virginia 23187.

*Pamunkey Regional Jail Authority*

The Pamunkey Regional Jail Authority (the “Jail Authority”) is a political subdivision of the Commonwealth of Virginia. The participating jurisdictions of the Jail Authority are the Counties of Caroline and Hanover and the Town of Ashland. The Jail Authority is governed by a five-member board comprised of two members each from the Counties of Caroline and Hanover and one from the Town of Ashland. Management and accountability for fiscal matters rest with the Jail Authority. The board formulates and approves its own budget. The County does not bear any direct or indirect liabilities for the operation of the Jail Authority and has no equity interest in it.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Other Related Organizations (Continued)**

*Pamunkey Regional Jail Authority (Continued)*

The purpose of the Jail Authority is to maintain and operate a regional jail facility to meet the needs of the participating jurisdictions for jail facilities. The participating jurisdictions have entered into a Service Agreement which is a long-term contract which regulates usage of the Jail and establishes payment terms applicable to participating jurisdictions. Under the Service Agreement, the County is obligated to commit all of its prisoners to the Jail at a per diem rate to be determined annually by the Jail. The County made per diem contributions totaling \$1,614,000 in fiscal year 2023. Complete financial statements for the Jail can be obtained from the office of the Pamunkey Regional Jail Authority.

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

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

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

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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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 45 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Property taxes, franchise taxes, 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.

Permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditures. 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

In the fund financial statements, financial transactions and accounts of the County are organized on a basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting, 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 General Fund, Debt Service Fund, County Capital Improvements Fund, Proffers Fund, and Virginia Public Assistance Fund as major governmental funds.

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

Debt Service Fund – The Debt Service Fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds are used to report financial resources being accumulated for future debt service. Payment of principal and interest on the County’s and School Board’s general long-term debt financing is provided by appropriations from the General Fund.

County Capital Improvements Funds – The County Capital Improvements Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditure for specified purposes other than debt service or capital projects. The County reports the following major special revenue funds: Virginia Public Assistance Fund, Proffers Fund, and CARES Act Fund. These funds have been judgmentally determined to be major for public interest reasons, in that the presentation is of particular importance to the financial statement users. The County reports the following nonmajor funds:

Nonmajor Special Revenue Funds – account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. Nonmajor Special Revenue Funds consist of the following funds: Children’s Services, Law Library, Courthouse Maintenance, Tourism, Confiscated Asset, Housing, Sheriff, Fire/Rescue Grant, Detention Facility, and Hanover Soil and Water.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

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

Enterprise Funds – Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County's Major Enterprise Funds consist of the Caroline County Utility Fund and Dawn Wastewater System Fund, which account for the operations of sewage pumping stations and collection systems, and the water distribution system.

Internal Service Funds – account for the financing of goods or services provided by one department or agency to other departments or agencies of the County government, on a cost reimbursement basis. The County's internal service funds include the Vehicle Maintenance Fund and the Self-Insurance Fund.

3. Fiduciary Funds – (Trust and Custodial Funds) – account for assets held by the County in a trustee capacity or as a custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. Custodial Funds utilize the accrual basis of accounting. 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 social services clients, technology education consortium program, and refundable escrow deposits.

4. Component Unit School Board

The Caroline County School Board has the following funds:

Governmental Fund:

School Operating Fund – This fund is the primary operating fund of the School Board and accounts for all revenues and expenditures applicable to the general operations of the public school system. Revenues are derived primarily from charges for services, appropriations from the County of Caroline School Board and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

**4. Component Unit School Board (Continued)**

The Caroline County School Board has the following funds: (Continued)

Special Revenue Funds:

School Grant Fund – This fund accounts for the revenues and expenditures for all federal grants of the School Board. The School Grant Fund is considered a major fund for financial reporting purposes.

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

School Textbook Fund – This fund accounts for the revenues and expenditures for the school textbook program. The School Textbook Fund is considered a major fund for financial reporting purposes.

School Activity Fund – School activity funds include all funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all activities of the school involving personnel, students, or property. The School Activity Fund is considered a nonmajor fund of the School Board for financial reporting purposes.

Capital Projects Funds:

Capital Projects Fund – This fund accounts for the revenues and expenditures for school capital projects. The Capital Projects Fund is considered a major fund of the School Board for financial reporting purposes.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**F. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments (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 allow the County to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Certificates of deposit and short-term repurchase agreements are reported in the accompanying financial statements as cash and cash equivalents.

Cash of individual funds other than the Custodial Funds is combined to form a pool of cash and investments. The pool consists primarily of government and corporate obligations, commercial paper and an external local government investment pool. The government and corporate securities are stated at fair value based on quoted market prices and the investment in the local government investment pool is reported at amortized cost. Interest earned as a result of pooling is distributed to the appropriate funds utilizing a formula based on average monthly balances.

**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 \$890,732 at June 30, 2023 and is comprised primarily of property taxes totaling \$853,124.

**Real and Personal Property Tax Data:**

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

	<b><u>Real Property</u></b>	<b><u>Personal Property</u></b>
	January 1	January 1
Levy	June 5/December 5	June 5/December 5
Due Date	(50% each date)	(50% each date)
Lien Date	June 6/December 6	June 6/December 6

The County bills and collects its own property taxes. The County reassesses all existing real property every four to five years and the last reassessment was completed in 2021.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**H. Restricted Cash**

Proceeds from the County's bond issues, as well as certain resources set aside for their repayment, are classified as restricted cash on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

**I. Capital Assets**

Capital assets, which include property, plant and equipment, infrastructure, and right of use assets derived from leases 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, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction on governmental activities' capital assets is not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capitalized interest is amortized using the straight-line method over the useful life of the asset. There is no capitalized interest for the year June 30, 2023.

Leased assets are amortized over the shorter of the lease term or useful life of the underlying asset. In leases where a purchase option is reasonably certain of being exercised the asset is amortized over the useful life, unless the underlying asset is nondepreciable, in which the leased asset is not amortized.

Property, plant and equipment and infrastructure of the primary government, as well as the component units, are depreciated or amortized using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Improvements other than buildings	5-50
Motor vehicles and equipment	3-15
Intangibles	5

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**J. Compensated Absences**

Vested or accumulated vacation leave is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to received sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

Compensated absences are accrued when incurred in proprietary funds and reported as a fund liability. The General Fund is responsible for paying the liability for compensated absences for general government employees and has been used in prior years to liquidate the governmental funds’ liability.

**K. Use of Estimates**

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

**L. Net Position**

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

- Net investment in capital assets consists of capital assets, including right of use assets arising from leases, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. It also consists of net pension 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**M. Pensions**

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

**N. 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' net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**O. Long-term Obligations**

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

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

**P. Prepaid Items**

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

Prepaid expenditures in governmental funds are offset by a nonspendable fund balance.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Q. 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 not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts 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.

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

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Q. Fund Balance (Continued)**

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

	Major Special Revenue Funds						
	General Fund	Major Debt Services Fund	Major County Capital Project Fund	Proffers Fund	Virginia Public Assistance Fund	Cares Act Fund	Other Governmental Funds
							Total
<b>Nonspendable</b>	\$ 13,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388
<b>Restricted:</b>							
Capital projects	-	6,793,875	1,764,682	-	-	-	8,558,557
Debt service	1,847,361	-	-	-	-	-	1,847,361
Social services	-	-	-	-	32,803	-	32,803
Law enforcement	-	-	-	1,000	-	-	1,000
Public safety grants	-	-	-	-	-	-	261,791
Fire/rescue	-	-	-	2,000	-	-	2,000
Fire/rescue grants	-	-	-	-	-	-	137,171
Housing	-	-	-	-	-	-	16,782
Courthouse maint.	-	-	-	-	-	-	48,292
Law library	-	-	-	-	-	-	11
Tourism	-	-	-	-	-	-	299,930
Soil and water	-	-	-	-	-	-	4,210
Ladysmith Commons and improvements	-	-	-	37,499	-	-	37,499
Ladysmith library	-	-	-	365,327	-	-	365,327
Ladysmith recreation	-	-	-	163,606	-	-	163,606
Dawn library	-	-	-	5,412	-	-	5,412
Route 639 construction	-	-	-	275,000	-	-	275,000
Children's services	-	-	-	-	-	-	250,217
<b>Total Restricted</b>	<b>1,847,361</b>	<b>6,793,875</b>	<b>1,764,682</b>	<b>849,844</b>	<b>32,803</b>	<b>-</b>	<b>1,018,404</b>
<b>Committed:</b>							
Capital projects	7,694,687	-	-	-	-	-	1,438,311
Education	100,000	-	-	-	-	-	-
<b>Total Committed</b>	<b>7,794,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,438,311</b>
<b>Assigned:</b>							
Operations	1,818,577	-	-	-	-	-	-
Capital projects	1,188,427	1,825,179	-	-	-	-	-
Proffers	-	-	-	1,382,476	-	-	-
Social services	-	-	-	-	62,513	-	-
<b>Total Assigned</b>	<b>3,007,004</b>	<b>1,825,179</b>	<b>-</b>	<b>1,382,476</b>	<b>62,513</b>	<b>-</b>	<b>-</b>
<b>Unassigned</b>	<b>27,631,682</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81,145)</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>\$ 40,294,304</b>	<b>\$ 8,619,054</b>	<b>\$ 1,764,682</b>	<b>\$ 2,232,320</b>	<b>\$ 95,316</b>	<b>\$ (81,145)</b>	<b>\$ 2,457,103</b>
							<b>\$ 55,381,634</b>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**R. Deferred Outflows/Inflows of Resources**

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

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

Lease-related amounts are recognized at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

**S. Unearned Revenue**

Unearned revenues arise when assets are recognized before revenue recognition criteria can be satisfied. Grants and entitlements received before the eligibility requirements are met have been recorded as unearned revenue. Unearned revenues for the County consist of unspent Coronavirus Local Fiscal Recovery Funds received under the American Rescue Plan Act, and grants received before eligibility requirements for the School Board.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**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. Prior to March 1 of each year, the County Administrator submits to the Board of Supervisors a proposed operating capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. The Board of Supervisors conducts work sessions to review the budget and 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. 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 the primary government's department; however, the Component Unit – School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds of the County and Component Unit – School Board.
6. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Appropriations lapse on June 30.
8. The original budget presented in the accompanying financial statements is the budget as provided in the Appropriation Resolution adopted by the Board of Supervisors. The final amended budget presented in the financial statements is the budget, amended as indicated above, as of the June 30 year end.

**Note 3. Deposits and Investments**

**Deposits**

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

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 3. Deposits and Investments (Continued)**

**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 and 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).

**Local Government Investment Pool (LGIP)**

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 fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset of \$1 per share. The weighted average maturity of the LGIP is less than one year.

**Virginia State Non-Arbitrage Program (SNAP)**

Investment in the SNAP is used to assist in avoiding arbitrage penalties enacted with the Tax Reform Act of 1986. Sections 2.2-4700 through 2.2-4705 of the *Code of Virginia*, the Government Non-Arbitrage Investment Act authorizes the Virginia Treasury Board to provide assistance to the Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and to their agencies, institutions and authorities or any combination of the foregoing (“Virginia governments”) in the management of and accounting for their bond funds, including without limitation, bond proceeds, reserves, and sinking funds, and the investment thereof. The Virginia SNAP has been assigned an “AAAm” rating by Standard & Poor’s. The SNAP fund is managed to maintain a dollar-weighted average portfolio maturity of 90 days or less and seeks to maintain a constant net value (NAV) per share of \$1. The Commonwealth of Virginia’s Treasury Board has contracted with PFM Asset Management, LLC, Wells Fargo, N.A., U. S. Bank, N.A., and the Bank of New York Mellon Corporation to provide professional services and regulating oversight to the SNAP program.

**Custodial Credit Risk (Deposits)**

This is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County’s investment policy requires all deposits to be insured under FDIC or comply with the Act. At year end, none of the County’s deposits were exposed to custodial credit risk.

**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. The investments also should have a credit rating no less than AA rated by Standard and Poor or Aa by Moody’s Investor Service.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 3. Deposits and Investments (Continued)**

**Credit Risk of Debt Securities**

The County's rated debt investments as of June 30, 2023, were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County's investment policy limits investments to those allowed by the *Code of Virginia*. The County may however restrict investments beyond the limits imposed by the *Code of Virginia* as such restrictions serve the purpose of further safeguarding County funds or are in the best interest of the County.

<b>County's Rated Debt Investments' Values</b>	
<b>Rated Debt Investments</b>	<b>Fair Quality Ratings</b>
	<b>AAAm</b>
Local Government Investment Pool	\$ 42,258,670
Virginia State Non-Arbitrage Pool	40,329,175
	<u>\$ 82,587,845</u>

**Interest Rate Risk**

The County's investment policies authorize the County to invest in Repurchase Agreements with a maturity no greater than thirty (30) days, unless the collateral is held by another banking institution, and deposits in banks not to exceed five years at the time of purchase.

<b>Investment Maturities (in years)</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less than 1 Year</b>	<b>1-5 Years</b>
Local Government Investment Pool	\$ 42,258,670	\$ 42,258,670	\$ -
Virginia State Non-Arbitrage Pool	40,329,175	40,329,175	-
Certificates of Deposit	610,085	335,919	274,166
	<u>\$ 83,197,930</u>	<u>\$ 82,923,764</u>	<u>\$ 274,166</u>

All deposits and investments are reflected in the statements as follows:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Custodial Funds</b>	<b>Total</b>
Cash and cash equivalents	\$ 46,818,112	\$ 5,864,382	\$ -	\$ 52,682,494
Cash and cash equivalents, restricted	39,376,985	150,000	1,857,176	41,384,161
	<u>\$ 86,195,097</u>	<u>\$ 6,014,382</u>	<u>\$ 1,857,176</u>	<u>\$ 94,066,655</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 3.     Deposits and Investments (Continued)**

**Fair Value Measurement**

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

**Level 1** – Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

**Level 2** – Directly or indirectly observable inputs for the asset or liability other than quoted prices

**Level 3** – Unobservable inputs that are supported by little or no market activity for the asset or liability

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

**External Investment Pools**

LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

The fair value of the positions in the external investment pools (Local Government Investment Pool and State Non-Arbitrage Pool) are the same as the value of the pool shares. As LGIP and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 4. Due From Other Governments**

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

	<b>Primary Government</b>		<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>School Board</b>
Other Local Governments:			
Town of Port Royal	\$ -	\$ 13,596	\$ -
Commonwealth of Virginia:			
State sales tax	-	-	1,030,406
Motor vehicle carrier tax	20,408	-	-
Personal property tax relief funds	1,147,226	-	-
Auto rental tax	1,070	-	-
Additional tax on deeds	15,247	-	-
Rolling stock tax	6,316	-	-
Mobile home titling tax	26,874	-	-
E-911 wireless funds	24,132	-	-
Victim witness grant	89,105	-	-
Soil conservationist reimbursement	287,758	-	-
VA domestic violence victim grant	36,506	-	-
Welfare	77,788	-	-
Children's services	189,248	-	-
Communication sales tax	48,909	-	-
Constitutional officer reimbursements	210,029	-	-
Local sales tax	579,724	-	-
Other state funds	463,148	-	240,076
Federal Government:			
School fund grants	-	-	3,255,332
E-rate income	32,304	-	-
Victim witness	74,436	-	-
Domestic violence victim grant	18,679	-	-
Welfare	139,448	-	-
Total due from other governments	<u>\$ 3,488,355</u>	<u>\$ 13,596</u>	<u>\$ 4,525,814</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Capital Assets**

**Primary Government**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not depreciated or amortized:				
Land	\$ 1,242,883	\$ 198,400	\$ -	\$ 1,441,283
Construction in progress	2,114,161	5,582,502	(1,342,548)	6,354,115
	<u>3,357,044</u>	<u>5,780,902</u>	<u>(1,342,548)</u>	<u>7,795,398</u>
Capital assets, depreciated and amortized:				
Buildings	86,547,395	348,006	-	86,895,401
Equipment	22,686,656	1,553,016	(633,113)	23,606,559
Improvements other than buildings	9,761,107	406,852	-	10,167,959
Intangibles	764,553	614,400	-	1,378,953
	<u>119,759,711</u>	<u>2,922,274</u>	<u>(633,113)</u>	<u>122,048,872</u>
Less accumulated depreciation and amortization for:				
Buildings	(34,118,257)	(2,434,213)	-	(36,552,470)
Equipment	(13,596,375)	(1,860,907)	633,113	(14,824,169)
Improvements other than buildings	(5,334,356)	(431,037)	-	(5,765,393)
Intangibles	(198,467)	(100,245)	-	(298,712)
	<u>(53,247,455)</u>	<u>(4,826,402)</u>	<u>633,113</u>	<u>(57,440,744)</u>
Capital assets, depreciated and amortized, net	<u>66,512,256</u>	<u>(1,904,128)</u>	<u>-</u>	<u>64,608,128</u>
Governmental activities capital assets, net	<u>\$ 69,869,300</u>	<u>\$ 3,876,774</u>	<u>\$ (1,342,548)</u>	<u>\$ 72,403,526</u>
Internal Service Fund:				
Capital assets, depreciated				
Buildings	\$ 412,315	\$ -	\$ -	\$ 412,315
Improvements other than buildings	68,551	-	-	68,551
	<u>480,866</u>	<u>-</u>	<u>-</u>	<u>480,866</u>
Less accumulated depreciation				
Buildings	(412,315)	-	-	(412,315)
Improvements other than buildings	(68,551)	-	-	(68,551)
	<u>(480,866)</u>	<u>-</u>	<u>-</u>	<u>(480,866)</u>
Internal Service Fund capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Capital Assets (Continued)**

**Primary Government (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023 for Governmental Activities excluding Internal Service Fund:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
General government activities:				
Capital assets, not depreciated or amortized:				
Land	\$ 1,242,883	\$ 198,400	\$ -	\$ 1,441,283
Construction in progress	2,114,161	5,582,502	(1,342,548)	6,354,115
	<u>3,357,044</u>	<u>5,780,902</u>	<u>(1,342,548)</u>	<u>7,795,398</u>
Capital assets, depreciated and amortized:				
Buildings	86,959,710	348,006	-	87,307,716
Equipment	22,686,656	1,553,016	(633,113)	23,606,559
Improvements other than buildings	9,829,658	406,852	-	10,236,510
Intangibles	764,553	614,400	-	1,378,953
	<u>120,240,577</u>	<u>2,922,274</u>	<u>(633,113)</u>	<u>122,529,738</u>
Less accumulated depreciation and amortization for:				
Buildings	(34,530,572)	(2,434,213)	-	(36,964,785)
Equipment	(13,596,375)	(1,860,907)	633,113	(14,824,169)
Improvements other than buildings	(5,402,907)	(431,037)	-	(5,833,944)
Intangibles	(198,467)	(100,245)	-	(298,712)
	<u>(53,728,321)</u>	<u>(4,826,402)</u>	<u>633,113</u>	<u>(57,921,610)</u>
Capital assets, depreciated and amortized, net	<u>66,512,256</u>	<u>(1,904,128)</u>	<u>-</u>	<u>64,608,128</u>
General governmental activities capital assets, net	<u>\$ 69,869,300</u>	<u>\$ 3,876,774</u>	<u>\$ (1,342,548)</u>	<u>\$ 72,403,526</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Capital Assets (Continued)**

**Primary Government (Continued)**

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

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not depreciated or amortized:				
Land	\$ 711,986	\$ -	\$ -	\$ 711,986
Construction in progress	2,335,605	981,591	-	3,317,196
	<u>3,047,591</u>	<u>981,591</u>	<u>-</u>	<u>4,029,182</u>
Capital assets, depreciated and amortized:				
Buildings	1,389,536	-	-	1,389,536
Equipment	2,077,109	347,357	-	2,424,466
Improvements other than buildings	56,385,895	-	-	56,385,895
	<u>59,852,540</u>	<u>347,357</u>	<u>-</u>	<u>60,199,897</u>
Less accumulated depreciation and amortization for:				
Buildings	(508,880)	(35,855)	-	(544,735)
Equipment	(1,580,426)	(114,037)	-	(1,694,463)
Improvements other than buildings	(19,162,372)	(1,313,360)	-	(20,475,732)
	<u>(21,251,678)</u>	<u>(1,463,252)</u>	<u>-</u>	<u>(22,714,930)</u>
Capital assets, depreciated and amortized, net	<u>38,600,862</u>	<u>(1,115,895)</u>	<u>-</u>	<u>37,484,967</u>
Business-type activities capital assets, net	<u>\$ 41,648,453</u>	<u>\$ (134,304)</u>	<u>\$ -</u>	<u>\$ 41,514,149</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Capital Assets (Continued)**

**Component Unit – School Board**

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

<b>Component Unit – School Board</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not depreciated or amortized:				
Land	\$ 849,553	\$ -	\$ -	\$ 849,553
Construction in progress	-	587,109	-	587,109
	<u>849,553</u>	<u>587,109</u>	<u>-</u>	<u>1,436,662</u>
Capital assets, depreciated and amortized:				
Buildings	17,173,478	-	-	17,173,478
Equipment	11,446,205	1,517,113	-	12,963,318
Improvements other than buildings	2,109,295	479,521	-	2,588,816
	<u>30,728,978</u>	<u>1,996,634</u>	<u>-</u>	<u>32,725,612</u>
Less accumulated depreciation and amortization for:				
Buildings	(14,501,799)	(269,931)	-	(14,771,730)
Equipment	(6,598,474)	(862,302)	-	(7,460,776)
Improvements other than buildings	(477,421)	(228,176)	-	(705,597)
	<u>(21,577,694)</u>	<u>(1,360,409)</u>	<u>-</u>	<u>(22,938,103)</u>
Capital assets, depreciated and amortized, net	<u>9,151,284</u>	<u>636,225</u>	<u>-</u>	<u>9,787,509</u>
Intangible right-to-use assets				
Leased assets – equipment	268,390	-	-	268,390
Intangible right-to-use assets	268,390	-	-	268,390
Less accumulated amortization				
Leased assets – equipment	(100,646)	(100,646)	-	(201,292)
Accumulated amortization	(100,646)	(100,646)	-	(201,292)
Intangible right-to-use assets, net	<u>167,744</u>	<u>(100,646)</u>	<u>-</u>	<u>67,098</u>
School Board capital assets, net	<u>\$ 10,168,581</u>	<u>\$ 1,122,688</u>	<u>\$ -</u>	<u>\$ 11,291,269</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 5. Capital Assets (Continued)**

**Component Unit – School Board (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government administration	\$ 333,112
Judicial administration	200,841
Public safety	1,630,020
Public works	425,806
Health and welfare	15,812
Education	2,010,915
Parks, recreation and cultural	100,698
Community development	109,198
Total Governmental activities	<u>\$ 4,826,402</u>
Business-Type Activities:	
Caroline county utility fund	\$ 1,321,739
Dawn wastewater system fund	141,513
	<u>\$ 1,463,252</u>
Component Unit School	<u>\$ 1,461,055</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 new 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 Caroline, Virginia for the year ended June 30, 2023, is that school financed assets in the amount of \$66,235,977 and related accumulated depreciation of \$22,995,379 are reported in the Primary Government for financial reporting purposes.



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 6. Interfund Transfers and Obligations**

Interfund transfers for the year ended June 30, 2023, consisted of the following below. Amounts may differ slightly from financial statements due to rounding.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General	\$ 100,000	\$ 7,093,416
Debt Service	6,178,387	-
County Capital Projects	150,000	600,049
Virginia Public Assistance	602,515	-
CARES Act	-	100,000
Children's Services	708,698	-
Detention Facility	-	150,000
Proprietary Funds:		
Dawn Wastewater System	203,865	-
Total	<u>7,943,465</u>	<u>7,943,465</u>
Component Unit – School Board:		
School Capital Projects	302,261	-
School Operating	-	302,261
Total Component Unit – School Board Funds	<u>302,261</u>	<u>302,261</u>
Total – All Funds	<u>\$ 8,245,726</u>	<u>\$ 8,245,726</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.

- \$6,178,387 transferred from General to Debt Service for debt service payments designated to be paid from a portion of real property taxes and for payment of debt.
- \$150,000 transferred from Detention Facility to County Capital Projects to cover voter registration equipment.
- \$100,000 transferred from Cares Act fund to General Fund to cover software purchases.
- \$203,865 transferred from General to Dawn Wastewater to cover depreciation and revenue shortfall.
- \$602,515 transferred from General Fund to Virginia Public Assistance and \$708,698 transferred from General to Children's Services to cover local match.
- \$600,049 was transferred out of Capital Projects as a reduction to debt, because it was a payoff of debt from the General Fund.
- \$302,261 transferred from School Operating to School Capital Projects to reserve for a HVAC project.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 6. Interfund Transfers and Obligations (Continued)**

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General	\$ 3,016,049	\$ -
County Capital Projects	-	3,009,446
Internal Service	-	6,603
Total Governmental Funds	<u>\$ 3,016,049</u>	<u>\$ 3,016,049</u>

Cash is spent from the General Fund to cover County Capital Projects where debt has been borrowed, then once debt is reimbursed it is received back in the General Fund. This creates the interfund receivable/payable between General and County Capital Projects Fund.

**Note 7. Long-Term Liabilities**

**Primary Government**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 1,039,330	\$ 468,021	\$ -	\$ 1,507,351	\$ 150,735
Net OPEB liabilities	1,973,038	160,923	-	2,133,961	-
Landfill postclosure cost	3,426,402	172,275	-	3,598,677	-
Financed purchases	5,224,193	1,918,000	(1,575,408)	5,566,785	1,022,320
Direct borrowings and direct placements:					
General obligation bonds	42,342,317	-	(3,271,412)	39,070,905	3,396,280
Lease revenue bonds	20,623,659	4,019,000	(1,421,613)	23,221,046	1,667,218
Lease revenue bond debt allocable from business-type activities	226,358	-	(133,608)	92,750	92,750
Unamortized premiums	6,523,156	-	(481,627)	6,041,529	-
	<u>\$ 81,378,453</u>	<u>\$ 6,738,219</u>	<u>\$ (6,883,668)</u>	<u>\$ 81,233,004</u>	<u>\$ 6,329,303</u>
<b><u>Business-Type Activities</u></b>					
Compensated absences	\$ 80,793	\$ 24,800	\$ -	\$ 105,593	\$ 10,559
Net OPEB liabilities	144,638	11,796	-	156,434	-
Direct borrowings and direct placements:					
Revenue bonds	51,168,721	2,628,000	(1,524,675)	52,272,046	2,167,674
Lease revenue bond debt allocable from business-type activities	(226,358)	-	133,608	(92,750)	-
Unamortized premium	4,239,582	-	(250,957)	3,988,625	-
	<u>\$ 55,407,376</u>	<u>\$ 2,664,596</u>	<u>\$ (1,642,024)</u>	<u>\$ 56,429,948</u>	<u>\$ 2,178,233</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

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

<b>Year Ending June 30</b>	<b>Governmental Activities Obligations</b>			
	<b>Bonds from Direct Borrowings and Direct Placements</b>			
	<b>General Obligation Bonds</b>		<b>Lease Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 3,396,280	\$ 1,932,389	\$ 1,759,968	\$ 928,205
2025	3,537,704	1,782,278	2,005,024	847,453
2026	3,674,466	1,625,494	2,097,037	752,636
2027	3,826,583	1,462,236	1,480,262	653,390
2028	3,555,498	1,021,584	1,526,398	585,055
2029	3,339,338	852,353	1,601,343	514,012
2030	3,499,338	697,271	1,666,532	439,694
2031	3,644,338	533,707	1,745,975	362,467
2032	3,789,338	388,047	1,131,257	281,872
2033	3,374,338	255,841	952,000	246,686
2034	3,384,338	131,454	969,000	218,437
2035	49,346	20,841	823,000	189,701
2036	-	-	852,000	163,475
2037	-	-	824,000	137,005
2038	-	-	849,000	111,248
2039	-	-	879,000	85,309
2040	-	-	903,000	59,256
2041	-	-	689,000	36,503
2042	-	-	274,000	16,793
2043	-	-	286,000	5,677
Total	<u>\$ 39,070,905</u>	<u>\$ 10,703,495</u>	<u>\$ 23,313,796</u>	<u>\$ 6,634,874</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

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

Year Ending June 30	Governmental Activities Obligations	
	Financed Purchases	
	Principal	Interest
2024	\$ 1,022,320	\$ 121,539
2025	878,962	102,416
2026	783,293	85,199
2027	625,455	69,480
2028	475,277	55,983
2029	271,782	46,879
2030	278,604	40,790
2031	234,149	35,042
2032	148,683	30,296
2033	128,491	26,227
2034	97,491	22,862
2035	101,455	20,033
2036	104,455	17,078
2037	107,368	14,017
2038	67,000	11,133
2039	45,000	8,890
2040	47,000	7,027
2041	48,000	5,103
2042	50,000	3,118
2043	52,000	1,053
Total	<u>\$ 5,566,785</u>	<u>\$ 724,165</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

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

<b>Year Ending June 30</b>	<b>Business-type Obligations</b>	
	<b>Revenue Bonds from Direct</b>	
	<b>Borrowings and Direct Placements</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 2,167,674	\$ 1,806,400
2025	2,161,674	1,704,520
2026	2,234,024	1,602,622
2027	2,302,674	1,498,778
2028	2,195,000	1,389,804
2029-2033	11,508,000	5,278,876
2034-2038	11,193,000	3,170,386
2039-2043	10,215,000	1,574,587
2044-2048	6,945,000	562,751
2049-2052	1,350,000	53,326
Total	<u>\$ 52,272,046</u>	<u>\$ 18,642,050</u>

Outstanding long-term liabilities at June 30 are as follows:

	<b><u>Year Issued</u></b>	<b><u>Interest Rate</u></b>	<b><u>Amount Outstanding</u></b>
Governmental Activities			
General Obligation Bonds:			
Series 2007B VPSA	2007	5.10%	\$ 1,784,551
Series 2008B VPSA	2008	4.10-5.35%	10,435,000
Series 2011 VPSA	2011	7.60%	1,714,288
Series 2012A VPSA	2012	3.84%	592,057
Series 2012B VPSA	2012	2.05-5.05%	860,000
Series 2018 VPSA	2018	3.00-5.00%	14,990,000
Series 2020 VPFP	2020	1.951-5.125%	4,607,884
Series 2020 VPFP	2020	3.125-5.125%	4,087,125
Total general obligation bonds			<u>\$ 39,070,905</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

Outstanding long-term liabilities at June 30 are as follows: (Continued)

	<u>Year Issued</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Governmental Activities (Continued)			
Lease Revenue Bonds:			
Series 2017	2017	2.95%	\$ 1,987,046
Series 2019A	2019	2.973%	505,000
Series 2019B	2019	3.125-5.125%	2,875,000
Series 2019B	2019	3.125-5.125%	92,750
Series 2021	2021	2.00-5.00%	13,835,000
Series 2022	2022	3.97%	4,019,000
			<hr/>
Total lease revenue bonds			23,313,796
			<hr/>
Financed Purchases:			
	2020	1.403%	1,372,695
	2019	1.919%	461,000
	2020	1.835%	637,000
	2021	1.250%	1,178,090
	2022	3.84-4.05%	1,918,000
			<hr/>
Total financed purchases			5,566,785
			<hr/>
Unamortized premiums			6,041,529
			<hr/>
Net OPEB liabilities			2,133,961
			<hr/>
Compensated absences			1,507,351
			<hr/>
Landfill postclosure cost			3,598,677
			<hr/>
Total Governmental Activities			\$ 81,233,004
			<hr/>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

Outstanding long-term liabilities at June 30 are as follows: (Continued)

	<u>Year Issued</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Business-type Activities			
Lease Revenue Bonds:			
	2006	N/A	\$ 678,696
	2019	5.125%	1,170,350
	2021	2.00-5.00%	21,260,000
	2020	3.125-5.125%	2,635,000
	2017	3.125-5.125%	7,140,000
	2019	2.862-5.125%	16,760,000
	2022	3.88-3.97%	2,628,000
Less: Revenue bond debt allocable to general government			<u>(92,750)</u>
Total lease revenue bonds			<u>52,179,296</u>
Unamortized premium			<u>3,988,625</u>
Compensated absences			<u>105,593</u>
Net OPEB liabilities			<u>156,434</u>
Total Business-type Activities			<u><u>\$ 56,429,948</u></u>

**Direct Borrowings and Direct Placements**

- (a) In the event of default for any general obligation bond, the Commonwealth of Virginia may withhold state aid from the locality until such time that the event of default is cured in accordance with Section 15.2- 2659 of the *Code of Virginia*, 1950 as amended.
- (b) Lease revenue bonds totaling \$23,313,796 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issue as due and payable. In addition, the lease revenue bonds issued through the EDA of Caroline County have prepayment penalties of 1% of outstanding principal if the bond is redeemed in advance of specific dates.
- (c) Lease revenue bonds totaling \$52,179,296 contain a provision that, in the event of default, the Lender may declare the entire unpaid principal and interest on the issue as due and payable.

**Financed Purchases**

The County has entered into agreements for financing the acquisition of trucks, vehicles and radio equipment. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the inception date.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Primary Government (Continued)**

**Financed Purchases (Continued)**

The assets acquired through financed purchases are as follows:

	<b><u>Governmental Activities</u></b>
Asset:	
Trucks and vehicles	\$ 6,499,380
Radio equipment	86,700
HVAC and other energy performance equipment	<u>5,372,054</u>
Less: accumulated depreciation	<u>(6,687,258)</u>
	<u><u>\$ 5,270,876</u></u>

The future minimum financed purchases and the net present value of these minimum payments as of June 30, 2023, were as follows:

<b><u>Year Ending June 30</u></b>	<b><u>Governmental Activities</u></b>
2024	\$ 1,143,859
2025	981,378
2026	868,492
2027	694,935
2028	531,260
2029-2033	1,240,943
2034-2038	562,892
2039-2043	<u>267,191</u>
Total minimum payments	6,290,950
Less: amount representing interest	<u>(724,165)</u>
Present value of minimum payments	<u><u>\$ 5,566,785</u></u>

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Component Unit – School Board**

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

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 748,371	\$ 101,541	\$ -	\$ 849,912	\$ 84,991
Net pension liability	19,908,113	4,150,440	-	24,058,553	-
Net OPEB liabilities	12,267,423	101,737	-	12,369,160	-
Financed purchases	937,064	-	(207,709)	729,355	161,686
Lease liabilities	170,167	-	(100,909)	69,258	69,258
Total	<u>\$ 34,031,138</u>	<u>\$ 4,353,718</u>	<u>\$ (308,618)</u>	<u>\$ 38,076,238</u>	<u>\$ 315,935</u>

**Financed Purchases**

The School Board has entered into agreements for financing the acquisition of school buses. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through financed purchases are as follows:

	<b><u>School Board</u></b>
Asset:	
School buses and vehicles	\$ 1,817,547
Less: Accumulated depreciation	<u>(905,273)</u>
	<u>\$ 912,274</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 7. Long-Term Liabilities (Continued)**

**Component Unit – School Board (Continued)**

**Financed Purchases and Lease Liabilities**

The future minimum financed purchases and lease liabilities and the net present value of these minimum payments as of June 30, 2023, were as follows:

<b>Year Ending June 30</b>	<b>School Board Financed Purchases</b>	<b>School Board Lease Liabilities</b>
2024	\$ 177,400	\$ 70,170
2025	177,348	-
2026	168,665	-
2027	161,256	-
2028	46,764	-
2029-2033	36,443	-
2034-2038	6,386	-
	<hr/>	<hr/>
Total minimum payments	774,262	70,170
Less: amount representing interest	<u>(44,907)</u>	<u>(912)</u>
	<hr/>	<hr/>
Present value of minimum payments	<u>\$ 729,355</u>	<u>\$ 69,258</u>

**Note 8. Leases**

For the year ended June 30, 2022, the County and School Board adopted GASB Statement No. 87, *Leases*, which requires reporting an intangible right-to-use asset and a lease liability for leases the County and School Board had previously reported as operating leases. In instances where the County and School Board is the lessee, the right-to-use asset information can be found in Note 5, and the corresponding liabilities and maturity schedules are provided in Note 7. Details of significant leases are described below.

**School Board as Lessee**

On January 9, 2019, the School Board entered a lease for a variety of copiers and printers for a term of 60 months. Minimum monthly lease payments are \$8,771. For purposes of discounting future payments, the School Board imputed an interest rate of 3.50%.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 9. Landfill Postclosure Costs**

State and federal laws and regulations required the County to place a final cover on its landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The landfill operated by the County was certified by the Department of Environmental Quality was closed on December 8, 2003, and all obligations of the County with regard to the closure have been met. The \$3,598,677 reported as landfill postclosure care liability at June 30, 2023, represents the remaining engineering estimate of 20 years of postclosure monitoring and care. These amounts are based on what it would cost to perform all postclosure care in 2023. Actual cost may be higher due to inflation, changes in technology, or changes in regulation. The County intends to fund these costs from general tax revenues and from any special revenue source that may become available for this purpose.

**Note 10. Deferred/Unavailable Revenue**

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

Unavailable Property Tax Revenue: Revenue representing uncollected tax billings not available for funding of current expenditures totaled \$27,655,359, of which \$6,941,405 represents delinquent property taxes receivable at June 30, 2023.

Prepaid Property Taxes: Property taxes due subsequent to June 30, 2023, but paid in advance by the tax-payers totaled \$1,270,532 at June 30, 2023.

Opioid Settlement: Revenue representing uncollected settlement amounts not available for funding of current expenditures totaled \$293,986.

	<b>Unavailable</b>	<b>Unearned</b>	<b>Total</b>
<b>Property Taxes</b>	\$ 6,941,405	\$ 20,713,954	\$ 27,655,359
<b>Prepaid Taxes</b>	-	1,270,532	1,270,532
<b>Opioid Settlement</b>	293,986	-	293,986
<b>Total</b>	<u>\$ 7,235,391</u>	<u>\$ 21,984,486</u>	<u>\$ 29,219,877</u>

**Note 11. Commitments and Contingencies**

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

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

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 12. Litigation**

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

**Note 13. Risk Management**

The County and School Board Component Unit are exposed to various risks of loss 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 and School Board joined with other municipalities in the Commonwealth of Virginia in several public entity risk pools that operate as common risk management and insurance programs for member municipalities.

The County and School Board have coverage with the Virginia Association of Counties Group Self Insurance Risk Pool (the "Pool") for all insurable risks identified by the County. Each Pool member jointly and severally agrees to assume, pay and discharge any liability. The County and School Board pay the Pool contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Pool and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Pool 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 and School Board contribute 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**

County employees, retirees and employee dependents are eligible for medical benefits from a County-held self-insurance plan. Funding is provided by charges to County departments, employees, and retirees. The program is supplemented by stop loss protection, which limits the County's annual liability.

The County records an estimated liability for indemnity healthcare claims. Prior to fiscal year 2015, the liability was recorded in the respective fund; however, during fiscal year 2015, the County established a separate Self-Insurance Fund to account for this activity. The following represents the changes in the fund's claim liability for 2015 through 2023.

<b>Fiscal Year Ended June 30</b>	<b>Beginning Liability</b>	<b>Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Ending Liability</b>
2021	\$ 434,935	\$ 3,190,782	\$ 3,470,523	\$ 155,194
2022	155,194	4,207,103	3,945,563	416,734
2023	416,734	4,011,358	4,083,092	345,000

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan**

**Primary Government – County**

**Plan Description**

All full-time, salaried permanent employees of the County of Caroline, Virginia, (the “Political Subdivision”) are automatically covered by the VRS Retirement Plan upon employment. This multi-employer cost-sharing is 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.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

- <https://www.varetire.org/members/benefits/defined-benefit/plan1.asp>,
- <https://www.varetire.org/members/benefits/defined-benefit/plan2.asp>,
- <https://www.varetirement.org/hybrid.html>.

**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:

	<b><u>Number</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>222</u>
Inactive members:	
Vested inactive members	76
Non-vested inactive members	158
Inactive members active elsewhere in VRS	<u>237</u>
Total inactive members	471
Active members	<u>256</u>
Total covered employees	<u><u>949</u></u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Contributions**

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

The political subdivision's contractually required contribution rate for the year ended June 30, 2023, was 6.75% 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 political subdivision were \$1,050,828 and \$920,505 for the years ended June 30, 2023, and June 30, 2022, respectively.

**Net Pension Liability (Asset)**

The net pension liability (asset) is calculated separately for each employer and represents that particular employer's total pension liability (asset) determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability (asset) was measured as of June 30, 2022. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of June 30, 2021 rolled forward to the measurement date of June 30, 2022.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Actuarial Assumptions**

The total pension liability (asset) for General Employees and Public Safety employees with Hazardous Duty Benefits in the Political Subdivision'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%
General Employees – Salary increases, including inflation	3.50 – 5.35%
Public Safety Employees with hazardous duty benefits – Salary increases, including inflation	3.50 – 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates: General employees – 15 to 20% of deaths are assumed to be service related. Public Safety Employees – 45% to 70% of deaths are assumed to be service related. Mortality is projected using the applicable Pub-2010 Mortality Table with various set backs or set forwards for both males and females.

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

General Employees – Largest 10 – Non-Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rates; adjusted withdrawal rates to better fit experience at each year age and service through 9 years of service; no change to disability rates; no change to salary scale; no change to line of duty disability; and no change to discount rate.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Actuarial Assumptions (Continued)**

Public Safety Employees – Largest 10 – Hazardous Duty and All Others (Non 10 Largest): Updated mortality table; adjusted retirement rate to better fit experience and increased final retirement age to 70; decreased rates of withdrawal; no change to disability rates; no changes to salary scale; no change to line of duty disability; and no change to discount rate.

**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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
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 %

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Long-Term Expected Rate of Return (Continued)**

- \* The above allocation provides for 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 rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

**Discount Rate**

The discount rate used to measure the total pension liability (asset) 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, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in the FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022 on, participating employers 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 (asset).

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Changes in Net Pension Liability (Asset)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balances at June 30, 2021	\$ 61,696,852	\$ 71,822,391	\$ (10,125,539)
Changes for the year:			
Service cost	1,673,995	-	1,673,995
Interest	4,195,757	-	4,195,757
Differences between expected and actual experience	(868,832)	-	(868,832)
Contributions – employer	-	935,952	(935,952)
Contributions – employee	-	653,588	(653,588)
Net investment income	-	(84,244)	84,244
Benefit payments, including refunds of employee contributions	(2,422,971)	(2,422,971)	-
Administrative expenses	-	(44,607)	44,607
Other changes	-	1,665	(1,665)
Net changes	2,577,949	(960,617)	3,538,566
Balances at June 30, 2022	\$ 64,274,801	\$ 70,861,774	\$ (6,586,973)

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the political subdivision using the discount rate of 6.75%, as well as what the political subdivision's 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:

	<b><u>1.00% Decrease (5.75%)</u></b>	<b><u>Current Discount Rate (6.75%)</u></b>	<b><u>1.00% Increase (7.75%)</u></b>
Political subdivision's net pension liability (asset)	\$ 2,412,185	\$ (6,586,973)	\$ (13,895,520)

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

For the year ended June 30, 2023, the political subdivision recognized pension expense of \$(650,715). At June 30, 2023, the political subdivision reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ 873,337
Change in assumptions	381,909	-
Net difference between projected and actual earnings on pension plan investments	-	2,040,020
Employer contributions subsequent to the measurement date	1,050,828	-
Total	<u>\$ 1,432,737</u>	<u>\$ 2,913,357</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Primary Government – County (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$1,050,828 reported as deferred outflows of resources related to pensions resulting from the political subdivision's contributions subsequent to the measurement date will be recognized as a reduction 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 as follows:

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2024	\$ (1,168,460)
2025	(964,668)
2026	(1,378,857)
2027	980,537
2028	-
Thereafter	-

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans 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.

**School Nonprofessionals**

**Plan Description**

All full-time, salaried permanent non-professional employees (non-teachers) of Caroline County Public Schools, (the "School division") are automatically covered by the VRS Retirement Plan upon employment. This multi-employer agent plan is 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**School Nonprofessionals (Continued)**

**Plan Description (Continued)**

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. The plan provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced for the Primary Government.

**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><b>Number</b></u>
Inactive members or their beneficiaries currently receiving benefits	<u>51</u>
Inactive members:	
Vested inactive members	10
Non-vested inactive members	19
Inactive members active elsewhere in VRS	<u>12</u>
Total inactive members	41
Active members	<u>51</u>
Total covered employees	<u><u>143</u></u>

**Contributions**

The school division's contractually required contribution rate for the year ended June 30, 2023, was 3.12% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

Contributions to the pension plan from the school division were \$61,029 and \$62,110 for the years ended June 30, 2023, and June 30, 2022, respectively.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**School Nonprofessionals (Continued)**

**Changes in Net Pension Liability (Asset)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) – (b)</b>
Balances at June 30, 2021	\$ 5,807,146	\$ 6,666,670	\$ (859,524)
Changes for the year:			
Service cost	137,465	-	137,465
Interest	390,485	-	390,485
Differences between expected and actual experience	(94,187)	-	(94,187)
Contributions – employer	-	61,337	(61,337)
Contributions – employee	-	70,123	(70,123)
Net investment income	-	(4,905)	4,905
Benefit payments, including refunds of employee contributions	(319,291)	(319,291)	-
Administrative expenses	-	(4,178)	4,178
Other changes	-	152	(152)
Net changes	114,472	(196,762)	311,234
Balances at June 30, 2022	\$ 5,921,618	\$ 6,469,908	\$ (548,290)

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate**

The following presents the net pension liability (asset) of the school division using the discount rate of 6.75%, as well as what the 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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School division's net pension liability (asset)	\$ 120,214	\$ (548,290)	\$ (1,097,511)

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**School Nonprofessionals (Continued)**

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

For the year ended June 30, 2023, the school division recognized pension expense of \$(58,306). At June 30, 2023, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 60,379
Change in assumptions	24,327	-
Net difference between projected and actual earnings on pension plan investments	-	193,022
Employer contributions subsequent to the measurement date	61,029	-
Total	<u>\$ 85,356</u>	<u>\$ 253,401</u>

The \$61,029 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 (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 as follows:

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2024	\$ (93,885)
2025	(94,774)
2026	(130,101)
2027	89,686
2028	-
Thereafter	-

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**School Nonprofessionals (Continued)**

**Pension Plan Data**

Information about the VRS Political Subdivision Retirement Plans 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.

**Teacher Cost Sharing Plan**

**General Information about the Teacher Cost Sharing Plan**

*Plan Description*

All full-time, salaried permanent (professional) employees of Virginia public school divisions, including County of Caroline, Virginia, (the "School Division"), are automatically covered by the VRS Teacher Retirement Plan upon employment. This multiple employer, cost sharing plan is 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.

The System administers three different benefit structures for covered employees in the VRS Teacher Retirement Plan – Plan 1, Plan 2, and Hybrid. The provisions and features of the plans, as well as all actuarial assumptions, are substantially the same as those referenced for the Primary Government.

*Contributions*

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required 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 \$4,085,713 and \$3,737,587 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 Employee 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.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan**

**Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

*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 \$24,058,553 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, 2021. 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 0.25270% as compared to 0.25644% at June 30, 2021.

For the year ended June 30, 2023, the school division recognized pension expense of \$1,129,454. 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 the expected and actual contributions is included with the pension expense calculation.

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,658,932
Change in assumptions	2,268,237	-
Net difference between projected and actual earnings on pension plan investments	-	3,136,731
Changes in proportion and differences between employer contributions and proportionate share of contributions	860,710	1,013,194
Employer contributions subsequent to the measurement date	4,085,713	-
Total	<u>\$ 7,214,660</u>	<u>\$ 5,808,857</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan (Continued)**

**Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

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

The \$4,085,713 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 as follows:

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to Pension Expense</b>
2024	\$ (938,206)
2025	(1,153,015)
2026	(1,929,126)
2027	1,340,437
2028	-
Thereafter	-

*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):

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

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 14. Defined Benefit Pension Plan**

**Teacher Cost Sharing Plan (Continued)**

**General Information about the Teacher Cost Sharing Plan (Continued)**

*Net Pension Liability (Continued)*

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.

*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 of the school division 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:

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
School division's proportionate share of the VRS Teacher Employee Retirement plan net pension liability	\$ 42,970,417	\$ 24,058,553	\$ 8,660,137

*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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans**

**Primary Government – County**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the County also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

The GLI is administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

**Group Life Insurance Program**

Governed by:	<i>Code of Virginia</i> 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$84,150
June 30, 2022 Contribution	\$73,097

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Primary Government – County (Continued)**

**Contributions (Continued)**

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.

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

The net OPEB liabilities were measured as of June 30, 2022 and the total OPEB liabilities used to calculate the net OPEB liabilities 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 OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers.

**Group Life Insurance Program**

June 30, 2023 proportionate share of liability	\$761,591
June 30, 2022 proportion	0.06325%
June 30, 2021 proportion	0.06252%
June 30, 2023 expense	\$(24,068)

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

**Group Life Insurance Program**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 60,308	\$ 30,553
Change in assumptions	28,406	74,182
Net difference between projected and actual earnings on OPEB plan investments	-	47,588
Changes in proportion	128,681	224,285
Employer contributions subsequent to the measurement date	84,150	-
Total	<u>\$ 301,545</u>	<u>\$ 376,608</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Primary Government – County (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

The deferred outflows of resources related to OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 OPEB will be recognized in OPEB expense in future reporting periods as follows:

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2024	\$ 4,723
2025	(7,362)
2026	(67,125)
2027	(5,212)
2028	(84,237)
Thereafter	-

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, 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%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI: 6.75%

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Primary Government – County (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

**Net OPEB Liabilities**

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>
Total OPEB liability	\$ 3,672,085
Plan fiduciary net position	\$ 2,467,989
Employers' net OPEB liability	\$ 1,204,096
Plan fiduciary net position as a percentage of total OPEB liability	67.21%

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

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**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Primary Government – County (Continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance Program

The long-term expected rate of return on VRS 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 OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- \* The above allocation provides for 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 rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Primary Government – County (Continued)**

**Discount Rate**

The discount rate used to measure the GLI OPEB liability was 6.75%. The discount rate used to measure the LODA OPEB liability was 3.69%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Guidance 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. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
GLI Net OPEB liability	\$ 1,108,204	\$ 761,591	\$ 481,480

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan 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.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board**

In addition to their participation in the pension plans offered through the Virginia Retirement System (VRS), the School Board also participates in various cost-sharing and agent multi-employer other postemployment benefit plans, described as follows.

**Plan Descriptions**

**Group Life Insurance Program**

All full-time teachers and employees of political subdivisions are automatically covered by the VRS Group Life Insurance (GLI) Program upon employment.

In addition to the Basic Group Life Insurance Benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. 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 program, it is not included as part of the GLI Program OPEB.

Specific information for the GLI is available at <https://www.varetire.org/members/benefits/life-insurance/basic-group-life-insurance.asp>

**Teacher Employee Health Insurance Credit Program**

All full time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit (HIC) Program. 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 health insurance credit 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.

Specific information about the Teacher HIC is available at <https://www.varetire.org/retirees/insurance/healthinscredit/index.asp>

The GLI and Teacher HIC are administered by the VRS along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Both of these plans are considered multiple employer, cost sharing plans.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Plan Descriptions (Continued)**

General Employee Health Insurance Credit Program

The General Employee Health Insurance Credit Program (HIC) is available for all full time, salaried employees of local government entities other than teachers. The General Employee HIC provides all the same benefits as the Teacher HIC, except that this plan is considered a multi-employer agent plan.

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the General Employee Health Insurance Credit Program:

	<u><b>Number</b></u>
Inactive members or their beneficiaries currently receiving benefits	<u>29</u>
Inactive members:	
Vested inactive members	<u>4</u>
Total inactive members	33
Active members	<u>51</u>
Total covered employees	<u><u>84</u></u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Contributions**

Contributions to the VRS OPEB programs were based on actuarially determined rates from actuarial valuations as of June 30, 2021. The actuarially determined rates were expected to finance the cost of benefits earned by employees during the year, with an additional amount to fund any unfunded accrued liability. Specific details related to the contributions for the VRS OPEB programs are as follows:

**Teacher Group Life Insurance Program**

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$139,479
June 30, 2022 Contribution	\$126,978

**General Group Life Insurance Program**

Governed by:	<i>Code of Virginia 51.1-506 and 51.1-508 and may be impacted as a result of funding provided to school divisions and governmental agencies by the Virginia General Assembly.</i>
Total rate:	1.34% of covered employee compensation. Rate allocated 60/40; 0.80% employee and 0.54% employer. Employers may elect to pay all or part of the employee contribution.
June 30, 2023 Contribution	\$10,636
June 30, 2022 Contribution	\$8,416

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Contributions (Continued)**

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.

**Teacher Health Insurance Credit Program**

Governed by:	<i>Code of Virginia</i> 51.1-1401(E) and may be impacted as a result of funding provided to school divisions by the Virginia General Assembly.
Total rate:	1.21% of covered employee compensation.
June 30, 2023 Contribution	\$312,365
June 30, 2022 Contribution	\$283,890

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. 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.

**General Employee Health Insurance Credit Program**

Governed by:	<i>Code of Virginia</i> 51.1-1402(E) and may be impacted as a result of funding provided to governmental agencies by the Virginia General Assembly.
Total rate:	0.91% of covered employee compensation.
June 30, 2023 Contribution	\$17,822
June 30, 2022 Contribution	\$12,387

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

The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities 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 OPEB liabilities were based on the covered employer's actuarially determined employer contributions for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

General Group Life Insurance Program

June 30, 2023, proportionate share of liability	\$86,093
June 30, 2022 proportion	0.00715%
June 30, 2021 proportion	0.00730%
June 30, 2023 expense	\$2,183

Teacher Group Life Insurance Program

June 30, 2023, proportionate share of liability	\$1,303,675
June 30, 2022 proportion	0.10827 %
June 30, 2021 proportion	0.11005%
June 30, 2023 expense	\$40,034

Teacher Health Insurance Credit Program

June 30, 2023, proportionate share of liability	\$3,149,221
June 30, 2022 proportion	0.25213 %
June 30, 2021 proportion	0.25675%
June 30, 2023 expense	\$241,880

Since there was a change in proportionate share between measurement dates, a portion of the OPEB expense above was related to deferred amount from changes in proportion.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

General Employee Health Insurance Credit Program

Changes in net OPEB liability of the General Employee Health Insurance Credit Program were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) – (b)</b>
Balances at June 30, 2021	\$ 175,706	\$ 13,423	\$ 162,283
Changes for the year:			
Service cost	1,572	-	1,572
Interest	11,808	-	11,808
Differences between expected and actual experience	(9,970)	-	(9,970)
Assumption changes	(4,439)	-	(4,439)
Contributions – employer	-	12,370	(12,370)
Benefit Payments	(4,703)	(4,703)	-
Net investment income	-	(158)	158
Administrative expenses	-	(39)	39
Net changes	(5,732)	7,470	(13,202)
Balances at June 30, 2022	\$ 169,974	\$ 20,893	\$ 149,081

In addition, for the year ended June 30, 2022, the School Board recognized OPEB expense of \$9,896 related to the General Employee Health Insurance Credit Program.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

**General Group Life Insurance Program**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,817	\$ 3,454
Change in assumptions	3,211	8,386
Net difference between projected and actual earnings on OPEB plan investments	-	5,380
Changes in proportion	10,056	10,779
Employer contributions subsequent to the measurement date	10,636	-
Total	<u><u>\$ 30,720</u></u>	<u><u>\$ 27,999</u></u>

**Teacher Group Life Insurance Program**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 103,235	\$ 52,300
Change in assumptions	48,625	126,983
Net difference between projected and actual earnings on OPEB plan investments	-	81,461
Changes in proportion	50,878	68,601
Employer contributions subsequent to the measurement date	139,489	-
Total	<u><u>\$ 342,227</u></u>	<u><u>\$ 329,345</u></u>

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

General Employee Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 7,497
Change in assumptions	2,237	3,338
Net difference between projected and actual earnings on OPEB plan investments	435	
Employer contributions subsequent to the measurement date	17,822	-
Total	<u>\$ 20,494</u>	<u>\$ 10,835</u>

Teacher Health Insurance Credit Program

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 128,367
Change in assumptions	92,005	8,042
Net difference between projected and actual earnings on OPEB plan investments	-	3,161
Changes in proportion	106,974	157,254
Employer contributions subsequent to the measurement date	312,365	-
Total	<u>\$ 511,344</u>	<u>\$ 296,824</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

The deferred outflows of resources related to OPEB resulting from School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net 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 OPEB will be recognized in OPEB expense in future reporting periods as follows:

**General Group Life Insurance Program**

<b>Year Ended June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2024	\$ (2,695)
2025	(2,236)
2026	(4,238)
2027	2,241
2028	(987)
Thereafter	-

**Teacher Group Life Insurance Program**

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2024	\$ (27,910)
2025	(28,966)
2026	(70,415)
2027	14,546
2028	(13,862)
Thereafter	-

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Liabilities, OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

General Employee Health Insurance Credit Program

<b>Year Ending June 30,</b>	<b>Increase (Reduction) to OPEB Expense</b>
2024	\$ (2,360)
2025	(2,442)
2026	(3,517)
2027	156
2028	-
Thereafter	-

Teacher Health Insurance Credit Program

<b>Year Ending June 30,</b>	<b>Reduction to OPEB Expense</b>
2024	\$ (19,411)
2025	(20,774)
2026	(24,316)
2027	(10,003)
2028	(5,655)
Thereafter	(17,686)

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Actuarial Assumptions and Other Inputs**

The total OPEB liability was determined using the following assumptions based on an actuarial valuation date of June 30, 2021, 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%
• Teachers	3.50 – 5.95%
Healthcare cost trend rates:	
• Under age 65	7.00 – 4.75%
• Ages 65 and older	5.25 – 4.75%
Investment rate of return, net of expenses, including inflation	GLI & HIC: 6.75%

Mortality rates used for the various VRS OPEB plans are the same as those used for the actuarial valuations of the VRS pension plans. The mortality rates are discussed in detail at Note 14.

**Net OPEB Liabilities**

The net OPEB liabilities represent each program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the various VRS OPEB programs are as follows (amounts expressed in thousands):

	<b>Group Life Insurance Program</b>	<b>Teacher Employee HIC OPEB Plan</b>
Total OPEB liability	\$ 3,672,085	\$ 1,470,891
Plan fiduciary net position	\$ 2,467,989	\$ 221,845
Employers' net OPEB liability	\$ 1,204,096	\$ 1,249,046
Plan fiduciary net position as a percentage of total OPEB liability	67.21%	15.08%

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

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Long-Term Expected Rate of Return**

Group Life Insurance and Health Insurance Credit Programs

The long-term expected rate of return on VRS 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 OPEB investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

- \* The above allocation provides for 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 rate of return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11, including inflation of 2.50%.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**Discount Rate**

The discount rate used to measure the GLI and HIC OPEB liabilities 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 Guidance 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. Through the fiscal year ending June 30, 2022, the rate contributed by the employer for the OPEB liabilities will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2020 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' 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 OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
General GLI Net OPEB liability	\$ 125,275	\$ 86,093	\$ 54,428
Teacher GLI Net OPEB Liability	\$ 1,897,000	\$ 1,303,675	\$ 824,188
General Employee HIC Net OPEB liability	\$ 163,447	\$ 149,081	\$ 136,741
Teacher HIC Net OPEB liability	\$ 3,549,208	\$ 3,149,221	\$ 2,810,162

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 15. Other Postemployment Benefits Liability – Virginia Retirement System Plans (Continued)**

**Component Unit – School Board (Continued)**

**OPEB Plan Fiduciary Net Position**

Information about the various VRS OPEB plan fiduciary net position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2022-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**Note 16. Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan)**

**County and School Board**

*Plan Description*

In addition to the pension benefits described in Note 14, the County and Component Unit School Board administers a single-employer defined benefit healthcare plan, The County of Caroline Postretirement Benefits Plan and The Caroline County Public Schools Postretirement Benefits Plan, respectively. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's and School Board's pension plans. The plan does not issue a publicly available financial report.

*Benefits Provided*

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 16. Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan) (Continued)**

**County and School Board (Continued)**

*Plan Membership*

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

	<b>Primary Government</b>	<b>Component Unit School Board</b>
Total active employees with coverage	258	627
Total retirees and spouses with coverage	5	22
Total	<u>263</u>	<u>649</u>

*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 for OPEB as the benefits came due during the year were \$25,449 and \$12,981 for the years ended June 30, 2023, and June 30, 2022, respectively. The amount paid by the School Board for OPEB as the benefits came due were \$438,784 and \$387,211 for the years ended June 30, 2023, and June 30, 2022, respectively.

*Total OPEB Liability*

The County and School Board's total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

*Actuarial Assumptions*

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

Inflation	2.50%
Discount Rate	3.54%
Actuarial Cost Method	Entry Age Normal
Medical Trend Rate – County	2.00% for fiscal 2020, 4.80% for fiscal 2021, 5.20% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074.
Medical Trend Rate – School Board	10.80% for fiscal 2020, 4.80% for fiscal 2021, 5.20% for fiscal 2022, then grading to an ultimate rate of 4.00% for fiscal 2074.
Salary Increases	Graded Scale

In setting the assumed rates of retirement, mortality, withdrawal, and disability, actuaries relied on the most recent experience study performed for VRS. This study examined actual VRS experience over the four- year period ending June 30, 2016. The demographic assumptions recommended as a result of this study were adopted by the VRS Board of Trustees on April 26, 2017.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 16. Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan) (Continued)**

**County and School Board (Continued)**

*Discount Rate*

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year General Obligation 20-Bond Municipal Index.

*Changes in Total OPEB Liability*

	<b>Primary Government Total OPEB Liability</b>	<b>Component Unit School Board Total OPEB Liability</b>
Balances at June 30, 2022	\$ 1,389,774	\$ 7,443,304
Changes for the year:		
Service cost	77,201	467,783
Interest	51,484	272,353
Changes of assumptions	35,794	(63,566)
Benefit payments	(25,449)	(438,784)
Net Changes	139,030	237,786
Balance at June 30, 2023	\$ 1,528,804	\$ 7,681,090

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

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

	<b>Rate</b>		
	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
<b>Primary Government</b>			
Total OPEB liability	\$ 1,718,254	\$ 1,528,804	\$ 1,363,672
<b>Component Unit School Board</b>			
Total OPEB liability	\$ 8,271,053	\$ 7,681,090	\$ 7,120,583

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 16. Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan) (Continued)**

**County and School Board (Continued)**

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

The following presents the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<b>Rates</b>		
	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
<b>Primary Government</b>			
Total OPEB liability	<u>\$ 1,300,983</u>	<u>\$ 1,528,804</u>	<u>\$ 1,807,171</u>
<b>Component Unit School Board</b>			
Total OPEB liability	<u>\$ 6,659,353</u>	<u>\$ 7,681,090</u>	<u>\$ 8,894,989</u>

*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 \$139,586 and \$500,634. 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:

	<b>Primary Government</b>		<b>Component Unit School Board</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 259,710	\$ 588,418	\$ 977,248
Changes in assumptions	<u>167,142</u>	<u>98,846</u>	<u>612,978</u>	<u>1,890,426</u>
Total	<u>\$ 167,142</u>	<u>\$ 358,556</u>	<u>\$ 1,201,396</u>	<u>\$ 2,867,674</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 16. Medical and Dental Insurance – Pay-As-You-Go (OPEB Plan) (Continued)**

**County and School Board (Continued)**

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

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

<b>Year Ended June 30</b>	<b>Primary Government</b>	<b>Component Unit School Board</b>
2024	\$ 10,901	\$ (251,127)
2025	10,901	(251,127)
2026	(35,303)	(251,127)
2027	(40,435)	(251,127)
2028	(40,435)	(551,476)
Thereafter	(97,043)	(110,294)

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.

**Note 17. Line of Duty Act (LODA) (OPEB Benefits)**

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

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

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2023, was \$81,371.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 18. Summary of Pension and OPEB Elements**

A summary of the pension and other post-employment benefits-related financial statements elements are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Units Schools</u>
Deferred outflows of resources – pensions				
Changes in assumptions				
VRS	\$ 355,367	\$ 26,542	\$ 381,909	\$ -
VRS (Teachers)	-	-	-	2,268,237
VRS (Nonprofessionals)	-	-	-	24,327
Change in proportionate share				
VRS (Teachers)	-	-	-	860,710
Employer contributions subsequent to the measurement date				
VRS	977,795	73,033	1,050,828	-
VRS (Teachers)	-	-	-	4,085,713
VRS (Nonprofessionals)	-	-	-	61,029
Total deferred outflows of resources – pensions	<u>\$ 1,333,162</u>	<u>\$ 99,575</u>	<u>\$ 1,432,737</u>	<u>\$ 7,300,016</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 18. Summary of Pension and OPEB Elements (Continued)**

A summary of the pension and other post-employment benefits-related financial statements elements are as follows: (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Units Schools</u>
Deferred outflows of resources – OPEB				
Difference between expected and actual experience				
Local Plan	\$ -	\$ -	\$ -	\$ 588,418
VRS GLI	56,189	4,119	60,308	-
VRS GLI (Teachers)	-	-	-	103,235
VRS GLI (Nonprofessionals)	-	-	-	6,817
Change in assumptions				
Local Plan	155,726	11,416	167,142	612,978
VRS GLI	26,466	1,940	28,406	-
VRS GLI (Teachers)	-	-	-	48,625
VRS GLI (Nonprofessionals)	-	-	-	3,211
VRS HIC (Teachers)	-	-	-	92,005
VRS HIC (Nonprofessionals)	-	-	-	2,237
Net difference between projected and actual investment earnings on OPEB plan investments				
VRS HIC (Nonprofessionals)	-	-	-	435
Change in proportionate share				
VRS GLI	119,891	8,790	128,681	-
VRS GLI (Teachers)	-	-	-	50,878
VRS HIC (Teachers)	-	-	-	106,974
VRS HIC (Nonprofessionals)	-	-	-	10,056
Employer contributions subsequent to the measurement date				
VRS GLI	78,403	5,747	84,150	-
VRS GLI (Teachers)	-	-	-	139,489
VRS GLI (Nonprofessionals)	-	-	-	10,636
VRS HIC (Teachers)	-	-	-	312,365
VRS HIC (Nonprofessionals)	-	-	-	17,822
Total deferred outflows of resources – OPEB	<u>\$ 436,675</u>	<u>\$ 32,012</u>	<u>\$ 468,687</u>	<u>\$ 2,106,181</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 18. Summary of Pension and OPEB Elements (Continued)**

A summary of the pension and other post-employment benefits-related financial statements elements are as follows: (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Units Schools</u>
Deferred inflows of resources – pensions				
Difference between expected and actual experience				
VRS	\$ (812,640)	\$ (60,697)	\$ (873,337)	\$ -
VRS (Teachers)	-	-	-	(1,658,932)
VRS (Nonprofessionals)	-	-	-	(60,379)
Net difference between projected and actual investment earnings on OPEB plan investments				
VRS	(1,898,239)	(141,781)	(2,040,020)	-
VRS (Teachers)	-	-	-	(3,136,731)
VRS (Nonprofessionals)	-	-	-	(193,022)
Change in proportionate share VRS (Teachers)	-	-	-	(1,013,194)
Total deferred inflows of resources – pensions	<u>\$ (2,710,879)</u>	<u>\$ (202,478)</u>	<u>\$ (2,913,357)</u>	<u>\$ (6,062,258)</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 18. Summary of Pension and OPEB Elements (Continued)**

A summary of the pension and other post-employment benefits-related financial statements elements are as follows: (Continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Component Units Schools</u>
Deferred inflows of resources – OPEB				
Difference between expected and actual experience				
Local Plan	\$ (241,971)	\$ (17,739)	\$ (259,710)	\$ (977,248)
VRS GLI	(28,466)	(2,087)	(30,553)	-
VRS GLI (Teachers)	-	-	-	(52,300)
VRS GLI (Nonprofessionals)	-	-	-	(3,454)
VRS HIC (Teachers)	-	-	-	(128,367)
VRS HIC (Nonprofessionals)	-	-	-	(7,497)
Change in assumptions				
Local plan	(92,094)	(6,752)	(98,846)	(1,890,426)
VRS GLI	(69,115)	(5,067)	(74,182)	-
VRS GLI (Teachers)	-	-	-	(126,983)
VRS GLI (Nonprofessionals)	-	-	-	(8,386)
VRS HIC (Teachers)	-	-	-	(8,042)
VRS HIC (Nonprofessionals)	-	-	-	(3,338)
Net difference between projected and actual investment earnings on OPEB plan investments				
VRS GLI	(44,338)	(3,250)	(47,588)	-
VRS GLI (Teachers)	-	-	-	(81,461)
VRS GLI (Nonprofessionals)	-	-	-	(5,380)
VRS HIC (Teachers)	-	-	-	(3,161)
Change in proportionate share				
VRS GLI	(208,969)	(15,316)	(224,285)	-
VRS GLI (Teachers)	-	-	-	(68,601)
VRS GLI (Nonprofessionals)	-	-	-	(10,779)
VRS HIC (Teachers)	-	-	-	(157,254)
Total deferred inflows of resources – OPEB	<u>\$ (684,953)</u>	<u>\$ (50,211)</u>	<u>\$ (735,164)</u>	<u>\$ (3,532,677)</u>

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 18. Summary of Pension and OPEB Elements (Continued)**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>	<b>School Board</b>
Pension expense (benefit)				
VRS	\$ (605,490)	\$ (45,225)	\$ (650,715)	\$ -
VRS (Teachers)	-	-	-	1,129,454
VRS (Nonprofessionals)	-	-	-	(58,306)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total pension expense (benefit)	\$ (605,490)	\$ (45,225)	\$ (650,715)	\$ 1,071,148
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
OPEB expense (benefit)				
Local plan	\$ 130,052	\$ 9,534	\$ 139,586	\$ 500,634
VRS GLI	(19,495)	(4,573)	(24,068)	-
VRS GLI (Teachers)	-	-	-	40,034
VRS GLI (Nonprofessionals)	-	-	-	2,183
VRS HIC (Teachers)	-	-	-	241,880
VRS HIC (Nonprofessionals)	-	-	-	9,896
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total OPEB expense	\$ 110,557	\$ 4,961	\$ 115,518	\$ 794,627
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net pension (liability) asset				
VRS	\$ 6,129,178	\$ 457,795	\$ 6,586,973	\$ -
VRS (Teachers)	-	-	-	(24,058,553)
VRS (Nonprofessionals)	-	-	-	548,290
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>6,129,178</u></u>	<u><u>457,795</u></u>	<u><u>6,586,973</u></u>	<u><u>(23,510,263)</u></u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net OPEB liability				
Local plan	\$ (1,424,387)	\$ (104,417)	\$ (1,528,804)	\$ (7,681,090)
VRS GLI	(709,574)	(52,017)	(761,591)	-
VRS GLI (Teachers)	-	-	-	(1,303,675)
VRS GLI (Nonprofessionals)	-	-	-	(86,093)
VRS HIC (Teachers)	-	-	-	(3,149,221)
VRS HIC (Nonprofessionals)	-	-	-	(149,081)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>(2,133,961)</u></u>	<u><u>(156,434)</u></u>	<u><u>(2,290,395)</u></u>	<u><u>(12,369,160)</u></u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**Note 19. New Accounting Standards**

In April 2022, the GASB issued **Statement No. 99**, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve 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 requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued **Statement No. 100**, *Accounting Changes and Error Corrections*. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued **Statement No. 101**, *Compensated Absences*. This statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Management has not determined the effects these new GASB Statements may have on prospective financial statements.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
General property taxes	\$ 43,106,930	\$ 43,106,930	\$ 44,890,345	\$ 1,783,415
Other local taxes	4,462,980	4,462,980	6,728,121	2,265,141
Permits, privilege fees, and regulatory licenses	514,423	514,423	1,003,153	488,730
Revenue from the use of money and property	93,133	93,133	1,457,287	1,364,154
Charges for services	1,767,891	1,767,891	1,806,817	38,926
Miscellaneous	215,670	220,590	656,441	435,851
Recovered costs	198,800	198,800	32,432	(166,368)
Intergovernmental revenues:				
Commonwealth	5,546,193	5,577,574	5,975,671	398,097
Federal	1,184,588	1,195,786	74,922	(1,120,864)
Total revenues	57,090,608	57,138,107	62,625,189	5,487,082
EXPENDITURES				
General government administration	4,947,412	5,016,945	4,747,225	269,720
Judicial administration	1,815,314	1,828,457	1,676,428	152,029
Public safety	18,218,691	18,374,050	17,401,563	972,487
Public works	4,842,265	5,565,595	5,373,524	192,071
Health and welfare	573,532	578,532	553,714	24,818
Education	16,354,594	16,354,594	17,052,333	(697,739)
Parks, recreation, and cultural	1,200,790	1,246,748	1,153,078	93,670
Community development	1,766,367	1,834,328	1,344,917	489,411
Total expenditures	49,718,965	50,799,249	49,302,782	1,496,467
Excess of revenues over expenditures	7,371,643	6,338,858	13,322,407	6,983,549
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	373,370	373,370	-	(373,370)
Transfers in	1,320,312	3,083,973	100,000	(2,983,973)
Transfers out	(9,065,325)	(10,093,433)	(7,093,416)	3,000,017
Total other financing uses	(7,371,643)	(6,636,090)	(6,993,416)	(357,326)
Net change in fund balance	\$ -	\$ (297,232)	\$ 6,328,991	\$ 6,626,223

The Notes to Required Supplementary Information are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – VIRGINIA PUBLIC ASSISTANCE FUND**  
**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 19,819	\$ 19,819
Intergovernmental revenues:				
Commonwealth	1,087,848	1,087,848	882,015	(205,833)
Federal	1,540,366	1,540,366	1,773,277	232,911
Total revenues	2,628,214	2,628,214	2,675,111	46,897
<b>EXPENDITURES</b>				
Health and welfare	3,295,460	3,295,460	3,260,290	35,170
Total expenditures	3,295,460	3,295,460	3,260,290	35,170
Deficiency of revenues under expenditures	(667,246)	(667,246)	(585,179)	82,067
<b>OTHER FINANCING SOURCES</b>				
Transfers in	667,246	667,246	602,515	(64,731)
Total other financing sources	667,246	667,246	602,515	(64,731)
Net change in fund balance	\$ -	\$ -	\$ 17,336	\$ 17,336

The Notes to Required Supplementary Information are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL – PROFFERS FUND**  
**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ 750	\$ 750	\$ 123	\$ (627)
Miscellaneous	55,000	55,000	698,746	643,746
Total revenues	55,750	55,750	698,869	643,119
Excess of revenues over expenditures	55,750	55,750	698,869	643,119
<b>OTHER FINANCING USES</b>				
Transfers out	(55,750)	(55,750)	-	55,750
Total other financing uses	(55,750)	(55,750)	-	55,750
Net change in fund balance	\$ -	\$ -	\$ 698,869	\$ 698,869

The Notes to Required Supplementary Information are an integral part of this statement.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**CARES ACT FUND**  
**Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 3,503	\$ 3,503
Intergovernmental:				
Federal	42,000	101,830	1,211,847	1,110,017
Total revenues	42,000	101,830	1,215,350	1,113,520
<b>EXPENDITURES</b>				
General government administration	-	-	1,156,847	(1,156,847)
Parks, recreation, and cultural	-	10,673	10,673	-
Total expenditures	-	10,673	1,167,520	(1,156,847)
Excess of revenues over expenditures	42,000	91,157	47,830	(43,327)
<b>OTHER FINANCING USES</b>				
Transfers out	(42,000)	(91,157)	(100,000)	(8,843)
Total other financing uses	(42,000)	(91,157)	(100,000)	(8,843)
Net change in fund balance	\$ -	\$ -	\$ (52,170)	\$ (52,170)

The Notes to Required Supplementary Information are an integral part of this statement.



## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS –**  
**PRIMARY GOVERNMENT**  
**Year Ended June 30, 2023**

	Primary Government								
	Plan Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 1,673,995	\$ 1,539,411	\$ 1,535,494	\$ 1,481,996	\$ 1,538,835	\$ 1,322,358	\$ 1,315,617	\$ 1,268,316	\$ 1,235,508
Interest on total pension liability	4,195,757	3,878,252	3,633,961	3,474,793	3,443,422	2,388,469	2,280,789	2,133,282	1,988,555
Changes of assumptions	-	2,340,419	-	1,678,455	-	(233,781)	-	-	-
Difference between actual and expected experience	(868,832)	(2,293,297)	901,720	(181,649)	(2,476,536)	(402,886)	(710,814)	(105,098)	-
Benefit payments, including refunds of employee contributions	(2,422,971)	(2,447,029)	(2,457,078)	(2,056,998)	(2,058,127)	(1,377,034)	(1,317,577)	(1,060,932)	(1,252,134)
Net change in total pension liability	2,577,949	3,017,756	3,614,097	4,396,597	447,594	1,697,126	1,568,015	2,235,568	1,971,929
<b>Total pension liability – beginning</b>	<u>61,696,852</u>	<u>58,679,096</u>	<u>55,064,999</u>	<u>50,668,402</u>	<u>50,220,808</u>	<u>34,809,501</u>	<u>33,241,486</u>	<u>31,005,918</u>	<u>29,033,989</u>
<b>Total pension liability – ending</b>	<u>64,274,801</u>	<u>61,696,852</u>	<u>58,679,096</u>	<u>55,064,999</u>	<u>50,668,402</u>	<u>36,506,627</u>	<u>34,809,501</u>	<u>33,241,486</u>	<u>31,005,918</u>
<b>Plan Fiduciary Net Position</b>									
Contributions – employer	935,952	881,488	1,155,638	1,394,668	1,070,190	935,246	1,054,497	1,035,823	1,130,296
Contributions – employee	653,588	626,381	635,027	779,833	606,816	534,202	513,189	490,688	529,552
Net investment income	(84,244)	15,623,358	1,091,507	3,577,752	3,686,625	3,886,201	549,598	1,352,878	3,930,748
Benefit payments, including refunds of employee contributions	(2,422,971)	(2,447,029)	(2,457,078)	(2,056,998)	(2,058,127)	(1,377,034)	(1,317,577)	(1,060,932)	(1,252,134)
Administrative expenses	(44,607)	(38,738)	(36,639)	(34,270)	(31,508)	(21,938)	(18,864)	(17,793)	(20,616)
Other	1,665	1,208	(1,289)	(2,266)	(3,297)	(3,475)	(231)	(289)	207
Net change in plan fiduciary net position	(960,617)	14,646,668	387,166	3,658,719	3,270,699	3,953,202	780,612	1,800,375	4,318,053
<b>Plan fiduciary net position – beginning</b>	<u>71,822,391</u>	<u>57,175,723</u>	<u>56,788,557</u>	<u>53,129,838</u>	<u>49,859,139</u>	<u>31,609,917</u>	<u>30,829,305</u>	<u>29,028,930</u>	<u>24,710,877</u>
<b>Plan fiduciary net position – ending</b>	<u>70,861,774</u>	<u>71,822,391</u>	<u>57,175,723</u>	<u>56,788,557</u>	<u>53,129,838</u>	<u>35,563,119</u>	<u>31,609,917</u>	<u>30,829,305</u>	<u>29,028,930</u>
<b>Net pension liability (asset) – ending</b>	<u>\$ (6,586,973)</u>	<u>\$ (10,125,539)</u>	<u>\$ 1,503,373</u>	<u>\$ (1,723,558)</u>	<u>\$ (2,461,436)</u>	<u>\$ 943,508</u>	<u>\$ 3,199,584</u>	<u>\$ 2,412,181</u>	<u>\$ 1,976,988</u>
Plan fiduciary net position as a percentage of total pension liability	<u>110%</u>	<u>116%</u>	<u>97%</u>	<u>103%</u>	<u>105%</u>	<u>97%</u>	<u>91%</u>	<u>93%</u>	<u>94%</u>
Covered payroll	<u>\$ 13,504,696</u>	<u>\$ 12,827,675</u>	<u>\$ 13,128,214</u>	<u>\$ 15,636,529</u>	<u>\$ 12,223,133</u>	<u>\$ 10,622,138</u>	<u>\$ 10,121,380</u>	<u>\$ 9,873,655</u>	<u>\$ 9,776,909</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-49%</u>	<u>-79%</u>	<u>11%</u>	<u>-11%</u>	<u>-20%</u>	<u>9%</u>	<u>32%</u>	<u>24%</u>	<u>20%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2022 information was presented in the entity's fiscal year 2023 financial report.

The schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS –**  
**COMPONENT UNIT – SCHOOL NONPROFESSIONAL**  
**Year Ended June 30, 2023**

	Schools - Nonprofessional Employees								
	Plan Year								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 137,465	\$ 128,853	\$ 136,398	\$ 121,390	\$ 123,863	\$ 133,441	\$ 153,443	\$ 149,404	\$ 150,905
Interest on total pension liability	390,485	361,755	351,048	342,048	334,384	330,501	320,673	324,711	314,768
Changes of assumptions	-	140,165	-	131,436	-	(43,484)	-	-	-
Difference between actual and expected experience	(94,187)	(28,536)	(21,708)	31,018	(22,287)	(47,939)	18,143	(153,442)	-
Benefit payments, including refunds of employee contributions	(319,291)	(308,846)	(305,380)	(317,776)	(335,183)	(298,923)	(404,793)	(351,906)	(295,363)
Net change in total pension liability	114,472	293,391	160,358	308,116	100,777	73,596	87,466	(31,233)	170,310
<b>Total pension liability – beginning</b>	<u>5,807,146</u>	<u>5,513,755</u>	<u>5,353,397</u>	<u>5,045,281</u>	<u>4,944,504</u>	<u>4,870,908</u>	<u>4,783,442</u>	<u>4,814,675</u>	<u>4,644,365</u>
<b>Total pension liability – ending</b>	<u>5,921,618</u>	<u>5,807,146</u>	<u>5,513,755</u>	<u>5,353,397</u>	<u>5,045,281</u>	<u>4,944,504</u>	<u>4,870,908</u>	<u>4,783,442</u>	<u>4,814,675</u>
<b>Plan Fiduciary Net Position</b>									
Contributions – employer	61,337	61,269	41,997	45,420	67,242	71,009	60,039	98,179	128,159
Contributions – employee	70,123	69,363	61,293	64,818	66,330	69,626	46,198	68,865	66,968
Net investment income	(4,905)	1,456,740	103,896	349,463	377,177	573,732	80,716	221,665	682,678
Benefit payments, including refunds of employee contributions	(319,291)	(308,846)	(305,380)	(317,776)	(335,183)	(298,923)	(404,793)	(351,906)	(295,363)
Administrative expenses	(4,178)	(3,697)	(3,643)	(3,597)	(3,358)	(3,400)	(3,193)	(3,169)	(3,726)
Other	152	137	(122)	(219)	(332)	(507)	(35)	(45)	36
Net change in plan fiduciary net position	(196,762)	1,274,966	(101,959)	138,109	171,876	411,537	(221,068)	33,589	578,752
<b>Plan fiduciary net position – beginning</b>	<u>6,666,670</u>	<u>5,391,704</u>	<u>5,493,663</u>	<u>5,355,554</u>	<u>5,183,678</u>	<u>4,772,141</u>	<u>4,993,209</u>	<u>4,959,620</u>	<u>4,380,868</u>
<b>Plan fiduciary net position – ending</b>	<u>6,469,908</u>	<u>6,666,670</u>	<u>5,391,704</u>	<u>5,493,663</u>	<u>5,355,554</u>	<u>5,183,678</u>	<u>4,772,141</u>	<u>4,993,209</u>	<u>4,959,620</u>
<b>Net pension liability (asset) – ending</b>	<u>\$ (548,290)</u>	<u>\$ (859,524)</u>	<u>\$ 122,051</u>	<u>\$ (140,266)</u>	<u>\$ (310,273)</u>	<u>\$ (239,174)</u>	<u>\$ 98,767</u>	<u>\$ (209,767)</u>	<u>\$ (144,945)</u>
Plan fiduciary net position as a percentage of total pension liability	<u>109%</u>	<u>115%</u>	<u>98%</u>	<u>103%</u>	<u>106%</u>	<u>105%</u>	<u>98%</u>	<u>104%</u>	<u>103%</u>
Covered payroll	<u>\$ 1,577,295</u>	<u>\$ 1,504,066</u>	<u>\$ 1,298,925</u>	<u>\$ 1,361,896</u>	<u>\$ 1,383,281</u>	<u>\$ 1,440,998</u>	<u>\$ 1,332,950</u>	<u>\$ 1,393,169</u>	<u>\$ 1,342,563</u>
Net pension liability (asset) as a percentage of covered payroll	<u>-35%</u>	<u>-57%</u>	<u>9%</u>	<u>-10%</u>	<u>-22%</u>	<u>-17%</u>	<u>7%</u>	<u>-15%</u>	<u>-11%</u>

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2022 information was presented in the entity's fiscal year 2023 financial report.

The schedule is intended to show information for 10 years. Since fiscal year 2015 (plan year 2014) was the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –**  
**VRS TEACHER RETIREMENT PLAN**  
**June 30, 2023**

<b>School Division Fiscal Year Ended June 30</b>	<b>Employer's Proportion of the Net Pension Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset)</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2022	0.25270%	\$ 24,058,553	\$ 23,620,885	101.85%	82.61%
2021	0.25644%	19,908,113	22,706,582	87.68%	85.46%
2020	0.24570%	35,752,892	21,619,772	165.37%	71.47%
2019	0.25458%	33,504,175	21,632,911	154.88%	73.51%
2018	0.25921%	30,484,000	21,373,776	142.62%	74.81%
2017	0.25981%	31,951,000	20,703,961	154.32%	72.92%
2016	0.25725%	36,052,000	19,594,595	183.99%	68.28%
2015	0.25632%	32,261,000	14,871,331	216.93%	70.68%
2014	0.25288%	30,560,000	20,468,405	149.30%	70.88%

Schedule is intended to show information for 10 years. Since 2014 was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is twelve months prior to the school division's fiscal year.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION PLANS**  
**June 30, 2023**

Entity Fiscal Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
<b>Primary Government</b>					
2023	\$ 1,050,828	\$ 1,050,828	\$ -	\$ 15,576,485	6.75%
2022	920,505	920,505	-	13,504,696	6.82%
2021	881,488	881,488	-	12,827,675	6.87%
2020	1,158,551	1,158,551	-	13,128,214	8.82%
2019	1,393,678	1,393,678	-	15,636,529	8.91%
2018	1,071,076	1,071,076	-	12,223,133	8.76%
2017	958,117	958,117	-	10,622,138	9.02%
2016	1,066,793	1,066,793	-	10,121,380	10.54%
2015	1,040,683	1,040,683	-	9,873,655	10.54%
2014	1,130,211	1,130,211	-	9,776,909	11.56%
<b>Schools – Nonprofessional Employees</b>					
2023	\$ 61,029	\$ 61,029	\$ -	\$ 1,958,422	3.12%
2022	62,110	62,110	-	1,577,295	3.94%
2021	61,873	61,873	-	1,504,066	4.11%
2020	42,388	42,388	-	1,298,925	3.26%
2019	45,910	45,910	-	1,361,896	3.37%
2018	67,671	67,671	-	1,383,281	4.89%
2017	75,652	75,652	-	1,440,998	5.25%
2016	94,140	94,140	-	1,332,950	7.06%
2015	98,497	98,497	-	1,393,169	7.07%
2014	128,349	128,349	-	1,342,563	9.56%
<b>Schools – Professional Employees</b>					
2023	\$ 4,085,713	\$ 4,085,713	\$ -	\$ 25,815,313	15.83%
2022	3,737,587	3,737,587	-	23,620,885	15.82%
2021	3,627,908	3,627,908	-	22,706,582	15.98%
2020	3,264,607	3,264,607	-	21,619,772	15.10%
2019	3,259,196	3,259,196	-	21,632,911	15.07%
2018	3,353,929	3,353,929	-	21,373,776	15.69%
2017	3,027,810	3,027,810	-	20,703,961	14.62%
2016	2,755,000	2,755,000	-	19,594,595	14.06%
2015	2,156,343	2,156,343	-	14,871,331	14.50%
2014	2,386,616	2,386,616	-	20,468,405	11.66%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

## COUNTY OF CAROLINE, VIRGINIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY –  
 GROUP LIFE INSURANCE (GLI) PLAN  
 June 30, 2023

Plan Year Ended June 30	Employer's Proportion of the Net GLI OPEB Liability	Employer's Proportionate Share of the Net GLI OPEB Liability	Covered Payroll	Employer's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability
<b>Primary Government</b>					
2022	0.06325%	\$ 761,591	\$ 13,539,852	5.62%	67.21%
2021	0.06252%	727,902	12,907,892	5.64%	67.45%
2020	0.06380%	1,064,550	13,128,214	8.11%	52.64%
2019	0.08047%	1,309,461	15,775,548	8.30%	52.00%
2018	0.06429%	977,000	12,225,710	7.99%	51.22%
2017	0.05762%	867,000	10,627,798	8.16%	48.86%
<b>Component Unit School Board (Nonprofessional)</b>					
2022	0.00715%	\$ 86,093	\$ 1,558,519	5.52%	67.21%
2021	0.00730%	84,992	1,506,962	5.64%	67.45%
2020	0.00630%	105,637	1,302,541	8.11%	52.64%
2019	0.00705%	114,722	1,382,646	8.30%	52.00%
2018	0.00727%	110,000	1,383,281	7.95%	51.22%
2017	0.00781%	118,000	1,440,998	8.19%	48.86%
<b>Component Unit School Board (Professional)</b>					
2022	0.10827%	\$ 1,303,675	\$ 23,673,227	5.51%	67.21%
2021	0.11005%	1,281,280	22,721,398	5.64%	67.45%
2020	0.10520%	1,755,115	21,644,486	8.11%	52.64%
2019	0.10984%	1,787,389	21,531,862	8.30%	52.00%
2018	0.11123%	1,689,000	21,151,187	7.99%	51.22%
2017	0.11197%	1,685,000	20,653,533	8.16%	48.86%

Schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF OPEB CONTRIBUTIONS - VRS GLI**  
**June 30, 2023**

<b>Entity Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Primary Government</b>					
2023	\$ 84,150	\$ 84,150	\$ -	\$ 15,583,319	0.54%
2022	73,097	73,097	-	13,539,852	0.54%
2021	69,703	69,703	-	12,907,892	0.54%
2020	68,267	68,267	-	13,128,214	0.52%
2019	82,033	82,033	-	15,775,548	0.52%
2018	63,574	63,574	-	12,225,710	0.52%
2017	55,265	55,265	-	10,627,798	0.52%
2016	48,599	48,599	-	10,124,824	0.48%
2015	47,429	47,429	-	9,881,046	0.48%
2014	46,958	46,958	-	9,782,957	0.48%
<b>Component Unit School Board (Nonprofessional)</b>					
2023	\$ 10,636	\$ 10,636	\$ -	\$ 1,969,593	0.54%
2022	8,416	8,416	-	1,558,519	0.54%
2021	8,138	8,138	-	1,506,962	0.54%
2020	6,773	6,773	-	1,302,541	0.52%
2019	7,190	7,190	-	1,382,646	0.52%
2018	7,193	7,193	-	1,383,281	0.52%
2017	7,493	7,493	-	1,440,998	0.52%
2016	6,398	6,398	-	1,332,950	0.48%
2015	6,687	6,687	-	1,393,169	0.48%
2014	6,444	6,444	-	1,342,563	0.48%
<b>Component Unit School Board (Professional)</b>					
2023	\$ 139,479	\$ 139,479	\$ -	\$ 25,829,528	0.54%
2022	126,978	126,978	-	23,673,227	0.54%
2021	122,696	122,696	-	22,721,398	0.54%
2020	112,551	112,551	-	21,644,486	0.52%
2019	111,966	111,966	-	21,531,862	0.52%
2018	109,986	109,986	-	21,151,187	0.52%
2017	107,398	107,398	-	20,653,533	0.52%
2016	94,520	94,520	-	19,691,658	0.48%
2015	91,753	91,753	-	19,115,185	0.48%
2014	89,081	89,081	-	18,558,634	0.48%

The amounts presented have a measurement date (plan year) of the previous fiscal year end.

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**June 30, 2023**

	<u>Plan Year</u> <u>2022</u>	<u>Plan Year</u> <u>2021</u>	<u>Plan Year</u> <u>2020</u>
<b>VRS Health Insurance Credit – Schools Nonprofessional Employees</b>			
<b>Total OPEB Liability</b>			
Service cost	\$ 1,572	\$ 1,657	\$ -
Interest on total OPEB liability	11,808	10,717	-
Changes in benefit terms	-	-	158,778
Difference between expected and actual experience	(9,970)	(1)	-
Changes of assumptions	(4,439)	4,555	-
Benefit payments, including refunds of employee contributions	(4,703)	-	-
	<hr/>	<hr/>	<hr/>
Net change in total OPEB liability	(5,732)	16,928	158,778
<b>Total HIC OPEB liability – beginning</b>	175,706	158,778	-
	<hr/>	<hr/>	<hr/>
<b>Total HIC OPEB liability – ending</b>	169,974	175,706	158,778
	<hr/>	<hr/>	<hr/>
<b>Plan Fiduciary Net Position</b>			
Contributions – employer	12,370	12,034	-
Net investment income	(158)	1,442	-
Benefit payments	(4,703)	-	-
Administrative expenses	(39)	(53)	-
	<hr/>	<hr/>	<hr/>
Net change in plan fiduciary net position	7,470	13,423	-
<b>Plan fiduciary net position – beginning</b>	13,423	-	-
	<hr/>	<hr/>	<hr/>
<b>Plan fiduciary net position – ending</b>	20,893	13,423	-
	<hr/>	<hr/>	<hr/>
<b>School Board’s net HIC OPEB liability – ending (a) - (b)</b>	\$ 149,081	\$ 162,283	\$ 158,778
	<hr/>	<hr/>	<hr/>
Plan fiduciary net position as a percentage of total HIC OPEB liability	12%	8%	0%
	<hr/>	<hr/>	<hr/>
Covered payroll	\$ 1,548,391	\$ 1,504,066	\$ 1,461,010
	<hr/>	<hr/>	<hr/>
Net HIC OPEB liability as a percentage of covered payroll	10%	11%	11%
	<hr/>	<hr/>	<hr/>

The plan year above is reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2022 information was presented in the entity's fiscal year 2023 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. Additional years will be included as they become available.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS –  
HEALTH INSURANCE CREDIT (HIC) PLAN  
June 30, 2023**

<b>Entity Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Component Unit School Board (Nonprofessional)</b>					
2023	\$ 17,822	\$ 17,822	\$ -	\$ 1,958,422	0.91%
2022	12,387	12,387	-	1,548,391	0.80%
2021	12,033	12,033	-	1,504,066	0.80%

This schedule is intended to show information for 10 years. Since fiscal year 2021 (plan year 2020) is the first year this plan was offered to School employees, no earlier data is available. Additional years will be included as they become available.

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.



## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF COUNTY SCHOOL BOARD'S SHARE OF NET OPEB LIABILITY –**  
**TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN**  
**June 30, 2023**

<b>Plan Year Ended June 30</b>	<b>Employer's Proportion of the Net HIC OPEB Liability (Asset)</b>	<b>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)</b>	<b>Covered Payroll</b>	<b>Employer's Proportionate Share of the Net HC OPEB Liability (Asset) as a % of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a % of Total HIC OPEB Liability</b>
2022	0.25213%	\$ 3,149,221	\$ 23,620,885	13.33%	15.08%
2021	0.25675%	3,295,564	22,706,582	14.51%	13.15%
2020	0.24661%	3,217,068	21,619,772	14.88%	9.95%
2019	0.25609%	3,352,467	21,480,123	15.61%	8.97%
2018	0.26116%	3,315,000	21,121,292	15.70%	8.08%
2017	0.26170%	3,320,000	20,653,533	16.07%	7.04%

Schedule is intended to show information for 10 years. Since fiscal year 2018 (plan year 2017) was the first year for this presentation, no earlier data is available. However, additional years will be included as they become available.

The covered payroll amounts above are for the measurement period, which is the twelve months prior to the entity's fiscal year.

## COUNTY OF CAROLINE, VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS –**  
**TEACHER EMPLOYEE HEALTH INSURANCE CREDIT (HIC) PLAN**  
**June 30, 2023**

<b>Entity Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Schools - Nonprofessional Employees</b>					
2023	\$ 312,365	\$ 312,365	\$ -	\$ 25,815,313	1.21%
2022	283,890	283,890	-	23,620,885	1.20%
2021	274,750	274,750	-	22,706,582	1.21%
2020	259,437	259,437	-	21,619,772	1.20%
2019	257,761	257,761	-	21,480,123	1.20%
2018	259,792	259,792	-	21,121,292	1.23%
2017	229,254	229,254	-	20,653,533	1.11%
2016	207,922	207,922	-	19,615,237	1.06%
2015	202,005	202,005	-	19,057,060	1.06%
2014	205,278	205,278	-	18,493,509	1.11%

The covered payroll amounts above are for the entity's fiscal year - i.e., the covered payroll on which required contributions were based for the same year.

## COUNTY OF CAROLINE , VIRGINIA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – LOCAL PLANS**  
**June 30, 2023**

	<b>Plan Year 2023</b>		<b>Plan Year 2022</b>		<b>Plan Year 2021</b>		<b>Plan Year 2020</b>	
	<b>County</b>	<b>Schools</b>	<b>County</b>	<b>Schools</b>	<b>County</b>	<b>Schools</b>	<b>County</b>	<b>Schools</b>
<b>Total OPEB Liability</b>								
Service cost	\$ 77,201	\$ 467,783	\$ 94,823	\$ 641,655	\$ 75,098	\$ 672,307	\$ 50,939	\$ 564,228
Interest on total OPEB liability	51,484	272,353	38,406	243,883	36,711	239,993	44,483	284,933
Changes in assumptions	35,794	(63,566)	(125,562)	(2,543,695)	9,261	39,230	382,840	1,181,120
Economic/demographic losses	-	-	(294,581)	(1,353,112)	-	-	-	-
Difference between expected and actual experience	-	-	-	-	-	-	(80,769)	1,176,838
Benefit payments	(25,449)	(438,784)	(12,981)	(387,211)	(34,611)	(590,466)	(28,353)	(601,048)
Net change in total OPEB liability	139,030	237,786	(299,895)	(3,398,480)	86,459	361,064	369,140	2,606,071
<b>Total OPEB liability – beginning</b>	<b>1,389,774</b>	<b>7,443,304</b>	<b>1,689,669</b>	<b>10,841,784</b>	<b>1,603,210</b>	<b>10,480,720</b>	<b>1,234,070</b>	<b>7,874,649</b>
<b>Total OPEB liability – ending</b>	<b>\$ 1,528,804</b>	<b>\$ 7,681,090</b>	<b>\$ 1,389,774</b>	<b>\$ 7,443,304</b>	<b>\$ 1,689,669</b>	<b>\$ 10,841,784</b>	<b>\$ 1,603,210</b>	<b>\$ 10,480,720</b>
Covered payroll	\$ 14,169,418	\$ 24,134,624	\$ 14,169,418	\$ 24,134,624	\$ 15,471,470	\$ 23,376,697	\$ 12,322,278	\$ 24,743,166
County/School Board's total OPEB liability as a percentage of covered payroll	10.79%	31.83%	9.81%	30.84%	10.92%	46.38%	13.01%	42.36%
	<b>Plan Year 2019</b>		<b>Plan Year 2018</b>					
	<b>County</b>	<b>Schools</b>	<b>County</b>	<b>Schools</b>				
<b>Total OPEB Liability</b>								
Service cost	\$ 43,544	\$ 510,600	\$ 45,603	\$ 520,808				
Interest on total OPEB liability	44,470	294,790	39,799	263,614				
Changes in assumptions	52,395	217,407	(51,076)	(208,858)				
Economic/demographic gains and losses	-	-	-	-				
Difference between expected and actual experience	-	-	-	-				
Benefit payments	(23,580)	(504,902)	(17,029)	(455,710)				
Net change in total OPEB liability	116,829	517,895	17,297	119,854				
<b>Total OPEB liability – beginning</b>	<b>1,117,241</b>	<b>7,356,754</b>	<b>1,099,944</b>	<b>7,236,900</b>				
<b>Total OPEB liability – ending</b>	<b>\$ 1,234,070</b>	<b>\$ 7,874,649</b>	<b>\$ 1,117,241</b>	<b>\$ 7,356,754</b>				
Covered payroll	\$ 10,892,500	\$ 24,975,600	\$ 10,892,500	\$ 24,975,600				
County/School Board's total OPEB liability as a percentage of covered payroll	11.33%	31.53%	10.26%	29.46%				

The plan years above are reported in the entity's financial statements in the fiscal year following the plan year - i.e., plan year 2022 information was presented in the entity's fiscal year 2023 financial report.

This schedule is intended to show information for 10 years. Since fiscal year 2019 (plan year 2018) is the first year for this presentation, no earlier data is available. Additional years will be included as they become available.

## COUNTY OF CAROLINE, VIRGINIA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

#### Note 1. Changes of Benefit Terms

##### Pension

There have been no actuarially material changes to the Virginia Retirement System (System) benefit provisions since the prior actuarial valuation.

##### Other Postemployment Benefits (OPEB)

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

#### Note 2. 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:

##### Largest 10 – Non-Hazardous Duty:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

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

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to line of duty rates.
- No change to discount rate.

(Continued)

## COUNTY OF CAROLINE, VIRGINIA

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

#### Note 2. Changes of Assumptions (Continued)

Largest 10 – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal rates.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

All Others (Non 10 Largest) – Hazardous Duty/Public Safety Employees:

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience and changed final retirement age from 65 to 70.
- Decreased withdrawal 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.
- No change to disability rates.
- No change to salary scale.
- No change to line of duty rates.
- No change to discount rate.

Teacher cost-sharing pool

- Update mortality table to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
- Adjusted retirement rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all.
- Adjusted withdrawal rates to better fit experience at each age and service through 9 years of service.
- No change to disability rates.
- No changes to salary scale.
- No change to discount rate.

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**OTHER  
SUPPLEMENTARY INFORMATION**

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## COUNTY OF CAROLINE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local taxes	\$ 2,049,212	\$ 2,049,212	\$ 2,525,085	\$ 475,873
Revenue from the use of money and property	111,600	111,600	377,786	266,186
Intergovernmental revenues:				
Federal	490,098	490,098	438,860	(51,238)
Total revenues	2,650,910	2,650,910	3,341,731	690,821
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	3,451,518	3,451,518	6,402,041	(2,950,523)
Interest and other fiscal charges	5,570,822	5,570,822	3,692,193	1,878,629
Bond issuance costs	9,000	9,000	25,934	(16,934)
Total expenditures	9,031,340	9,031,340	10,120,168	(1,088,828)
Deficiency of revenues under expenditures	(6,380,430)	(6,380,430)	(6,778,437)	(398,007)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	6,380,430	6,380,430	6,178,387	(202,043)
Total other financing sources	6,380,430	6,380,430	6,178,387	(202,043)
Net change in fund balance	\$ -	\$ -	\$ (600,050)	\$ (600,050)

## COUNTY OF CAROLINE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
COUNTY CAPITAL PROJECTS FUND  
Year Ended June 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 301,409	\$ 301,409
Miscellaneous	-	-	69,388	69,388
Intergovernmental:				
Commonwealth	-	-	288,852	288,852
Total revenues	-	-	659,649	659,649
<b>EXPENDITURES</b>				
Capital outlay	4,252,675	7,281,209	6,081,725	1,199,484
Total expenditures	4,252,675	7,281,209	6,081,725	1,199,484
Deficiency of revenues under expenditures	(4,252,675)	(7,281,209)	(5,422,076)	1,859,133
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	4,102,675	5,596,157	5,937,000	340,843
Transfers in	150,000	1,685,052	150,000	(1,535,052)
Transfers out	-	-	(600,049)	(600,049)
Total other financing sources	4,252,675	7,281,209	5,486,951	(1,794,258)
Net change in fund balance	\$ -	\$ -	\$ 64,875	\$ 64,875

## COUNTY OF CAROLINE, VIRGINIA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2023

	Special Revenue Funds										Total Nonmajor Governmental Funds
	Children's Services	Law Library	Courthouse Maintenance	Tourism	Confiscated Asset	Fire/Rescue Grant	Housing	Sheriff	Detention Facility	Hanover Soil and Water	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 182,048	\$ -	\$ 47,305	\$ 270,918	\$ 140,943	\$ 137,171	\$ 18,060	\$ 122,749	\$ 1,390,011	\$ -	\$ 2,309,205
Receivables, net	-	274	987	40,570	-	-	-	1,485	48,300	-	91,616
Prepaid Items	-	-	-	388	-	-	-	-	-	-	388
Due from other governmental units	190,156	-	-	-	-	-	-	-	-	287,758	477,914
Total assets	<u>\$ 372,204</u>	<u>\$ 274</u>	<u>\$ 48,292</u>	<u>\$ 311,876</u>	<u>\$ 140,943</u>	<u>\$ 137,171</u>	<u>\$ 18,060</u>	<u>\$ 124,234</u>	<u>\$ 1,438,311</u>	<u>\$ 287,758</u>	<u>\$ 2,879,123</u>
<b>LIABILITIES</b>											
Accounts payable	\$ 121,987	\$ 263	\$ -	\$ 4,992	\$ 3,386	\$ -	\$ 1,278	\$ -	\$ -	256,534	\$ 388,440
Accrued payroll	-	-	-	6,566	-	-	-	-	-	27,014	33,580
Total liabilities	<u>121,987</u>	<u>263</u>	<u>-</u>	<u>11,558</u>	<u>3,386</u>	<u>-</u>	<u>1,278</u>	<u>-</u>	<u>-</u>	<u>283,548</u>	<u>422,020</u>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	388	-	-	-	-	-	-	388
Restricted	250,217	11	48,292	299,930	137,557	137,171	16,782	124,234	-	4,210	1,018,404
Committed	-	-	-	-	-	-	-	-	1,438,311	-	1,438,311
Total fund balances	<u>250,217</u>	<u>11</u>	<u>48,292</u>	<u>300,318</u>	<u>137,557</u>	<u>137,171</u>	<u>16,782</u>	<u>124,234</u>	<u>1,438,311</u>	<u>4,210</u>	<u>2,457,103</u>
Total liabilities and fund balances	<u>\$ 372,204</u>	<u>\$ 274</u>	<u>\$ 48,292</u>	<u>\$ 311,876</u>	<u>\$ 140,943</u>	<u>\$ 137,171</u>	<u>\$ 18,060</u>	<u>\$ 124,234</u>	<u>\$ 1,438,311</u>	<u>\$ 287,758</u>	<u>\$ 2,879,123</u>

## COUNTY OF CAROLINE, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2023**

	Children's Services	Law Library	Courthouse Maintenance	Tourism	Confiscated Asset	Fire/Rescue Grant	Housing	Sheriff	Detention Facility	Hanover Soil and Water	Total Nonmajor Governmental Funds
<b>REVENUES</b>											
Other local taxes	\$ -	\$ -	\$ -	\$ 262,933	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 262,933
Revenue from the use of money and property	-	-	-	-	-	-	100	-	4,861	-	4,961
Charges for services	-	6,102	14,011	-	-	-	-	22,041	-	-	42,154
Miscellaneous	10,464	-	-	15,622	-	-	-	-	-	-	26,086
Recovered costs	-	-	-	-	-	-	-	-	-	513,186	513,186
Intergovernmental revenues:											
Commonwealth	1,201,584	-	-	-	37,903	183,007	-	-	-	-	1,422,494
Federal	-	-	-	-	-	-	-	-	576,415	-	576,415
Total revenues	<u>1,212,048</u>	<u>6,102</u>	<u>14,011</u>	<u>278,555</u>	<u>37,903</u>	<u>183,007</u>	<u>100</u>	<u>22,041</u>	<u>581,276</u>	<u>513,186</u>	<u>2,848,229</u>
<b>EXPENDITURES</b>											
Current:											
Judicial administration	-	8,337	902	-	-	-	-	-	-	-	9,239
Public safety	-	-	-	-	64,402	213,728	-	13,362	-	-	291,492
Public works	-	-	-	-	-	-	-	-	-	527,884	527,884
Health and welfare	1,920,746	-	-	-	-	-	-	-	-	-	1,920,746
Education	-	-	-	-	-	-	-	-	100,000	-	100,000
Community development	-	-	-	195,510	-	-	4,465	-	-	-	199,975
Total expenditures	<u>1,920,746</u>	<u>8,337</u>	<u>902</u>	<u>195,510</u>	<u>64,402</u>	<u>213,728</u>	<u>4,465</u>	<u>13,362</u>	<u>100,000</u>	<u>527,884</u>	<u>3,049,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(708,698)</u>	<u>(2,235)</u>	<u>13,109</u>	<u>83,045</u>	<u>(26,499)</u>	<u>(30,721)</u>	<u>(4,365)</u>	<u>8,679</u>	<u>481,276</u>	<u>(14,698)</u>	<u>(201,107)</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	708,698	-	-	-	-	-	-	-	-	-	708,698
Transfers out	-	-	-	-	-	-	-	-	(150,000)	-	(150,000)
Total other financing sources (uses)	<u>708,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>558,698</u>
Net changes in fund balances	-	(2,235)	13,109	83,045	(26,499)	(30,721)	(4,365)	8,679	331,276	(14,698)	357,591
<b>FUND BALANCES AT JULY 1</b>	<u>250,217</u>	<u>2,246</u>	<u>35,183</u>	<u>217,273</u>	<u>164,056</u>	<u>167,892</u>	<u>21,147</u>	<u>115,555</u>	<u>1,107,035</u>	<u>18,908</u>	<u>2,099,512</u>
<b>FUND BALANCES AT JUNE 30</b>	<u>\$ 250,217</u>	<u>\$ 11</u>	<u>\$ 48,292</u>	<u>\$ 300,318</u>	<u>\$ 137,557</u>	<u>\$ 137,171</u>	<u>\$ 16,782</u>	<u>\$ 124,234</u>	<u>\$ 1,438,311</u>	<u>\$ 4,210</u>	<u>\$ 2,457,103</u>

## COUNTY OF CAROLINE, VIRGINIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Children's Services Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	1,200	1,200	10,464	9,264
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	1,549,947	1,549,947	1,201,584	(348,363)
Federal	-	-	-	-
Total revenues	1,551,147	1,551,147	1,212,048	(339,099)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	2,300,000	2,300,000	1,920,746	379,254
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	2,300,000	2,300,000	1,920,746	379,254
Deficiency of revenues under expenditures	(748,853)	(748,853)	(708,698)	40,155
OTHER FINANCING SOURCES				
Transfers in	748,853	748,853	708,698	(40,155)
Transfers out	-	-	-	-
Total other financing sources	748,853	748,853	708,698	(40,155)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023

	Law Library Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	5,748	5,748	6,102	354
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	5,748	5,748	6,102	354
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	5,748	5,748	8,337	(2,589)
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	5,748	5,748	8,337	(2,589)
Deficiency of revenues under expenditures	-	-	(2,235)	(2,235)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ (2,235)	\$ (2,235)

COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023

	Courthouse Maintenance Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	26,574	26,574	14,011	(12,563)
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	26,574	26,574	14,011	(12,563)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	26,574	26,574	902	25,672
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	26,574	26,574	902	25,672
Excess of revenues over expenditures	-	-	13,109	13,109
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ 13,109	\$ 13,109

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Tourism Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ 189,231	\$ 189,231	\$ 262,933	\$ 73,702
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	17,575	17,575	15,622	(1,953)
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	206,806	206,806	278,555	71,749
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	228,106	283,106	195,510	87,596
Total expenditures	228,106	283,106	195,510	87,596
Excess (deficiency) of revenues over (under) expenditures	(21,300)	(76,300)	83,045	159,345
OTHER FINANCING SOURCES				
Transfers in	21,300	76,300	-	(76,300)
Transfers out	-	-	-	-
Total other financing sources	21,300	76,300	-	(76,300)
Net change in fund balance	\$ -	\$ -	\$ 83,045	\$ 83,045



**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Confiscated Asset Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	46,094	78,576	37,903	(40,673)
Federal	-	-	-	-
Total revenues	46,094	78,576	37,903	(40,673)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	46,094	78,576	64,402	14,174
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	46,094	78,576	64,402	14,174
Deficiency of revenues under expenditures	-	-	(26,499)	(26,499)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ (26,499)	\$ (26,499)

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Fire/Rescue Grant Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	160,043	160,043	183,007	22,964
Federal	-	-	-	-
Total revenues	160,043	160,043	183,007	22,964
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	162,120	162,120	213,728	(51,608)
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	162,120	162,120	213,728	(51,608)
Deficiency of revenues under expenditures	(2,077)	(2,077)	(30,721)	(28,644)
OTHER FINANCING SOURCES				
Transfers in	2,077	2,077	-	(2,077)
Total other financing sources	2,077	2,077	-	(2,077)
Net change in fund balance	\$ -	\$ -	\$ (30,721)	\$ (30,721)

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Housing Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	5,000	5,000	100	(4,900)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	5,000	5,000	100	(4,900)
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	5,000	5,000	4,465	535
Total expenditures	5,000	5,000	4,465	535
Deficiency of revenues under expenditures	-	-	(4,365)	(4,365)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ (4,365)	\$ (4,365)

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	<b>Sheriff Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	25,000	25,000	22,041	(2,959)
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	25,000	25,000	22,041	(2,959)
<b>EXPENDITURES</b>				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	36,540	13,362	23,178
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	-	36,540	13,362	23,178
Excess (deficiency) of revenues over (under) expenditures	25,000	(11,540)	8,679	20,219
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	36,540	-	(36,540)
Transfers out	(25,000)	(25,000)	-	25,000
Total other financing sources (uses)	(25,000)	11,540	-	(11,540)
Net change in fund balance	\$ -	\$ -	\$ 8,679	\$ 8,679

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Detention Facility Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	2,000	2,000	4,861	2,861
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	572,320	572,320	576,415	4,095
Total revenues	574,320	574,320	581,276	6,956
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Education	100,000	100,000	100,000	-
Community development	-	-	-	-
Total expenditures	100,000	100,000	100,000	-
Excess of revenues over expenditures	474,320	474,320	481,276	6,956
OTHER FINANCING SOURCES (USES)				
Transfers in	350,000	350,000	-	(350,000)
Transfers out	(824,320)	(824,320)	(150,000)	674,320
Total other financing uses	(474,320)	(474,320)	(150,000)	324,320
Net change in fund balance	\$ -	\$ -	\$ 331,276	\$ 331,276

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS  
Year Ended June 30, 2023**

	Hanover Soil and Water			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	497,740	497,740	513,186	15,446
Intergovernmental revenues:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	497,740	497,740	513,186	15,446
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	-	-	-	-
Public works	497,740	497,740	527,884	(30,144)
Health and welfare	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Human Services	-	-	-	-
Community development	-	-	-	-
Total expenditures	497,740	497,740	527,884	(30,144)
Deficiency of revenues under expenditures	-	-	(14,698)	(14,698)
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	\$ (14,698)	\$ (14,698)

## COUNTY OF CAROLINE, VIRGINIA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS

June 30, 2023

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	<u>\$ 4,143</u>	<u>\$ 1,006,991</u>	<u>\$ 1,011,134</u>
Total current assets	<u>4,143</u>	<u>1,006,991</u>	<u>1,011,134</u>
Noncurrent assets:			
Capital assets:			
Depreciable	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>4,143</u>	<u>1,006,991</u>	<u>1,011,134</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	-	92,268	92,268
Due to other funds	-	6,604	6,604
Insurance and benefit claims	<u>-</u>	<u>345,000</u>	<u>345,000</u>
Total liabilities	<u>-</u>	<u>443,872</u>	<u>443,872</u>
<b>NET POSITION</b>			
Unrestricted	<u>4,143</u>	<u>563,119</u>	<u>567,262</u>
Total net position	<u>\$ 4,143</u>	<u>\$ 563,119</u>	<u>\$ 567,262</u>

## COUNTY OF CAROLINE, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGE IN NET POSITION – INTERNAL SERVICE FUNDS  
Year Ended June 30, 2023**

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	<u>\$ -</u>	<u>\$ 5,602,536</u>	<u>\$ 5,602,536</u>
Total operating revenues	<u>-</u>	<u>5,602,536</u>	<u>5,602,536</u>
<b>OPERATING EXPENSES</b>			
Risk financing and benefit payments	<u>-</u>	<u>5,549,048</u>	<u>5,549,048</u>
Total operating expenses	<u>-</u>	<u>5,549,048</u>	<u>5,549,048</u>
Operating income	<u>-</u>	<u>53,488</u>	<u>53,488</u>
Change in net position	<u>-</u>	<u>53,488</u>	<u>53,488</u>
<b>NET POSITION AT JULY 1</b>	<u>4,143</u>	<u>509,631</u>	<u>513,774</u>
<b>NET POSITION AT JUNE 30</b>	<u><u>\$ 4,143</u></u>	<u><u>\$ 563,119</u></u>	<u><u>\$ 567,262</u></u>



## COUNTY OF CAROLINE, VIRGINIA

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2023**

	<u>Vehicle Maintenance</u>	<u>Self-Insurance</u>	<u>Total</u>
<b>OPERATING ACTIVITIES</b>			
Receipts from interfund services provided	\$ -	\$ 5,604,844	\$ 5,604,844
Claims and benefits paid	<u>-</u>	<u>(5,528,514)</u>	<u>(5,528,514)</u>
Net cash provided by operating activities	<u>-</u>	<u>76,330</u>	<u>76,330</u>
Net increase in cash and cash equivalents	-	76,330	76,330
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning at July 1	<u>4,143</u>	<u>930,661</u>	<u>934,804</u>
Ending at June 30	<u><u>\$ 4,143</u></u>	<u><u>\$ 1,006,991</u></u>	<u><u>\$ 1,011,134</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income	\$ -	\$ 53,488	\$ 53,488
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase in accounts payable	-	92,268	92,268
Increase in due to other funds	-	2,308	2,308
Decrease in insurance and benefit claims	<u>-</u>	<u>(71,734)</u>	<u>(71,734)</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>	<u><u>\$ 76,330</u></u>	<u><u>\$ 76,330</u></u>

## COUNTY OF CAROLINE, VIRGINIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION –  
CUSTODIAL FUNDS

June 30, 2023

	Custodial Funds			
	Special Welfare	Four Rivers Technology in Education Consortium	Deposit Escrow	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 70,764	\$ 38,704	\$ 1,747,708	\$ 1,857,176
Total assets	<u>\$ 70,764</u>	<u>\$ 38,704</u>	<u>\$ 1,747,708</u>	<u>\$ 1,857,176</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	\$ 70,764	\$ 38,704	\$ 1,747,708	\$ 1,857,176
Total net position	<u>\$ 70,764</u>	<u>\$ 38,704</u>	<u>\$ 1,747,708</u>	<u>\$ 1,857,176</u>

## COUNTY OF CAROLINE, VIRGINIA

**COMBINING STATEMENT OF CHANGES IN  
FIDUCIARY NET POSITION –  
CUSTODIAL FUNDS  
Year Ended June 30, 2023**

	<b>Custodial Funds</b>			
	<b>Special Welfare</b>	<b>Four Rivers Technology in Education Consortium</b>	<b>Deposit Escrow</b>	<b>Total</b>
<b>ADDITIONS</b>				
Funds received for benefit of other organizations	\$ 35,380	\$ -	\$ 73,486	\$ 108,866
Total additions	35,380	-	73,486	108,866
<b>DEDUCTIONS</b>				
Funds disbursed for benefit of other organizations	35,779	-	130,766	166,545
Total deductions	35,779	-	130,766	166,545
Change in fiduciary net position	(399)	-	(57,280)	(57,679)
<b>NET POSITION AT JULY 1</b>	71,163	38,704	1,804,988	1,914,855
<b>NET POSITION AT JUNE 30</b>	<u>\$ 70,764</u>	<u>\$ 38,704</u>	<u>\$ 1,747,708</u>	<u>\$ 1,857,176</u>

## COUNTY OF CAROLINE, VIRGINIA

**COMBINING BALANCE SHEET**  
**DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD**  
**June 30, 2023**

	School Operating Fund	School Cafeteria Fund	Capital Projects Fund	School Grant Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,164,894	\$ 1,252,328	\$ 570,141	\$ -	\$ 758,246	\$ 496,621	\$ 7,242,230
Due from other governmental units	2,178,322	30,005	-	2,317,487	-	-	4,525,814
Restricted assets:							
Cash and cash equivalents	-	-	150,000	-	-	-	150,000
Total assets	<u>\$ 6,343,216</u>	<u>\$ 1,282,333</u>	<u>\$ 720,141</u>	<u>\$ 2,317,487</u>	<u>\$ 758,246</u>	<u>\$ 496,621</u>	<u>\$ 11,918,044</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Accounts payable	\$ 388,726	\$ 4,767	\$ 35,061	\$ 311,205	\$ -	\$ -	\$ 739,759
Accrued payroll	2,672,553	133,021	-	229,679	-	-	3,035,253
Reconciled overdraft payable	-	-	-	1,444,975	-	-	1,444,975
Unearned revenue	2,074,882	-	-	-	-	-	2,074,882
Total liabilities	<u>5,136,161</u>	<u>137,788</u>	<u>35,061</u>	<u>1,985,859</u>	<u>-</u>	<u>-</u>	<u>7,294,869</u>
Fund balances:							
Restricted	-	-	150,000	331,628	-	-	481,628
Assigned:							
General	1,207,055	-	-	-	-	-	1,207,055
Cafeteria	-	1,144,545	-	-	-	-	1,144,545
Capital Outlay	-	-	535,080	-	-	-	535,080
Textbooks	-	-	-	-	758,246	-	758,246
Activity	-	-	-	-	-	496,621	496,621
Total fund balances	<u>1,207,055</u>	<u>1,144,545</u>	<u>685,080</u>	<u>331,628</u>	<u>758,246</u>	<u>496,621</u>	<u>4,623,175</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,343,216</u>	<u>\$ 1,282,333</u>	<u>\$ 720,141</u>	<u>\$ 2,317,487</u>	<u>\$ 758,246</u>	<u>\$ 496,621</u>	<u>\$ 11,918,044</u>
<b>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</b>							
Total fund balances per above							\$ 4,623,175
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							
Nondepreciable						1,436,662	
Depreciable, net						<u>9,854,607</u>	11,291,269
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods, and therefore, are not reported in the funds.							
Deferred outflows related to:							
Pensions						7,300,016	
OPEB						2,106,181	
Deferred inflows related to:							
Pensions						(6,062,258)	
OPEB						(3,532,677)	
Net pension asset						548,290	
Net pension liability						(24,058,553)	
Net OPEB liabilities						<u>(12,369,160)</u>	(36,068,161)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.							
Compensated absences						(849,912)	
Accrued interest payable						(10,171)	
Financed purchases						(729,355)	
Lease liabilities						<u>(69,258)</u>	(1,658,696)
<b>Net position of governmental activities</b>							<u><u>\$ (21,812,413)</u></u>

## COUNTY OF CAROLINE, VIRGINIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD  
Year Ended June 30, 2023**

	School Operating Fund	School Cafeteria Fund	School Capital Projects Fund	School Grant Fund	School Textbook Fund	School Activity Fund	Total Governmental Funds
<b>REVENUES</b>							
Revenue from the use of money and property	\$ 47,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,637
Charges for services	-	261,166	-	-	-	-	261,166
Miscellaneous	781,824	34,171	-	-	-	956,785	1,772,780
Intergovernmental revenues:							
Local Government	16,154,156	-	797,739	-	193,229	-	17,145,124
Commonwealth	33,059,063	61,109	-	-	349,467	-	33,469,639
Federal	1,444,851	2,788,160	-	5,601,649	-	-	9,834,660
Total revenues	<u>51,487,531</u>	<u>3,144,606</u>	<u>797,739</u>	<u>5,601,649</u>	<u>542,696</u>	<u>956,785</u>	<u>62,531,006</u>
<b>EXPENDITURES</b>							
Current:							
Education	50,815,344	3,083,698	-	5,600,405	169,395	877,925	60,546,767
Capital Outlay	-	-	838,084	-	-	-	838,084
Debt service:							
Principal retirement	308,618	-	-	-	-	-	308,618
Interest and other fiscal charges	25,198	-	-	-	-	-	25,198
Total expenditures	<u>51,149,160</u>	<u>3,083,698</u>	<u>838,084</u>	<u>5,600,405</u>	<u>169,395</u>	<u>877,925</u>	<u>61,718,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>338,371</u>	<u>60,908</u>	<u>(40,345)</u>	<u>1,244</u>	<u>373,301</u>	<u>78,860</u>	<u>812,339</u>
<b>OTHER FINANCING SOURCES</b>							
Transfers in	\$ -	\$ -	\$ 302,261	\$ -	\$ -	\$ -	\$ 302,261
Transfers out	(302,261)	-	-	-	-	-	(302,261)
Total other financing sources	<u>(302,261)</u>	<u>-</u>	<u>302,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	36,110	60,908	261,916	1,244	373,301	78,860	812,339
<b>FUND BALANCES AT JULY 1</b>	<u>1,170,945</u>	<u>1,083,637</u>	<u>423,164</u>	<u>330,384</u>	<u>384,945</u>	<u>417,761</u>	<u>3,810,836</u>
<b>FUND BALANCES AT JUNE 30</b>	<u>\$ 1,207,055</u>	<u>\$ 1,144,545</u>	<u>\$ 685,080</u>	<u>\$ 331,628</u>	<u>\$ 758,246</u>	<u>\$ 496,621</u>	<u>\$ 4,623,175</u>
<b>Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:</b>							
Net change in fund balances – total governmental funds - per above							\$ 812,339
Governmental funds report capital outlays as expenditures; however, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.							
Capital outlays						2,583,743	
Depreciation and amortization expense						(1,461,055)	1,122,688
Governmental funds report employer pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.							
Employer pension contributions						4,146,742	
Non-employer pension contributions						1,117,872	
Pension expense						(1,054,979)	4,209,635
Governmental funds report OPEB contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.							
Employer OPEB contributions						480,302	
OPEB expense						(289,790)	190,512
The issuance of long-term debt 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 has any effect on net position.							
Principal payments						308,618	308,618
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 the funds.							
Change in accrued interest payable						3,928	
Change in compensated absences						(101,541)	(97,613)
<b>Change in net position of governmental activities</b>							<u>\$ 6,546,179</u>

## COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD

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	\$ 30,000	\$ 30,000	\$ 47,637	\$ 17,637
Charges for services	-	-	-	-
Miscellaneous revenues	829,500	829,500	781,824	(47,676)
Intergovernmental revenues:				
Local government	16,154,156	16,154,156	16,154,156	-
Commonwealth	34,933,252	34,933,252	33,059,063	(1,874,189)
Federal	1,669,071	1,669,071	1,444,851	(224,220)
Total revenues	53,615,979	53,615,979	51,487,531	(2,128,448)
EXPENDITURES				
Current:				
Education	53,615,979	53,615,979	50,815,344	2,800,635
Reimbursement to County	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal retirement	-	-	308,618	(308,618)
Interest and other fiscal charges	-	-	25,198	(25,198)
Total expenditures	53,615,979	53,615,979	51,149,160	2,466,819
Excess of revenues over expenditures	-	-	338,371	338,371
OTHER FINANCING USES				
Transfers In	-	-	-	-
Transfers out	-	-	(302,261)	(302,261)
Issuance of finance purchase obligations and leases	-	-	-	-
Total other financing uses	-	-	(302,261)	(302,261)
Net change in fund balances	\$ -	\$ -	\$ 36,110	\$ 36,110

COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
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	\$ -	\$ -	\$ -	\$ -
Charges for services	300,000	300,000	261,166	(38,834)
Miscellaneous revenues	60,000	60,000	34,171	(25,829)
Intergovernmental revenues:				
Local government	-	-	-	-
Commonwealth	21,791	21,791	61,109	39,318
Federal	2,000,000	2,700,000	2,788,160	88,160
Total revenues	2,381,791	3,081,791	3,144,606	62,815
EXPENDITURES				
Current:				
Education	2,381,791	3,081,791	3,083,698	(1,907)
Reimbursement to County	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest and other fiscal charges	-	-	-	-
Total expenditures	2,381,791	3,081,791	3,083,698	(1,907)
Excess of revenues over expenditures	-	-	60,908	60,908
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
Transfers out	-	-	-	-
Issuance of finance purchase obligations and leases	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 60,908	\$ 60,908

COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
Year Ended June 30, 2023

	School Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Local government	\$ 1,679,509	\$ 1,679,509	\$ 797,739	\$ (881,770)
Federal	-	-	-	-
Total revenues	1,679,509	1,679,509	797,739	(881,770)
EXPENDITURES				
Current:				
Education	-	-	-	-
Capital Outlay	1,914,509	1,914,509	838,084	1,076,425
Debt Service:				
Interest and other fiscal charges	-	-	-	-
Total expenditures	1,914,509	1,914,509	838,084	1,076,425
Deficiency of revenues under expenditures	(235,000)	(235,000)	(40,345)	194,655
OTHER FINANCING SOURCES				
Transfers in	-	-	302,261	302,261
Transfers out	-	-	-	-
Issuance of debt	235,000	235,000	-	(235,000)
Total other financing sources	235,000	235,000	302,261	67,261
Net change in fund balances	\$ -	\$ -	\$ 261,916	\$ 261,916



COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
Year Ended June 30, 2023

	School Grant Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Local government	\$ -	\$ -	\$ -	\$ -
Federal	12,295,015	13,486,903	5,601,649	(7,885,254)
Total revenues	12,295,015	13,486,903	5,601,649	(7,885,254)
EXPENDITURES				
Current:				
Education	12,295,015	13,486,903	5,600,405	7,886,498
Capital Outlay	-	-	-	-
Debt Service:				
Interest and other fiscal charges	-	-	-	-
Total expenditures	12,295,015	13,486,903	5,600,405	7,886,498
Excess of revenues over expenditures	-	-	1,244	1,244
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ 1,244	\$ 1,244

COUNTY OF CAROLINE, VIRGINIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DISCRETELY PRESENTED COMPONENT UNIT - SCHOOL BOARD  
Year Ended June 30, 2023

	School Textbook Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues:				
Local government	\$ 193,229	\$ 193,229	\$ 193,229	\$ -
Commonwealth	341,586	341,586	349,467	7,881
Federal	-	-	-	-
Total revenues	534,815	534,815	542,696	7,881
EXPENDITURES				
Current:				
Education	534,815	534,815	169,395	365,420
Total expenditures	534,815	534,815	169,395	365,420
Excess of revenues over expenditures	-	-	373,301	373,301
Net change in fund balances	\$ -	\$ -	\$ 373,301	\$ 373,301

## COUNTY OF CAROLINE, VIRGINIA

STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNIT –  
ECONOMIC DEVELOPMENT AUTHORITY  
June 30, 2023

**ASSETS**

## Current assets:

Cash and cash equivalents	\$ 67,127
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Total assets	67,127
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**NET POSITION**

Unrestricted	67,127
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Total net position	\$ 67,127
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## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNIT –**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**Year Ended June 30, 2023**

**OPERATING REVENUES**

Miscellaneous	\$ 2,154
	<u>2,154</u>
Total revenues	<u>2,154</u>

**OPERATING EXPENSES**

Economic development	1,175
Industry Incentives	<u>5,735</u>
	<u>6,910</u>
Total expenses	<u>6,910</u>
Operating loss	<u>(4,756)</u>

**NONOPERATING REVENUES**

Interest income	<u>73</u>
	<u>73</u>
Total nonoperating revenue	<u>73</u>
Change in net position	(4,683)

<b>NET POSITION AT JULY 1</b>	<u>71,810</u>
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<b>NET POSITION AT JUNE 30</b>	<u><u>\$ 67,127</u></u>
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## COUNTY OF CAROLINE, VIRGINIA

**STATEMENT OF CASH FLOWS**  
**DISCRETELY PRESENTED COMPONENT UNIT –**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**Year Ended June 30, 2023**

**OPERATING ACTIVITIES**

Payments for operating activities	\$ (6,910)
Receipts from other sources	<u>2,154</u>
Net cash used in operating activities	<u>(4,756)</u>

**INVESTING ACTIVITIES**

Interest income	<u>73</u>
Net cash provided by investing activities	<u>73</u>
Net decrease in cash and cash equivalents	(4,683)

**CASH AND CASH EQUIVALENTS**

Beginning at July 1	<u>71,810</u>
Ending at June 30	<u><u>\$ 67,127</u></u>

**RECONCILIATION OF OPERATING LOSS TO NET**  
**CASH USED IN OPERATING ACTIVITIES:**

Operating loss	<u>\$ (4,756)</u>
Net cash used in operating activities	<u><u>\$ (4,756)</u></u>

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## **SUPPORTING SCHEDULES**

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## COUNTY OF CAROLINE, VIRGINIA

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 25,624,128	\$ 25,624,128	\$ 25,481,391	\$ (142,737)
Real and personal public service corporation taxes	3,513,845	3,513,845	3,071,293	(442,552)
Personal property taxes	12,595,135	12,595,135	14,535,424	1,940,289
Machinery and tools taxes	431,516	431,516	544,741	113,225
Penalties	485,187	485,187	686,510	201,323
Interest	457,119	457,119	570,986	113,867
Total general property taxes	43,106,930	43,106,930	44,890,345	1,783,415
Other local taxes:				
Local sales and use taxes	3,377,551	3,377,551	4,342,554	965,003
Consumer utility taxes	89,433	89,433	88,109	(1,324)
Business license taxes	902,500	902,500	1,472,905	570,405
Bank stock taxes	93,496	93,496	112,320	18,824
Motor vehicle licenses and registration fees	-	-	109,701	109,701
Taxes on recordation and wills	-	-	602,532	602,532
Total other local taxes	4,462,980	4,462,980	6,728,121	2,265,141
Permits, privilege fees, and regulatory licenses:				
Animal licenses	23,950	23,950	18,420	(5,530)
Permits and other licenses	490,473	490,473	984,733	494,260
Total permits, privilege fees, and regulatory licenses	514,423	514,423	1,003,153	488,730
Revenue from use of money and property:				
Revenue from use of money	56,000	56,000	1,416,611	1,360,611
Revenue from use of property	37,133	37,133	40,676	3,543
Total revenue from use of money and property	93,133	93,133	1,457,287	1,364,154

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Charges for services:				
Charges for court costs	\$ 331,205	\$ 331,205	\$ 301,892	\$ (29,313)
Commonwealth attorney's fees	2,729	2,729	2,645	(84)
Courthouse security and protective services	144,796	144,796	259,362	114,566
Data processing	1,350	1,350	15	(1,335)
Parks and recreation	68,500	68,500	94,390	25,890
Sanitation and waste removal	53,500	53,500	60,179	6,679
Sale of publications and commemorative material	100	100	-	(100)
Ambulance recover services	1,146,611	1,146,611	1,067,714	(78,897)
Other	19,100	19,100	20,620	1,520
Total charges for services	1,767,891	1,767,891	1,806,817	38,926
Miscellaneous:				
Miscellaneous	215,670	220,590	656,441	435,851
Total miscellaneous	215,670	220,590	656,441	435,851
Recovered costs:				
Postage reimbursement general district court	4,431	4,431	-	(4,431)
Other	194,369	194,369	32,432	(161,937)
Total recovered costs	198,800	198,800	32,432	(166,368)
Total revenue from local sources	50,359,827	50,364,747	56,574,596	6,209,849
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	83,647	83,647	83,369	(278)
Mobile home titling taxes	32,000	32,000	67,022	35,022
Rental vehicles taxes	9,788	9,788	5,301	(4,487)
Personal property tax relief	2,371,897	2,371,897	2,371,897	-
Recordation taxes	205,000	205,000	190,926	(14,074)
Total noncategorical aid	2,702,332	2,702,332	2,718,515	16,183

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth attorney	\$ 336,096	\$ 336,096	\$ 401,646	\$ 65,550
Sheriff	1,342,193	1,342,193	1,457,591	115,398
Commissioner of revenue	142,826	142,826	184,312	41,486
Treasurer	111,746	111,746	147,167	35,421
Registrar/electoral board	54,141	54,141	74,731	20,590
Clerk of the Circuit Court	309,341	322,561	341,444	18,883
Total shared expenses	2,296,343	2,309,563	2,606,891	297,328
Other categorical aid:				
Litter control	13,000	13,000	13,656	656
DMV license agent	46,073	46,073	51,592	5,519
Wireless E911 PSAP funding	116,748	116,748	130,859	14,111
CHINS	14,869	14,869	14,869	-
Victim witness	58,355	58,355	92,134	33,779
Domestic violence	41,364	41,364	72,928	31,564
Library	134,116	134,116	179,643	45,527
Other state grants	122,993	141,154	94,584	(46,570)
Total other categorical aid	547,518	565,679	650,265	84,586
Total categorical aid	2,843,861	2,875,242	3,257,156	381,914
Total revenue from the Commonwealth	5,546,193	5,577,574	5,975,671	398,097
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	1,786	1,786	1,881	95
Total noncategorical aid	1,786	1,786	1,881	95
Categorical aid:				
DMV ground transportation	22,000	21,999	11,349	(10,650)
Sheriff's VDEM grant	-	10,000	-	(10,000)
FEMA	12,120	12,120	-	(12,120)
Bulletproof vest partnership	2,328	2,328	5,540	3,212
Library	30,354	31,553	39,294	7,741
Victim witness	35,474	35,474	12,062	(23,412)
Byrne justice assistance	-	-	4,796	4,796
Fire department SAFER grant	1,080,526	1,080,526	-	(1,080,526)
Total categorical aid	1,182,802	1,194,000	73,041	(1,120,959)
Total revenue from the federal government	1,184,588	1,195,786	74,922	(1,120,864)
Total General Fund	\$ 57,090,608	\$ 57,138,107	\$ 62,625,189	\$ 5,487,082

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 19,819	\$ 19,819
Total miscellaneous	-	-	19,819	19,819
Total revenue from local sources	-	-	19,819	19,819
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	1,087,848	1,087,848	882,015	(205,833)
Total categorical aid	1,087,848	1,087,848	882,015	(205,833)
Total revenue from the Commonwealth	1,087,848	1,087,848	882,015	(205,833)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	1,540,366	1,540,366	1,773,277	232,911
Total categorical aid	1,540,366	1,540,366	1,773,277	232,911
Total revenue from the federal government	1,540,366	1,540,366	1,773,277	232,911
Total Virginia Public Assistance Fund	2,628,214	2,628,214	2,675,111	46,897
Proffers Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	750	750	123	(627)
Total revenue from use of money and property	750	750	123	(627)
Miscellaneous:				
Proffers	55,000	55,000	698,746	643,746
Total miscellaneous	55,000	55,000	698,746	643,746
Total Proffers Fund	55,750	55,750	698,869	643,119

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Children's Services Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ 1,200	\$ 1,200	\$ 10,464	\$ 9,264
Total miscellaneous	1,200	1,200	10,464	9,264
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services act	1,549,947	1,549,947	1,201,584	(348,363)
Total categorical aid	1,549,947	1,549,947	1,201,584	(348,363)
Total revenue from the Commonwealth	1,549,947	1,549,947	1,201,584	(348,363)
Total Children's Services Fund	1,551,147	1,551,147	1,212,048	(339,099)
Law Library Fund:				
Charges for services:				
Law library fees	5,748	5,748	6,102	354
Total charges for services	5,748	5,748	6,102	354
Total Law Library Fund	5,748	5,748	6,102	354
Courthouse Maintenance Fund:				
Revenue from local sources:				
Charges for services:				
Courthouse maintenance fees	26,574	26,574	14,011	(12,563)
Total charges for services	26,574	26,574	14,011	(12,563)
Total Courthouse Maintenance Fund	26,574	26,574	14,011	(12,563)

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Tourism Fund:				
Revenue from local sources:				
Other local taxes:				
Hotel and motel room taxes	\$ 189,231	\$ 189,231	\$ 262,933	\$ 73,702
Total other local taxes	189,231	189,231	262,933	73,702
Miscellaneous:				
Miscellaneous	17,575	17,575	15,622	(1,953)
Total miscellaneous	17,575	17,575	15,622	(1,953)
Total revenue from local sources	206,806	206,806	278,555	71,749
Total Tourism Fund	206,806	206,806	278,555	71,749
Confiscated Asset Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Confiscated assets	46,094	78,576	37,903	(40,673)
Total categorical aid	46,094	78,576	37,903	(40,673)
Total revenue from the Commonwealth	46,094	78,576	37,903	(40,673)
Total Confiscated Asset Fund	46,094	78,576	37,903	(40,673)
Fire/Rescue Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Fire program fund	98,643	98,643	118,449	19,806
EMS vehicle registration grant	23,724	23,724	34,558	10,834
Radiological preparedness grant	37,676	37,676	30,000	(7,676)
Total categorical aid	160,043	160,043	183,007	22,964
Total revenue from the Commonwealth	160,043	160,043	183,007	22,964
Total Fire/Rescue Fund	160,043	160,043	183,007	22,964

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Special Revenue Funds: (Continued)				
Housing Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 5,000	\$ 5,000	\$ 100	\$ (4,900)
Total revenue from use of money and property	5,000	5,000	100	(4,900)
Total Housing Fund	5,000	5,000	100	(4,900)
Sheriff Fund:				
Revenue from local sources:				
Charges for services:				
Sheriff fees	25,000	25,000	22,041	(2,959)
Total charges for services	25,000	25,000	22,041	(2,959)
Total Sheriff Fund	25,000	25,000	22,041	(2,959)
Detention Facility Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	2,000	2,000	4,861	2,861
Total revenue from use of money and property	2,000	2,000	4,861	2,861
Charges for services:				
Inmate detention	572,320	572,320	576,415	4,095
Total charges for services	572,320	572,320	576,415	4,095
Total Detention Facility Fund	574,320	574,320	581,276	6,956
Hanover Soil and Water Fund:				
Recovered costs:				
Soil conservationist	497,740	497,740	513,186	15,446
Total recovered costs	497,740	497,740	513,186	15,446
Total Hanover Soil and Water Fund	497,740	497,740	513,186	15,446
CARES Act Fund:				
Intergovernmental:				
Revenue from the federal government:				
Noncategorical aid:				
ARPA	42,000	101,830	1,215,350	1,113,520
Total noncategorical aid	42,000	101,830	1,215,350	1,113,520
Total revenue from the federal government	42,000	101,830	1,215,350	1,113,520
Total CARES Act Fund	42,000	101,830	1,215,350	1,113,520
Total Special Revenue Funds	\$ 5,824,436	\$ 5,916,748	\$ 7,437,559	\$ 1,520,811

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Debt Service Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility	\$ 822,232	\$ 822,232	\$ 823,566	\$ 1,334
Meals tax	1,226,980	1,226,980	1,701,519	474,539
Total other local taxes	2,049,212	2,049,212	2,525,085	475,873
Revenue from use of money and property:				
Revenue from the use of money	-	-	266,186	266,186
Revenue from the use of property	111,600	111,600	111,600	-
Total revenue from use of money and property	111,600	111,600	377,786	266,186
Total revenue from local sources	2,160,812	2,160,812	2,902,871	742,059
Revenue from the federal government:				
Categorical aid:				
Federal tax credit	378,210	378,210	325,545	(52,665)
Refunding credit 111	111,888	111,888	113,315	1,427
Total categorical aid	490,098	490,098	438,860	(51,238)
Total revenue from the federal government	490,098	490,098	438,860	(51,238)
Total Debt Service Fund	\$ 2,650,910	\$ 2,650,910	\$ 3,341,731	\$ 690,821



**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 301,409	\$ 301,409
Total revenue from use of money and property	-	-	301,409	301,409
Miscellaneous:				
Other miscellaneous	-	-	69,388	69,388
Total miscellaneous	-	-	69,388	69,388
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Rescue Squad Assistance Fund	-	-	288,852	288,852
Total categorical aid	-	-	288,852	288,852
Total revenue from local sources	-	-	659,649	659,649
Total County Capital Projects Fund	-	-	659,649	659,649
Total Primary Government	\$ 65,565,954	\$ 65,705,765	\$ 74,064,128	\$ 8,358,363
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 30,000	\$ 30,000	\$ 47,637	\$ 17,637
Total revenue from use of money and property	30,000	30,000	47,637	17,637
Miscellaneous:				
Other miscellaneous	829,500	829,500	781,824	(47,676)
Total miscellaneous	829,500	829,500	781,824	(47,676)
Total revenue from local sources	859,500	859,500	829,461	(30,039)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	16,154,156	16,154,156	16,154,156	-
Total revenues from local governments	16,154,156	16,154,156	16,154,156	-

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Discretely Presented Component Unit-School Board:				
(Continued)				
School Operating Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
State sales tax receipts	\$ 6,148,472	\$ 6,148,472	\$ 6,557,419	\$ 408,947
Basic school aid	14,291,990	14,291,990	13,733,538	(558,452)
Other state funds	14,492,790	14,492,790	12,768,106	(1,724,684)
Total categorical aid	34,933,252	34,933,252	33,059,063	(1,874,189)
Total revenue from the Commonwealth	34,933,252	34,933,252	33,059,063	(1,874,189)
Revenue from the federal government:				
Categorical aid:				
Title VI-B, special education flow-through	1,080,869	1,080,869	891,281	(189,588)
Other federal funds	588,202	588,202	553,570	(34,632)
Total categorical aid	1,669,071	1,669,071	1,444,851	(224,220)
Total revenue from the federal government	1,669,071	1,669,071	1,444,851	(224,220)
Total School Operating Fund	53,615,979	53,615,979	51,487,531	(2,128,448)
School Cafeteria Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	300,000	300,000	261,166	(38,834)
Total charges for services	300,000	300,000	261,166	(38,834)
Miscellaneous:				
Other miscellaneous	60,000	60,000	34,171	(25,829)
Total miscellaneous	60,000	60,000	34,171	(25,829)
Total revenue from local sources	360,000	360,000	295,337	(64,663)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	21,791	21,791	61,109	39,318
Total categorical aid	21,791	21,791	61,109	39,318
Total revenue from the Commonwealth	21,791	21,791	61,109	39,318

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Discretely Presented Component Unit-School Board:				
(Continued)				
School Cafeteria Fund: (Continued)				
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 2,000,000	\$ 2,700,000	\$ 2,676,346	\$ (23,654)
Commodities	-	-	111,814	111,814
Total categorical aid	2,000,000	2,700,000	2,788,160	88,160
Total revenue from the federal government	2,000,000	2,700,000	2,788,160	88,160
Total School Cafeteria Fund	2,381,791	3,081,791	3,144,606	62,815
School Capital Projects Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	1,679,509	1,679,509	797,739	(881,770)
Total revenues from local governments	1,679,509	1,679,509	797,739	(881,770)
Total School Capital Projects Fund	1,679,509	1,679,509	797,739	(881,770)
School Grant Fund:				
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
Title I	1,000,000	1,000,000	1,037,690	37,690
CARES	450,000	450,000	214,516	(235,484)
ESSER	8,973,000	8,973,000	2,912,757	(6,060,243)
Other federal funds	1,872,015	3,063,903	1,436,686	(1,627,217)
Total categorical aid	12,295,015	13,486,903	5,601,649	(7,885,254)
Total revenue from the federal government	12,295,015	13,486,903	5,601,649	(7,885,254)
Total School Grant Fund	12,295,015	13,486,903	5,601,649	(7,885,254)
School Textbook Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Caroline, Virginia	193,229	193,229	193,229	-
Total revenues from local governments	193,229	193,229	193,229	-

**SCHEDULE 1**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF REVENUES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Major and Minor Revenue Source	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Discretely Presented Component Unit-School Board:				
(Continued)				
School Textbook Fund: (Continued)				
Revenue from the Commonwealth:				
Categorical aid:				
Textbook payments	\$ 341,586	\$ 341,586	\$ 349,467	\$ 7,881
Total categorical aid	341,586	341,586	349,467	7,881
Total revenue from the federal government	341,586	341,586	349,467	7,881
Total School Textbook Fund	534,815	534,815	542,696	7,881
School Activity Fund:				
Miscellaneous:				
Other miscellaneous	-	-	956,785	956,785
Total miscellaneous	-	-	956,785	956,785
Total School Activity Fund	-	-	956,785	956,785
Total Discretely Presented Component Unit - School Board	\$ 70,507,109	\$ 72,398,997	\$ 62,531,006	\$ (9,867,991)

## COUNTY OF CAROLINE, VIRGINIA

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 273,293	\$ 273,292	\$ 254,174	\$ 19,118
Total legislative	273,293	273,292	254,174	19,118
General and financial administration:				
County administrator	750,566	768,554	695,784	72,770
Legal services	279,500	279,500	352,981	(73,481)
Commissioner of revenue	1,008,434	1,008,434	996,181	12,253
Professional services	222,000	272,350	238,662	33,688
Treasurer	870,401	870,401	829,494	40,907
Finance	490,990	490,990	502,904	(11,914)
Information technology	636,833	638,032	563,654	74,378
Other general and financial administration	13,731	13,728	-	13,728
Total general and financial administration	4,272,455	4,341,989	4,179,660	162,329
Board of elections:				
Electoral board and officials	401,664	401,664	313,391	88,273
Total board of elections	401,664	401,664	313,391	88,273
Total general government administration	4,947,412	5,016,945	4,747,225	269,720
Judicial administration:				
Courts:				
Circuit court	117,694	117,694	113,484	4,210
General district court	33,870	33,870	23,580	10,290
Magistrate	2,300	2,300	3,332	(1,032)
Juvenile and domestic relations court	21,390	21,390	20,613	777
Clerk of the circuit court	754,674	767,894	673,004	94,890
Juvenile crime control	49,189	49,189	42,903	6,286
Victim witness program	126,124	126,124	116,673	9,451
Total courts	1,105,241	1,118,461	993,589	124,872
Commonwealth attorney:				
Commonwealth attorney	710,073	709,996	682,839	27,157
Total commonwealth attorney	710,073	709,996	682,839	27,157
Total judicial administration	1,815,314	1,828,457	1,676,428	152,029

**SCHEDULE 2  
(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
Fund, Function, Activity and Element	Original	Final	Actual	
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 5,666,020	\$ 5,708,502	\$ 5,901,559	\$ (193,057)
E911 dispatch	1,826,391	1,834,014	1,622,934	211,080
Other protection services	476,614	476,614	531,707	(55,093)
Total law enforcement and traffic control	7,969,025	8,019,130	8,056,200	(37,070)
Fire and rescue services:				
Other fire and rescue	17,536	17,536	17,372	164
Emergency services	7,162,631	7,177,101	6,678,355	498,746
Total fire and rescue services	7,180,167	7,194,637	6,695,727	498,910
Correction and detention:				
Regional jail contributions	2,035,648	2,035,648	1,596,386	439,262
Juvenile probation and detention	159,019	159,019	159,020	(1)
Total correction and detention	2,194,667	2,194,667	1,755,406	439,261
Building inspections:				
Inspections	363,602	454,386	457,289	(2,903)
Board of building code appeals	1,600	1,600	589	1,011
Total building inspections	365,202	455,986	457,878	(1,892)
Other protection:				
Animal control	509,230	509,230	436,052	73,178
Medical examiner	400	400	300	100
Total other protection	509,630	509,630	436,352	73,278
Total public safety	18,218,691	18,374,050	17,401,563	972,487
Public works:				
Maintenance of infrastructure:				
Public works administration	359,484	493,737	487,627	6,110
VDOT roads Rt 639 revenue sharing	-	300,000	325,000	25,000
Streetlights	3,500	3,500	3,704	(204)
Total maintenance of infrastructure	362,984	797,237	816,331	(19,094)
Sanitation and waste removal:				
Refuse collection and disposal	2,341,336	2,433,461	2,161,550	271,911
Total sanitation and waste removal	2,341,336	2,433,461	2,161,550	271,911
Maintenance of general buildings and grounds:				
General properties	2,137,945	2,334,897	2,395,643	(60,746)
Total maintenance of general buildings and grounds	2,137,945	2,334,897	2,395,643	(60,746)
Total public works	4,842,265	5,565,595	5,373,524	192,071

**SCHEDULE 2  
(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 275,404	\$ 275,404	\$ 275,404	\$ -
Total health	275,404	275,404	275,404	-
Mental health and mental retardation:				
Community services board	121,468	121,468	121,468	-
Total mental health and mental retardation	121,468	121,468	121,468	-
Welfare:				
Contributions to outside welfare agencies	176,660	181,660	156,842	24,818
Total welfare	176,660	181,660	156,842	24,818
Total health and welfare	573,532	578,532	553,714	24,818
Education:				
Other instructional costs:				
Contribution to community colleges	7,209	7,209	7,209	-
Contribution to County School Board	16,347,385	16,347,385	17,045,124	(697,739)
Total other instructional costs	16,354,594	16,354,594	17,052,333	(697,739)
Total education	16,354,594	16,354,594	17,052,333	(697,739)
Parks, recreation, and cultural:				
Parks and recreation:				
Recreation centers and playgrounds	608,152	627,458	556,573	70,885
Total parks and recreation	608,152	627,458	556,573	70,885
Cultural:				
County Library	592,638	619,290	596,505	22,785
Total cultural	592,638	619,290	596,505	22,785
Total parks, recreation, and cultural:	1,200,790	1,246,748	1,153,078	93,670
Community development:				
Planning and community development:				
Planning development	1,144,876	1,158,028	802,757	355,271
Planning commission	54,573	54,573	38,117	16,456
Economic development	413,224	468,033	360,778	107,255
Total planning and community development	1,612,673	1,680,634	1,201,652	478,982

**SCHEDULE 2  
(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
General Fund: (Continued)				
Community development: (Continued)				
Environmental management:				
Contribution to soil and water conservation district	\$ 69,618	\$ 69,618	\$ 69,618	\$ -
Total environmental management	69,618	69,618	69,618	-
Cooperative extension program:				
Extension office	84,076	84,076	73,647	10,429
Total cooperative extension program	84,076	84,076	73,647	10,429
Total community development	1,766,367	1,834,328	1,344,917	489,411
Total General Fund	\$ 49,718,965	\$ 50,799,249	\$ 49,302,782	\$ 1,496,467
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Welfare administration	\$ 2,635,108	\$ 2,635,108	\$ 2,635,548	\$ (440)
Public assistance	513,584	513,584	534,065	(20,481)
Purchased services	141,927	141,927	90,253	51,674
Local only	4,841	4,841	424	4,417
Total welfare and social services	3,295,460	3,295,460	3,260,290	35,170
Total health and welfare	3,295,460	3,295,460	3,260,290	35,170
Total Virginia Public Assistance Fund	3,295,460	3,295,460	3,260,290	35,170
Children's Services Fund:				
Health and welfare:				
Welfare and social services:				
Children's services act	2,300,000	2,300,000	1,920,746	379,254
Total health and welfare	2,300,000	2,300,000	1,920,746	379,254
Total Children's Services Fund	2,300,000	2,300,000	1,920,746	379,254
Law Library Fund:				
Judicial administration:				
Law library	5,748	5,748	8,337	(2,589)
Total judicial administration	5,748	5,748	8,337	(2,589)
Total Law Library Fund	5,748	5,748	8,337	(2,589)



**SCHEDULE 2  
(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Special Revenue Funds: (Continued)				
Courthouse Maintenance Fund:				
Judicial administration:				
Courthouse maintenance	\$ 26,574	\$ 26,574	\$ 902	\$ 25,672
Total judicial administration	26,574	26,574	902	25,672
Total Courthouse Maintenance Fund	26,574	26,574	902	25,672
Tourism Fund:				
Community development:				
Planning and community development	228,106	283,106	195,510	87,596
Total community development	228,106	283,106	195,510	87,596
Total Tourism Fund	228,106	283,106	195,510	87,596
Confiscated Asset Fund:				
Public safety:				
Confiscated assets	46,094	78,576	64,402	14,174
Total public safety	46,094	78,576	64,402	14,174
Total Confiscated Asset Fund	46,094	78,576	64,402	14,174
Fire/Rescue Fund:				
Public safety:				
Fire and rescue services	162,120	162,120	213,728	(51,608)
Total public safety	162,120	162,120	213,728	(51,608)
Total Fire/Rescue Fund	162,120	162,120	213,728	(51,608)
Housing Fund:				
Community development:				
Housing rehabilitation	5,000	5,000	4,465	535
Total community development	5,000	5,000	4,465	535
Total Housing Fund	5,000	5,000	4,465	535
Sheriff Fund:				
Public safety:				
Machinery and equipment	-	36,540	13,362	23,178
Total public safety	-	36,540	13,362	23,178
Total Sheriff Fund	-	36,540	13,362	23,178
Detention Facility Fund:				
Education:				
Other instructional costs:				
Contribution to County School Board	100,000	100,000	100,000	-
Total education	100,000	100,000	100,000	-
Total Detention Facility Fund	100,000	100,000	100,000	-

**SCHEDULE 2**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Special Revenue Funds: (Continued)				
Hanover Soil and Water Fund:				
Public works:				
Environmental management	\$ 497,740	\$ 497,740	\$ 527,884	\$ (30,144)
Total public works	497,740	497,740	527,884	(30,144)
Total Hanover Soil and Water Fund	497,740	497,740	527,884	(30,144)
CARES Act Fund:				
General and financial administration:				
Registrar	-	-	591,700	(591,700)
Information technology	-	-	565,147	(565,147)
Total general and financial administration	-	-	1,156,847	(1,156,847)
Parks, recreation, and cultural:				
Library	-	10,673	10,673	-
Total parks, recreation, and cultural	-	10,673	10,673	-
Total CARES Act Fund	-	10,673	1,167,520	(1,156,847)
Total Special Revenue Funds	\$ 6,666,842	\$ 6,801,537	\$ 7,477,146	\$ (675,609)
Debt Service Fund:				
Education:				
Contribution to County School Board				
Debt service:				
Principal retirement	\$ 3,451,518	\$ 3,451,518	\$ 6,402,041	\$ (2,950,523)
Interest and other fiscal charges	5,570,822	5,570,822	3,692,193	1,878,629
Bond issuance costs	9,000	9,000	25,934	(16,934)
Total debt service	9,031,340	9,031,340	10,120,168	(1,088,828)
Total Debt Service Fund	\$ 9,031,340	\$ 9,031,340	\$ 10,120,168	\$ (1,088,828)
Capital Projects Funds:				
County Capital Projects Fund:				
Capital outlay:				
Capital projects	\$ 4,252,675	\$ 7,281,209	\$ 6,081,725	\$ 1,199,484
Total capital outlay	4,252,675	7,281,209	6,081,725	1,199,484
Total County Capital Projects Fund	4,252,675	7,281,209	6,081,725	1,199,484
Total Primary Government	\$ 69,669,822	\$ 73,913,335	\$ 72,981,821	\$ 931,514

**SCHEDULE 2  
(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

Fund, Function, Activity and Element	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Discretely Presented Component Unit-School Board:				
School Operating Fund:				
Education:				
Instruction	\$ 36,990,879	\$ 36,665,879	\$ 36,126,324	\$ 539,555
Administration attendance and health	2,283,496	2,283,496	2,254,863	28,633
Pupil transportation services	4,419,067	4,744,067	4,638,217	105,850
Operation and maintenance services	9,922,537	9,922,537	7,795,940	2,126,597
Total education	53,615,979	53,615,979	50,815,344	2,800,635
Debt service:				
Principal retirement	-	-	308,618	(308,618)
Interest and other fiscal charges	-	-	25,198	(25,198)
Total debt service	-	-	333,816	(333,816)
Total School Operating Fund	53,615,979	53,615,979	51,149,160	2,466,819
School Cafeteria Fund:				
Education:				
School food services	\$ 2,381,791	\$ 3,081,791	\$ 2,971,883	\$ 109,908
Commodities	-	-	111,815	(111,815)
Total education	2,381,791	3,081,791	3,083,698	(1,907)
Total School Cafeteria Fund	2,381,791	3,081,791	3,083,698	(1,907)
School Capital Projects Fund:				
Capital outlay:				
Capital projects	1,914,509	1,914,509	838,084	1,076,425
Total capital outlay	1,914,509	1,914,509	838,084	1,076,425
Total School Capital Projects Fund	1,914,509	1,914,509	838,084	1,076,425
School Grant Fund:				
Education:				
Instruction	12,295,015	13,486,903	5,600,405	7,886,498
Total education	12,295,015	13,486,903	5,600,405	7,886,498
Total School Grant Fund	12,295,015	13,486,903	5,600,405	7,886,498
School Textbook Fund:				
Education:				
Instruction	534,815	534,815	169,395	365,420
Total education	534,815	534,815	169,395	365,420
Total School Textbook Fund	534,815	534,815	169,395	365,420

**SCHEDULE 2**  
**(Continued)**

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2023**

<b>Fund, Function, Activity and Element</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Discretely Presented Component Unit-School Board:</b>				
<b>(Continued)</b>				
School Activity Fund				
Education:				
Reimbursement to County	-	-	877,925	(877,925)
Total education	-	-	877,925	(877,925)
Total School Activity Fund	-	-	877,925	(877,925)
Total Discretely Presented Component Unit – School Board	<u>\$ 70,742,109</u>	<u>\$ 72,633,997</u>	<u>\$ 61,718,667</u>	<u>\$ 10,915,330</u>

# STATISTICAL SECTION

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*This part of the report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.*

## **Contents**

## **Table**

### **Financial Trends**

**1-4**

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

### **Revenue Capacity**

**5-9**

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

### **Debt Capacity**

**10-11**

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

### **Demographic and Economic Information**

**12-13**

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

### **Operating Information**

**14-16**

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

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



**COUNTY OF CAROLINE, VIRGINIA****COMMENTS RELATIVE TO STATISTICAL SECTION**

The table showing legal debt margin is omitted because counties in the State of Virginia are not subject to the 10% legal debt margin as cities and towns are.

TABLE 2

## COUNTY OF CAROLINE, VIRGINIA

## NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 10,439,531	\$ 7,125,506	\$ (7,198,952)	\$ 455,769	\$ (1,765,894)	\$ (2,826,244)	\$ (7,599,642)	\$(16,413,860)	\$(33,804,885)	\$(39,754,963)
Restricted	9,877,590	13,144,298	5,710,437	5,547,780	4,268,655	4,268,655	7,482,811	13,637,372	28,077,009	30,368,696
Unrestricted	37,654,175	25,761,981	38,144,165	23,665,508	24,106,821	21,317,545	21,440,045	21,500,669	19,298,331	18,392,597
Total governmental activities	<u>\$ 57,971,296</u>	<u>\$ 46,031,785</u>	<u>\$ 36,655,650</u>	<u>\$ 29,669,057</u>	<u>\$ 26,609,582</u>	<u>\$ 22,759,956</u>	<u>\$ 21,323,214</u>	<u>\$ 18,724,181</u>	<u>\$ 13,570,455</u>	<u>\$ 9,006,330</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 9,773,264	\$ 9,189,369	\$ 7,540,131	\$ 7,639,696	\$ 6,934,568	\$ 6,715,462	\$ 5,996,430	\$ 5,655,822	\$ 5,132,270	\$ 5,160,081
Restricted	2,178,483	2,369,407	1,669,180	1,665,793	1,709,668	1,646,702	1,841,238	1,833,241	2,180,302	2,646,388
Unrestricted	280,314	(1,356,389)	(334,002)	(244,326)	(494,918)	(735,707)	(579,857)	(358,259)	(573,962)	(573,962)
Total business-type activities	<u>\$ 12,232,061</u>	<u>\$ 10,202,387</u>	<u>\$ 8,875,309</u>	<u>\$ 9,061,163</u>	<u>\$ 8,149,318</u>	<u>\$ 7,626,457</u>	<u>\$ 7,257,811</u>	<u>\$ 7,130,804</u>	<u>\$ 6,738,610</u>	<u>\$ 7,232,507</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ 20,212,795	\$ 16,314,875	\$ 341,179	\$ 8,095,465	\$ 5,168,674	\$ 3,889,218	\$ (1,603,212)	\$(10,758,038)	\$(28,672,615)	\$(34,594,882)
Restricted	12,056,073	15,513,705	7,379,617	7,213,573	5,978,323	5,915,357	9,324,049	15,470,613	30,257,311	33,015,084
Unrestricted	37,934,489	24,405,592	37,810,163	23,421,182	23,611,903	20,581,838	20,860,188	21,142,410	18,724,369	17,818,635
Total Primary government	<u>\$ 70,203,357</u>	<u>\$ 56,234,172</u>	<u>\$ 45,530,959</u>	<u>\$ 38,730,220</u>	<u>\$ 34,758,900</u>	<u>\$ 30,386,413</u>	<u>\$ 28,581,025</u>	<u>\$ 25,854,985</u>	<u>\$ 20,309,065</u>	<u>\$ 16,238,837</u>

(1) June 30, 2014 net position was restated for the implementation of GASB Statement No. 68 and June 30, 2017 net position was restated for the implementation of GASB Statement No. 75.



TABLE 3

## COUNTY OF CAROLINE, VIRGINIA

## CHANGES IN NET POSITION

## Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
<b>Governmental activities</b>										
General government administration	\$ 5,328,908	\$ 4,950,530	\$ 4,993,074	\$ 3,502,256	\$ 3,693,835	\$ 4,047,104	\$ 3,789,710	\$ 3,978,965	\$ 3,883,714	\$ 3,609,988
Judicial administration	1,777,790	1,772,213	1,661,581	1,572,855	1,457,236	1,518,859	1,497,332	1,402,447	1,396,050	1,407,147
Public safety	18,726,853	17,451,750	17,181,124	15,897,122	14,116,709	14,205,256	13,510,255	12,426,927	11,880,667	12,143,942
Public works	5,820,761	5,408,507	7,382,117	5,738,631	5,933,547	4,232,947	3,428,499	3,051,951	2,908,638	3,640,540
Health and welfare	5,688,038	5,320,263	5,150,285	4,738,640	4,748,908	5,297,241	5,208,004	5,099,553	4,961,442	5,357,822
Education	19,163,248	18,606,632	16,849,876	17,947,984	16,802,131	16,899,064	15,859,165	15,040,013	13,388,679	12,874,519
Parks, recreation and cultural	1,197,151	1,094,721	1,067,016	1,041,192	940,443	804,264	797,543	607,087	834,612	3,201,043
Community development	1,600,290	1,561,487	1,507,667	1,380,499	1,335,556	1,343,428	1,254,830	1,515,175	1,575,697	1,521,500
Interest and fiscal charges	3,250,703	2,730,660	3,360,947	2,814,222	3,071,552	3,303,659	3,424,233	3,620,914	3,788,183	3,775,429
Total governmental activities	62,553,742	58,896,763	59,153,687	54,633,401	52,099,917	51,651,822	48,769,571	46,743,032	44,617,682	47,531,930
<b>Business-type activities</b>										
Water and Sewer	6,598,679	5,640,472	6,058,445	5,422,786	5,864,572	5,386,681	5,558,380	5,720,201	5,703,220	5,277,623
Total business-type activities	6,598,679	5,640,472	6,058,445	5,422,786	5,864,572	5,386,681	5,558,380	5,720,201	5,703,220	5,277,623
Total primary government expenses	69,152,421	64,537,235	65,212,132	60,056,187	57,964,489	57,038,503	54,327,951	52,463,233	50,320,902	52,809,553
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services:										
Public safety	1,115,481	1,183,328	2,636,719	2,276,453	2,203,555	1,388,237	1,279,401	1,963,237	1,858,195	1,923,375
Community development	984,233	1,090,148	-	125	240	-	-	285,233	282,212	269,786
All other activities	752,410	599,340	421,664	566,257	862,024	941,548	855,923	168,470	183,155	195,341
Operating grants and contributions	8,875,750	9,115,943	11,462,975	7,802,807	7,043,657	7,516,459	6,976,522	5,969,693	5,863,274	6,437,297
Capital grants and contributions	-	-	-	-	-	-	215,241	78,074	607,776	-
Total governmental activities	11,727,874	11,988,759	14,521,358	10,645,642	10,109,476	9,846,244	9,327,087	8,464,707	8,794,612	8,825,799
<b>Business-type activities</b>										
Charges for services:	3,823,983	3,412,971	2,713,756	2,652,442	2,764,671	2,636,964	2,482,265	2,633,815	2,920,869	2,626,288
Operating grants and contributions	-	-	32,240	20,600	352,383	256,922	350,877	350,877	349,083	579,689
Capital grants and contributions	3,283,080	2,345,982	2,281,403	712,903	637,770	937,671	979,279	1,326,260	1,170,762	1,115,502
Total business-type activities	7,107,063	5,758,953	5,027,399	3,385,945	3,754,824	3,831,557	3,812,421	4,310,952	4,440,714	4,321,479
Total primary government revenues	18,834,937	17,747,712	19,548,757	14,031,587	13,864,300	13,677,801	13,139,508	12,775,659	13,235,326	13,147,278
<b>Net (expense) revenue</b>										
Governmental activities	(50,825,868)	(46,908,004)	(44,632,329)	(43,987,759)	(41,990,441)	(41,805,578)	(39,442,484)	(38,278,325)	(35,823,070)	(38,706,131)
Business-type activities	508,384	118,481	(1,031,046)	(2,036,841)	(2,109,748)	(1,555,124)	(1,745,959)	(1,409,249)	(1,262,506)	(956,144)
Total primary government net expense	(50,317,484)	(46,789,523)	(45,663,375)	(46,024,600)	(44,100,189)	(43,360,702)	(41,188,443)	(39,687,574)	(37,085,576)	(39,662,275)

(Continued)

TABLE 3

## COUNTY OF CAROLINE, VIRGINIA

## CHANGES IN NET POSITION

## Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net (expense) revenue</b>										
Governmental activities	\$ (50,825,868)	\$ (46,908,004)	\$ (44,632,329)	\$ (43,987,759)	\$ (41,990,441)	\$ (41,805,578)	\$ (39,442,484)	\$ (38,278,325)	\$ (35,823,070)	\$ (38,706,131)
Business-type activities	508,384	118,481	(1,031,046)	(2,036,841)	(2,109,748)	(1,555,124)	(1,745,959)	(1,409,249)	(1,262,506)	(956,144)
Total primary government net expense	(50,317,484)	(46,789,523)	(45,663,375)	(46,024,600)	(44,100,189)	(43,360,702)	(41,188,443)	(39,687,574)	(37,085,576)	(39,662,275)
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities</b>										
Taxes										
General property taxes	45,523,335	43,737,123	39,488,191	37,932,539	36,870,630	35,811,884	33,404,396	34,439,462	34,297,569	32,695,438
Local sales and use taxes	3,667,211	3,199,697	3,209,281	2,855,615	2,233,473	2,294,305	1,997,309	1,990,779	1,779,229	1,672,694
Other local taxes	5,848,928	4,892,157	4,651,890	4,376,012	4,528,215	4,417,068	4,318,766	4,041,865	4,195,865	4,088,990
State personal property tax reimbursement	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897	2,371,897
Other state non-categorical shared revenues	1,942,324	1,700,284	1,661,071	900,507	847,473	656,676	740,820	1,378,963	693,511	808,543
Proffers from new development	698,746	501,884	273,113	125,934	101,537	98,309	151,871	127,026	123,245	145,881
Other unrestricted revenue	2,916,803	728,727	604,548	976,506	1,064,576	805,922	719,206	693,240	1,077,555	1,184,640
Transfers	(203,865)	(847,630)	(641,069)	(2,593,776)	(2,267,705)	(1,730,200)	(1,662,748)	(1,611,181)	(1,145,321)	(959,896)
Total governmental activities	62,765,379	56,284,139	51,618,922	46,945,234	45,750,096	44,725,861	42,041,517	43,432,051	43,393,550	42,008,187
<b>Business-type activities</b>										
Revenue from use of money and property	941,017	68,687	6,181	25,668	36,461	23,287	12,553	2,244	926	3,238
Miscellaneous	376,408	292,280	197,942	329,242	328,443	255,114	197,665	188,018	71,867	209,050
Transfers	203,865	847,630	641,069	2,593,776	2,267,705	1,730,200	1,662,748	1,611,181	1,145,321	959,896
Total business-type activities	1,521,290	1,208,597	845,192	2,948,686	2,632,609	2,008,601	1,872,966	1,801,443	1,218,114	1,172,184
<b>Total primary government</b>	<b>64,286,669</b>	<b>57,492,736</b>	<b>52,464,114</b>	<b>49,893,920</b>	<b>48,382,705</b>	<b>46,734,462</b>	<b>43,914,483</b>	<b>45,233,494</b>	<b>44,611,664</b>	<b>43,180,371</b>
<b>Changes in Net Position</b>										
Governmental activities	11,939,511	9,376,135	6,986,593	2,957,475	3,759,655	2,920,283	2,599,033	5,153,726	7,570,480	3,302,056
Business-type activities	2,029,674	1,327,078	(185,854)	911,845	522,861	453,477	127,007	392,194	(44,392)	216,040
<b>Total primary government</b>	<b>\$ 13,969,185</b>	<b>\$ 10,703,213</b>	<b>\$ 6,800,739</b>	<b>\$ 3,869,320</b>	<b>\$ 4,282,516</b>	<b>\$ 3,373,760</b>	<b>\$ 2,726,040</b>	<b>\$ 5,545,920</b>	<b>\$ 7,526,088</b>	<b>\$ 3,518,096</b>

TABLE 4

## COUNTY OF CAROLINE, VIRGINIA

## FUND BALANCES – GOVERNMENTAL FUNDS

## Last Ten Fiscal Years

(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General fund</b>										
Nonspendable	\$ 13,570	\$ -	\$ 68,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Restricted	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,847,361	1,846,264	1,846,264
Committed	7,794,687	952,645	693,886	1,064,913	2,784,575	2,392,483	3,553,910	175,000	366,000	366,000
Assigned	3,007,004	3,007,004	3,007,004	3,007,004	3,007,004	3,007,004	1,818,577	4,598,162	2,962,590	1,420,225
Unassigned	27,631,682	28,158,303	22,963,802	17,080,971	17,083,663	18,313,245	17,398,812	16,346,543	15,979,092	14,297,822
Total general fund	40,294,304	33,965,313	28,580,636	23,000,249	24,722,603	25,560,093	24,618,660	22,967,066	21,153,946	17,960,311
<b>All other governmental funds</b>										
Nonspendable	388	-	-	6,052	-	-	-	-	-	-
Restricted	10,459,608	10,102,619	3,863,076	3,700,419	2,704,122	2,421,294	5,635,450	11,790,011	26,230,745	28,522,432
Committed	1,438,311	1,107,035	532,171	244,103	587,002	-	-	-	-	-
Assigned	3,270,168	3,420,200	9,483,603	219,278	236,326	257,149	282,332	265,878	277,781	209,073
Unassigned	(81,145)	(28,975)	-	(92,256)	(219,758)	(322,446)	(420,770)	(139,160)	(127,250)	(50,154)
Total all other governmental funds	15,087,330	14,600,879	13,878,850	4,077,596	3,307,692	2,355,997	5,497,012	11,916,729	26,381,276	28,681,351
Total Fund Balance	<u>\$ 55,381,634</u>	<u>\$ 48,566,192</u>	<u>\$ 42,459,486</u>	<u>\$ 27,077,845</u>	<u>\$ 28,030,295</u>	<u>\$ 27,916,090</u>	<u>\$ 30,115,672</u>	<u>\$ 34,883,795</u>	<u>\$ 47,535,222</u>	<u>\$ 46,641,662</u>

TABLE 5

## COUNTY OF CAROLINE, VIRGINIA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

## Last Ten Fiscal Years

(modified accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
General property taxes	\$ 44,890,345	\$ 42,862,074	\$ 39,368,959	\$ 37,544,110	\$ 36,402,347	\$ 35,894,593	\$ 35,056,977	\$ 34,510,102	\$ 34,435,880	\$ 31,936,888
Other local taxes	9,516,139	8,091,854	7,861,171	7,231,627	6,761,688	6,711,373	6,316,075	6,032,644	5,975,094	5,761,684
Permits, privilege fees and licenses	1,003,153	1,106,534	920,108	507,986	527,310	468,716	417,770	502,416	392,539	529,470
Fines and forfeitures	-	-	151,485	318,804	521,650	586,242	522,735	484,591	522,562	560,756
Revenue from use of money & property	2,141,566	250,689	190,916	488,630	698,912	484,436	348,824	284,644	255,286	251,372
Charges for services	1,848,971	1,766,282	1,986,790	2,016,045	2,016,859	1,274,827	1,194,819	1,129,021	1,092,983	997,859
Other local revenue	2,019,601	2,344,976	1,344,220	1,212,664	5,426,062	774,577	858,606	778,426	619,896	1,228,772
Intergovernmental	12,644,353	11,823,070	15,495,943	11,075,211	10,263,027	10,545,032	10,304,480	9,856,735	10,057,363	10,262,274
Total revenues	74,064,128	68,245,479	67,319,592	60,395,077	62,617,855	56,739,796	55,020,286	53,578,579	53,351,603	51,529,075
<b>Expenditures</b>										
General government administration	5,904,072	4,220,434	4,463,144	3,914,599	3,566,141	3,553,879	3,265,212	3,424,540	3,391,184	3,151,105
Judicial administration	1,685,667	1,574,957	1,426,446	1,423,333	1,373,148	1,372,101	1,309,884	1,324,354	1,330,592	1,301,043
Public safety	17,693,055	16,136,146	15,574,019	16,101,889	18,621,696	13,731,491	12,545,663	11,958,767	11,801,540	12,382,980
Public works	5,901,408	4,913,069	7,111,067	4,117,106	3,741,639	3,428,930	3,263,001	3,034,572	2,801,214	2,713,043
Health and welfare	5,734,750	5,478,673	5,074,516	4,909,150	5,074,095	5,299,278	5,206,983	5,140,027	5,068,757	5,551,495
Education	17,152,333	16,588,884	14,910,745	15,933,105	14,652,485	14,479,789	13,513,761	12,211,095	11,986,533	11,748,926
Parks, recreation and cultural	1,163,751	993,371	926,271	951,445	890,567	758,817	807,428	677,341	676,680	678,432
Community development	1,544,892	1,504,227	1,826,302	1,746,093	1,705,736	1,564,618	1,458,096	1,396,369	1,435,597	1,381,345
Capital projects	6,081,725	2,066,374	2,253,181	3,197,943	4,874,535	5,310,476	11,595,557	16,036,771	2,958,062	9,597,593
Debt service										
Principal retirement	6,402,041	5,539,197	5,335,491	9,520,249	5,948,502	27,497,973	6,284,425	6,479,052	5,794,072	4,399,722
Interest and other fiscal charges	3,718,127	3,648,811	3,671,530	3,184,101	2,922,877	3,690,464	3,625,400	3,798,912	4,068,491	3,580,048
Total expenditures	72,981,821	62,664,143	62,572,712	64,999,013	63,371,421	80,687,816	62,875,410	65,481,800	51,312,722	56,485,732
Revenues over (under) expenditures	1,082,307	5,581,336	4,746,880	(4,603,936)	(753,566)	(23,948,020)	(7,855,124)	(11,903,221)	2,038,881	(4,956,657)
<b>Other Financing Sources (Uses)</b>										
Transfers in	7,739,600	8,088,254	7,384,920	9,322,149	9,003,235	7,641,400	8,430,878	9,529,968	9,155,668	6,915,440
Transfers out	(7,943,465)	(8,935,884)	(8,025,989)	(11,915,924)	(11,270,940)	(9,371,600)	(10,093,626)	(11,141,149)	(10,300,989)	(7,733,736)
Issuance of debt	5,937,000	1,373,000	-	-	-	-	10,416,169	-	-	25,133,000
Premium in issuance of debt	-	-	4,559,048	600,259	92,476	1,790,388	-	-	-	-
Lease revenue bonds issued	-	-	7,965,000	-	-	-	-	5,328,275	-	-
Refunding of bonds	-	-	17,990,000	3,525,000	555,000	20,120,000	-	-	-	8,487,000
Payment to refunded bond escrow agent	-	-	(21,182,870)	-	(585,000)	-	(7,175,000)	(4,465,300)	-	(8,390,000)
Sale of capital assets	-	-	1,944,652	2,120,000	3,073,000	1,568,250	1,508,580	-	-	6,574,068
Total other financing sources (uses)	5,733,135	525,370	10,634,761	3,651,484	867,771	21,748,438	3,087,001	(748,206)	(1,145,321)	30,985,772
Net change in fund balances	\$ 6,815,442	\$ 6,106,706	\$ 15,381,641	\$ (952,452)	\$ 114,205	\$ (2,199,582)	\$ (4,768,123)	\$ (12,651,427)	\$ 893,560	\$ 26,029,115
Debt service as a percentage of noncapital expenditures	15.42%	15.24%	15.10%	20.60%	14.70%	41.20%	19.20%	20.90%	20.40%	17.00%

TABLE 6

## COUNTY OF CAROLINE, VIRGINIA

**TAX REVENUES BY SOURCE – GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Property (1)</b>	<b>Local Sales and Use</b>	<b>Business License</b>	<b>Motor Vehicle Licenses</b>	<b>Recordation and Wills</b>	<b>Other</b>	<b>Total</b>
2023	\$ 43,632,849	\$ 3,667,211	\$ 1,472,905	\$ 109,701	\$ 602,532	\$ 3,663,790	\$ 53,148,988
2022	41,879,053	3,199,698	1,306,624	406,962	676,253	2,502,317	49,970,907
2021	38,402,820	3,209,281	880,612	1,125,933	579,648	2,065,697	46,263,991
2020	36,564,825	2,855,615	890,641	1,050,059	379,097	2,056,215	43,796,452
2019	35,484,094	2,233,473	905,098	1,155,454	296,994	2,170,669	42,245,782
2018	34,964,963	2,294,305	858,769	1,106,599	289,021	2,162,679	41,676,336
2017	34,180,894	1,997,309	850,591	1,067,923	337,059	2,063,193	40,496,969
2016	33,649,865	1,990,779	793,703	1,031,986	262,702	1,953,474	39,682,509
2015	33,554,227	1,779,229	998,994	1,038,375	229,367	1,929,129	39,529,321
2014	31,121,030	1,672,694	1,080,256	951,114	241,404	964,162	36,030,660

(1) Property tax revenue does not include penalties and interest collected on delinquent tax collections

TABLE 7

## COUNTY OF CAROLINE, VIRGINIA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY**  
**Last Ten Fiscal Years**

<b>Calendar Year Ended</b>	<b>Residential/Ag Property</b>	<b>Commercial Property</b>	<b>Total Tax Assessed Value</b>	<b>Public Service</b>	<b>Total Direct Tax Rate</b>	<b>Total Taxable Assessed Value*</b>	<b>Estimated Actual Taxable Value**</b>	<b>Tax Exempt Property</b>
2023	\$ 3,328,035,000	\$ 312,575,200	\$ 3,640,610,200	\$ 365,273,582	\$ 0.77	\$ 3,350,485,046	\$ 5,276,246,667	\$ 635,026,900
2022	3,232,652,500	310,340,800	3,542,993,300	402,360,527	0.77	3,257,278,312	4,667,975,362	635,039,500
2021	3,186,025,200	303,807,500	3,489,832,700	443,576,728	0.77	3,212,376,184	4,011,301,954	635,255,300
2020	2,598,391,200	286,613,700	2,885,004,900	407,512,245	0.83	2,660,270,187	3,661,173,731	634,618,200
2019	2,571,357,400	282,378,800	2,853,736,200	415,306,211	0.83	2,638,682,932	3,506,680,020	630,941,700
2018	2,554,163,300	280,057,500	2,834,220,800	408,942,834	0.83	2,610,222,802	3,451,736,451	627,510,600
2017	2,529,180,300	279,540,500	2,808,720,800	427,462,005	0.83	2,582,791,169	3,250,081,925	627,442,100
2016	2,512,269,100	277,798,100	2,790,067,200	449,727,011	0.82	2,567,496,683	3,069,043,230	626,909,800
2015	2,487,780,900	252,194,100	2,739,975,000	454,551,741	0.83	2,524,569,750	2,986,348,774	616,423,700
2014	2,469,946,000	252,046,100	2,721,992,100	457,707,814	0.83	2,508,034,069	2,820,717,202	617,026,400

Source: Caroline County Commissioner of Revenue

\* The Total Taxable Assessed is the Total Tax Assessed Value minus land use, elderly, and veterans plus minerals.

\*\*The Estimated Actual Taxable Value is the Total Tax Assessed Value multiplied by the median Assessment Sales Ratio. The Assessment Sales Ratio is calculated annually by the Commissioner based on calendar year sales.

**TABLE 8****COUNTY OF CAROLINE, VIRGINIA****DIRECT PROPERTY TAX RATES****Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Public Service</b>		<b>Machinery &amp; Tools</b>	<b>Real Estate</b>	<b>Personal Property</b>
	<b>Real Estate</b>	<b>Personal Property (1)(2)</b>			
2023	\$ 0.77	\$ 3.50	\$ 3.50	\$ 0.77	\$ 3.50
2022	0.77	3.80	3.50	0.77	3.80
2021	0.77	3.80	3.50	0.77	3.80
2020	0.83	3.80	3.50	0.83	3.80
2019	0.83	3.80	3.50	0.83	3.80
2018	0.83	3.80	3.50	0.83	3.80
2017	0.83	3.80	3.50	0.83	3.80
2016	0.82	3.80	3.50	0.82	3.80
2015	0.83	3.80	3.50	0.83	3.80
2014	0.83	3.80	3.50	0.83	3.80

Source: Caroline County Commissioner of Revenue

TABLE 9

## COUNTY OF CAROLINE, VIRGINIA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY INCLUDING PERSONAL PROPERTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Estate (1)</b>	<b>Personal Property (2)</b>	<b>Veteran Reduced Rate (3)</b>	<b>Motor Carrier</b>	<b>Mobile Homes</b>	<b>Machinery and Tools</b>	<b>Public Utility (4)</b>	<b>Total Taxable Assessed Value</b>
2023	\$ 3,640,610,200	\$ 470,300,692	\$ 361,555	\$ 6,494,040	\$ 6,669,646	\$ 11,801,494	\$ 368,722,373	\$ 4,504,960,000
2022	3,542,993,300	502,775,965	310,026	4,673,146	6,745,914	9,870,700	405,991,601	4,473,360,652
2021	3,489,831,700	375,679,108	2,278,190	4,567,870	6,749,310	9,183,130	447,207,802	4,335,497,110
2020	2,885,004,900	330,589,567	1,631,600	5,313,930	6,950,800	7,984,910	410,095,645	3,647,571,352
2019	2,853,736,200	324,134,396	1,443,300	4,917,750	6,543,290	7,735,500	418,038,530	3,616,548,966
2018	2,834,220,800	310,716,700	N/A	4,741,020	6,242,790	7,807,340	430,354,563	3,594,083,213
2017	2,808,720,800	292,173,240	N/A	5,465,800	6,166,690	7,962,840	450,539,996	3,571,029,366
2016	2,790,067,200	283,270,225	N/A	4,823,373	6,003,800	7,842,570	454,694,067	3,546,701,235
2015	2,739,975,000	269,604,250	N/A	4,175,980	5,903,710	7,383,110	457,707,814	3,484,749,864
2014	2,721,992,100	267,269,457	N/A	4,275,051	5,739,310	7,742,330	444,342,422	3,451,360,670

**Notes:**

(1) Assessed at 100% of market value using an assessed value to sales price factor computed annually by the State Department of Taxation.

(2) Motor vehicles valued at 100% clean trade-in value per JDPower (NADA) guidebook or % of original cost.

(3) Reduced rate for veterans was not adopted and put into County ordinance until 2019.

(4) Vehicles assessed at 100% market value in 2012 and 100% trade-in value for 2013 and beyond. Values assessed by the SCC and remitted to the COR annually.

N/A - This information was not available as of the date of this report

This table has been updated in FY 21 to adhere to how SCC numbers were provided, some previous year amounts will not match due to those numbers being changed to actuals vs. estimates.



TABLE 10

## COUNTY OF CAROLINE, VIRGINIA

PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (1)(3)	Collected within the Fiscal Year of the Levy			Delinquent Tax Collections	Total Collections to Date		Outstanding Delinquent Taxes (1)(2)	Percentage of Delinquent Taxes to Tax Levy
		Amount (1)(3)	Percentage of Levy	Amount		Percentage of Levy			
2023	\$ 46,615,410	\$ 45,206,131	96.98%	\$ 1,227,977	\$ 46,434,108	99.61%	\$ 6,021,740	12.92%	
2022	45,455,705	42,235,851	92.92%	1,244,201	43,480,052	95.65%	6,971,888	15.34%	
2021	41,014,494	39,198,341	95.57%	1,132,265	40,330,606	98.33%	5,525,174	13.47%	
2020	39,138,496	37,227,216	95.12%	1,338,987	38,566,203	98.54%	5,526,405	14.12%	
2019	38,195,184	36,480,464	95.51%	991,077	37,471,541	98.11%	5,313,939	13.91%	
2018	37,602,914	35,994,290	95.72%	1,073,343	37,067,633	98.58%	4,999,558	13.30%	
2017	36,999,802	35,374,665	95.61%	992,230	36,366,895	98.29%	4,909,900	13.27%	
2016	36,339,139	34,852,070	95.91%	995,043	35,847,113	98.65%	4,729,311	13.01%	
2015	36,315,452	34,636,181	95.38%	1,016,627	35,652,808	98.18%	4,677,178	12.88%	
2014	33,707,074	31,483,184	93.40%	1,132,536	32,615,720	96.76%	4,799,184	14.24%	

**Notes:**

(1) Exclusive of penalties and interest. Includes Commonwealth of Virginia's reimbursement for personal property taxes and balances outstanding.

(2) Includes three most current delinquent tax years and first half of current year.

(3) Does not include land redemptions.

TABLE 11

## COUNTY OF CAROLINE, VIRGINIA

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer/Type of Business	2023			2014		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Virginia Electric & Power Co.	\$ 245,946,789	1	7.34%	\$ 294,565,991	1	8.53%
Rappahannock Electric Cooperative/Electric Utility	70,832,046	2	2.11%	68,425,008	2	1.98%
McKesson Corporation/Pharmaceutical Distributor	27,929,561	3	0.83%	32,237,340	3	0.93%
Virginia Natural Gas, Inc./Gas Utility	24,902,660	4	0.74%	31,822,356	4	0.92%
CSX Transportation/Railroad	22,267,810	5	0.66%			
PFJ Southeast LLC	19,715,627	6	0.59%			
M.C. Dean, Inc.	16,088,335	7	0.48%			
Commonwealth Fairs & Events LLC	15,168,006	8	0.45%	13,404,140	8	0.39%
Exeter 11266 Enterprises LLC (Value City)	12,339,400	9	0.37%			
Moss Neck Holdings LLC	12,206,805	10	0.36%			
Carmel Church Properties/Bank				15,736,800	6	0.46%
Richmond, Fredericksburg and Potomac Railroad/Railroad				20,245,517	5	0.59%
Columbus Industrial Owner 1 LLC/Furniture Distribution				13,908,600	7	0.40%
Pilot Travel Centers, LLC / Highway Service Commercial				12,369,560	9	0.36%
Verizon South/Telephone Utility				11,735,973	10	0.34%
<b>Totals</b>	<b>\$ 467,397,039</b>		<b>13.95%</b>	<b>\$ 514,451,285</b>		<b>14.90%</b>

## Notes:

Source: Caroline County Commissioner of Revenue

TABLE 12

## COUNTY OF CAROLINE, VIRGINIA

**RATIO OF GROSS GENERAL BONDED DEBT TO ASSESSED VALUE  
AND GROSS BONDED DEBT PER CAPITA  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value (1)</b>	<b>Gross Bonded Debt (2)</b>	<b>Ratio of Gross Bonded Debt to Assessed Value</b>	<b>Gross Bonded Debt per Capita</b>
2023	31,332	\$ 4,504,960,000	\$ 62,384,701	1.38%	1,991
2022	31,332	4,473,360,652	63,192,334	1.41%	2,017
2021	30,887	4,335,497,110	67,845,437	1.56%	2,197
2020	30,318	3,647,571,352	61,309,469	1.68%	2,022
2019	30,318	3,619,149,861	66,145,524	1.83%	2,182
2018	30,292	3,594,083,213	71,088,302	1.98%	2,347
2017	30,178	3,971,708,528	77,413,509	1.95%	2,565
2016	29,792	3,546,701,235	79,630,525	2.25%	2,673
2015	29,727	3,487,350,474	84,171,514	2.41%	2,831
2014	29,481	3,451,360,670	89,289,968	2.59%	3,029

**Notes:**

(1) See Table 7 for property value data

(2) Includes all long-term general obligation bonded debt, bond anticipation notes, lease revenue bonds and literary loans.

Excludes revenue bonds, landfill closure/post-closure care liability, pension liability, OPEB liability, financed purchases, and compensated absences.

TABLE 13

## COUNTY OF CAROLINE, VIRGINIA

DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Calendar Years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (2) (in thousands)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment- 30-Sep Membership (3)</b>	<b>Unemployment Rate (4)</b>
2023	31,332	\$ 1,645,782	\$ 36,953	4,337	3.00%
2022	31,332	1,555,626	35,588	4,238	3.30%
2021	30,887	1,440,613	31,568	4,131	5.00%
2020	30,318	1,343,383	N/A	4,253	8.80%
2019	30,318	1,294,583	N/A	4,214	3.60%
2018	30,292	1,259,845	N/A	4,076	3.60%
2017	30,178	1,201,056	N/A	4,299	4.30%
2016	29,792	1,255,476	N/A	4,330	4.20%
2015	29,727	1,140,455	38,035	4,357	5.50%
2014	29,481	1,119,643	37,978	4,386	5.90%

**Sources:**

(1) Estimated by Weldon Cooper Center for Public Service, University of Virginia, on a calendar basis for all years.

(2) US Department of Commerce, Bureau of Economic Analysis

(3) Virginia Department of Education as of September 30 each year

(4) Virginia Employment Commission fiscal year-end

N/A - Information unavailable at fiscal year-end

TABLE 14

## COUNTY OF CAROLINE, VIRGINIA

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

<b>Function / Department</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County Administrator	4	4	4	4	4	4	4	4	4	4
Finance	4	4	4	3	3	3	3	3	3	3
Information Technology	3	3	2	2	2	1	1	1	1	1
Emergency Services	67	48	48	48	48	40	33	30	30	30
Public Works	20	17	17	17	17	17	16	14	13	13
Social Services	34	34	34	34	34	32	31	31	29	29
Recreation	3	3	3	3	3	3	3	3	3	3
Library	4	4	4	4	4	4				
Planning and Community Development	13	12	11	11	11	11	10	10	10	10
Economic Development	2	2	2	2	2	2	2	2	2	2
Utilities	19	19	17	17	17	17	16	16	15	15
Registrar	2	2	2	2	2	2	2	2	2	2
Victim Witness	1	1	1	1	1	1	1	1	1	1
Constitutional Officers:										
Commissioner of the Revenue	13 10	13 9	13 9	13 9	13 9	13 8	13 8	13 8	13 8	13 8
Treasurer	1	1	1	1	1	1	1	1	1	1
Clerk of the Circuit Court	8	8	8	8	8	8	8	8	8	8
Commonwealth's Attorney	6	6	5	5	5	5	5	5	5	5
Sheriff:										
Sworn	54	54	54	54	53	52	52	52	52	52
Non sworn	22	22	22	22	22	20	20	19	19	19
Total Full Time Employees	<u>290</u>	<u>266</u>	<u>261</u>	<u>260</u>	<u>259</u>	<u>244</u>	<u>229</u>	<u>223</u>	<u>219</u>	<u>219</u>

Source: County of Caroline Budgets

TABLE 15

## COUNTY OF CAROLINE, VIRGINIA

**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Taxpayer	2023		2014	
		Percentage of Total County		Percentage of Total County
	Employees	Employment	Employees	Employment
Caroline County School Board	500 - 999	7.9% - 15.8%	500 - 999	8.3% - 16.7%
Professional Staff Management	500 - 999	7.9% - 15.8%		
County of Caroline	250 - 499	3.9% - 7.9%	250 - 499	4.2% - 8.3%
U.S. Department of Defense	100 - 249	1.6% - 3.9%	250 - 499	4.2% - 8.3%
Mckesson Corporation	100 - 249	1.6% - 3.9%	100 - 249	1.7% - 4.2%
Food Lion, LLC	100 - 249	1.6% - 3.9%	100 - 249	1.7% - 4.2%
Pilot Travel Centers LLC	100 - 249	1.6% - 3.9%	100 - 249	1.7% - 4.2%
Bowling Green Health & Rehabilitation Center	100 - 249	1.6% - 3.9%		
Electrical Talent, LLC	100 - 249	1.6% - 3.9%		
Rappahannock Electric Coop	100 - 249	1.6% - 3.9%		
Peumansend Creek Regional Jail			100 - 249	1.7% - 4.2%
First Market Bank			250 - 499	4.2% - 8.3%
HR Service Group LLC				
Warsaw Health Care Center			100 - 249	1.7% - 4.2%
U.S. Army Non-Appropriated Funds Division			100 - 249	1.7% - 4.2%

**Sources:**

Virginia Employment Commission

TABLE 16

## COUNTY OF CAROLINE, VIRGINIA

OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriff's Department (1)										
Reports taken	1,980	N/A	1,721	2,003	2,155	2,084	2,338	2,199	2,127	N/A
Civil processed record workload	6,233	N/A	6,076	6,665	7,580	7,824	8,935	8,741	10,021	N/A
Warrants served	1,366	N/A	2,122	2,481	3,206	2,987	3,686	3,685	3,582	N/A
Traffic tickets	4,822	N/A	2,128	3,883	7,350	8,382	10,521	7,712	7,747	N/A
Circuit court days	131	N/A	529	138	136	133	145	133	122	N/A
General district court days	116	N/A	125	104	121	123	123	117	115	N/A
Juvenile and domestic court days	163	N/A	144	168	167	163	150	139	127	N/A
Inmate transports (not courts)	32	N/A	116	692	707	675	842	78	722	N/A
Mental transports	17	N/A	164	130	8	7	88	463	78	N/A
Dispatch Center (1)										
Calls received by dispatch	49,855	N/A	95,395	98,472	99,920	104,417	100,335	105,424	97,407	N/A
Calls responded	38,362	N/A	26,645	26,832	31,850	31,845	30,049	25,945	28,376	N/A
Parks, Recreation & Tourism (2)										
Number of Participants	2,700	1,467	N/A	N/A	4,330	4,215	4,500	N/A	N/A	N/A
Total Indoor and Outdoor Rentals	207	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total # of Programs	45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Estimate Total of Rental Attendance	8,625	9,509	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library (3)										
# of registered users	16,101	15,906	15,295	15,391	17,025	16,184	17,191	16,181	15,999	13,750
# of active users (users who have used the library in the last year)	1,793	1,565	1,052	2,446	3,205	3,579	4,098	4,418	4,821	3,050
Total library circulation	51,696	40,358	20,163	45,390	50,918	55,183	139,247	183,896	279,072	242,945
Total physical circulation	27,245	20,115	11,652	33,933	46,892	52,475	136,828	182,100	278,029	241,749
Total electronic circulation	24,451	20,243	8,511	11,457	4,026	2,708	2,419	1,796	1,043	1,196
Water system (4)										
Number of customers										
Water	2,351	2,135	1,979	1,843	1,783	1,736	1,631	1,563	1,511	1,465
Wastewater	1,827	1,645	1,502	1,358	1,298	1,251	1,201	1,141	1,073	1,021
Average daily consumption (in millions)	0.4555	0.4813	0.4864	0.4592	0.4841	0.4543	0.4186	0.4734	0.6458	0.5968
Average peak daily consumption (in millions)	0.6231	0.8160	0.7137	0.6441	0.7322	0.6264	0.6093	0.7915	0.9428	0.8299
Annual consumption in gallons (in millions)	166.1261	175.6806	177.526	167.591	176.693	165.816	152.791	172.805	235.699	217.849

**Sources:**

(1) Caroline County Sheriff's Department (information compiled each calendar year)

(2) Caroline County Parks and Recreation Department

(3) Caroline County Library

(4) Caroline County Public Utilities

N/A - This information was not available as of the date of this report

TABLE 17

## COUNTY OF CAROLINE, VIRGINIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
Last Ten Fiscal Years

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriff's Department (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	56	56	68	68	69	76	69	63	60	N/A
Volunteer Fire and Rescue (2)										
Stations	8	8	8	8	8	8	8	8	8	8
Parks and recreation (3)										
Number of parks maintained	3	3	3	3	3	3	3	3	3	3
Park acreage owned by the County	47.08	47.08	47.08	47	47	47	47	47	47	47
Park acreage leased	7.5	7.5	7.5	8	8	8	8	8	8	8
Library (4)										
Number of libraries	4	4	4	4	4	4	4	4	4	4
Number of bookmobiles	0	0	0	0	0	0	1	1	1	1
Water system (5)										
Treatment capacity per day in gallons	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	500,000	500,000	500,000

**Sources:**

- (1) Caroline County Sheriff's Department
- (2) Caroline County Fire and EMS
- (3) Caroline County Parks and Recreation Department
- (4) Caroline County Library
- (5) Caroline County Public Utilities
- N/A - This information was not available as of the date of this report



## COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S 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 Board of Supervisors  
County of Caroline, Virginia

We have audited, 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* and the *Specifications for Audits of Authorities, Boards, and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Caroline, Virginia, (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 15, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 have not been identified.**

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. **The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs, as item 2023-001.**

## County of Caroline Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 15, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

*Opinion on Compliance for Each Major Federal Program*

We have audited the County of Caroline, Virginia's (the "County") 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 the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related 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 documentation of the County'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 the County's federal programs.

## **Report on Compliance for Each Major Federal Program (Continued)**

### *Auditor's 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 the County'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 the County'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 risk 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 the County'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 the County'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 the County'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.

### *Other Matters*

**The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to this matter.**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## 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 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 Auditor's 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 have not been identified.**

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.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Roanoke, Virginia  
December 15, 2023

**COUNTY OF CAROLINE, VIRGINIA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended JUNE 30, 2023**

<b>Federal Grantor/Pass-Through Grantor Program Title or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Entity Identifying Pass-Through Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
<b><u>Department of Agriculture</u></b>				
<u>Pass-Through Payments</u>				
<u>Department of Social Services</u>				
SNAP Cluster - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	040120/040121	\$ 495,464	\$ 495,464
<u>Department of Agriculture</u>				
Food Distribution - National School Lunch Program	10.555	N/A	111,814	
COVID-19 Pandemic EBT Administrative Costs	10.649	202222S900941		3,135
<u>Department of Education</u>				
		202221N11994 1		
		202222N11994 1		
		202322N11994 1		
School Breakfast Program	10.553	202323N11994 1	710,053	
		202221N11994 1		
		202222N11994 1		
		202222N89034 1		
		202322N11994 1		
		202322N89034 1		
National School Lunch Program	10.555	202323N11994 1	1,912,102	
Total Child Nutrition Cluster				2,733,969
Total Department of Agriculture				3,232,568
<b><u>Department of Justice</u></b>				
<u>Direct Payments</u>				
Equitable Sharing Program	16.922	N/A		20,959
<u>Pass-Through Payments</u>				
<u>Department of Criminal Justice Services</u>				
Crime Victim Assistance	16.575	39001-102200		12,062
Total Department of Justice				33,021
<b><u>Department of Transportation</u></b>				
<u>Pass-Through Payments</u>				
<u>Department of Motor Vehicles</u>				
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	60507-53000		11,349
Total Department of Transportation				11,349
<b><u>Department of Treasury</u></b>				
<u>Pass-Through Payments</u>				
<u>Department of Accounts</u>				
COVID-19 - Coronavirus State and Local Fiscal Recover Funds	21.027	10110-729431		1,218,837
Total Department of Treasury				1,218,837

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended JUNE 30, 2023**

<b>Federal Grantor/Pass-Through Grantor Program Title or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Entity Identifying Pass-Through Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
<b><u>Department of Education</u></b>				
<u>Pass-Through Payments</u>				
<u>Department of Education</u>				
COVID-19 - ARPA Pandemic Bonus	21.027	SLFRP1026		\$ 426,908
COVID-19 - HVAC ARP-CSLFRF	21.027	SLFRP1026		214,516
		S010A190046		
		S010A200046		
		S010A210046		
Title I Grants to Local Educational Agencies	84.010	S010A220046		1,100,512
Career and Technical Education - Basic Grants to States	84.048	V048A210046		45,041
English Language Acquisition State Grants	84.365	S365A200046		10,267
		S367A200044		
Supporting Effective Instruction State Grants	84.367	S367A210044		165,151
		S424A200048		
Student Support and Academic Enrichment Program	84.424	S424A210048		74,810
COVID-19 - Governor's Emergency Education Relief		S425C200042		
(GEER I and II) Fund	84.425C	S425C210042		27,583
COVID-19 - Elementary and Secondary School Emergency		S425D200008		
Relief (ESSER I and II) Fund	84.425D	S425D210008		1,376,936
COVID-19 - American Rescue Plan Elementary and Secondary				
School Emergency Relief (ARP ESSER) Fund	84.425U	S425U210008		1,911,774
<u>Special Education Cluster (IDEA)</u>				
COVID-19 - Special Education - Preschool Grants	84.173	H173X210112	15	
Special Education - Preschool Grants	84.173	H173A210112	19,238	
COVID-19 - Special Education - Grants to States	84.027	H027X210107	15,150	
		H027A200107		
Special Education - Grants to States	84.027	H027A210107	891,281	
Total Special Education Cluster (IDEA)				925,684
Total Department of Education				6,279,182
<b><u>Department of Health and Human Services</u></b>				
<u>Pass-Through Payments</u>				
<u>Department of Social Services</u>				
Guardianship Assistance	93.090	Not available		117
Title IV-E Prevention Program	93.472	Not available		4,213
MaryLee Allen Promoting Safe and Stable Families Program	93.556	950119/950120		28,758
Temporary Assistance for Needy Families Program	93.558	400120/400121		234,538
Refugee and Entrant Assistance State/Replacement				
Designee Administered Programs	93.566	500120/500121		930
Low-Income Home Energy Assistance				
CCDF Cluster - Child Care Mandatory and Matching Funds	93.568	600420/600421		47,104
of the Child Care and Development Fund	93.596	760120/760121	53,820	53,820
Chafee Education and Training Vouchers Program	93.599	Not available		31,698
Adoption and Legal Guardianship Incentive Payments	93.603	1130118		195
Stephanie Tubbs Jones Child Welfare Services Program	93.645	11001120/1100121		431
Foster Care - Title IV-E	93.658	1110121		121,928
Adoption Assistance	93.659	1120120/1120121		230,338
Social Services Block Grant	93.667	1000120/1000121		184,108
John H. Chafee Foster Care Program for Successful				
Transition to Adulthood	93.674	9150119/9150120		4,293
Elder Abuse Prevention Interventions Program	93.747	Not available		185
Children's Health Insurance Program	93.767	540120/540121		2,037
Medicaid Cluster - Medical Assistance Program	93.778	1200120/1200121	247,447	247,447
Total Department of Health and Human Services				1,192,140

(Continued)

COUNTY OF CAROLINE, VIRGINIA  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended JUNE 30, 2023

<b>Federal Grantor/Pass-Through Grantor Program Title or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Entity Identifying Pass-Through Number</b>	<b>Cluster Amounts</b>	<b>Federal Expenditures</b>
<b><u>Department of Homeland Security</u></b>				
<u>Pass-Through Payments</u>				
Department of Emergency Management				
Emergency Management Performance Grants	97.042	77501-114363		<u>\$ 5,540</u>
Department of Homeland Security				<u>5,540</u>
<b>Total Expenditures of Federal Awards</b>				<u><u>\$ 11,972,637</u></u>

**COUNTY OF CAROLINE, VIRGINIA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2023**

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting as contemplated by generally accepted accounting principles.

The information presented in this Schedule is presented in accordance with the Requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the County's ACFR.

**Note 2. Non-Cash Assistance**

The County of Caroline participated in the National School Lunch Program, Assistance Listing Number 10.555, which provides non-cash benefits. The accompanying Schedule of Expenditures of Federal Awards includes commodity distributions of \$111,814 from the National School Lunch Program.

**Note 3. DeMinimis Indirect Cost Rate**

The entity did not elect to use the 10% de minimis indirect cost rate.

**Note 4. Outstanding Loan Balances**

At June 30, 2023, the County had no outstanding loan balances requiring continuing disclosure.

**COUNTY OF CAROLINE, VIRGINIA**  
**SUMMARY OF COMPLIANCE MATTERS**  
**Year Ended June 30, 2023**

As more fully described in the Independent Auditor's 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*, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grants shown below:

**STATE COMPLIANCE MATTERS**

*Code of Virginia*

Budget and Appropriation Laws  
Cash and Investment Laws  
Comprehensive Services Act  
Conflicts of Interest Act  
Local Retirement Systems  
Debt Provisions  
Procurement Laws  
Sheriff Internal Controls  
Uniform Disposition of Unclaimed Property Act

*State Agency Requirements*

Education  
Social Services  
Fire Programs Aid to Localities

**FEDERAL COMPLIANCE MATTERS**

Compliance Supplement for Single Audits of State and Local Governments

Provisions and conditions of agreements related to federal program selected for testing.

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an **unmodified opinion** on the financial statements.
2. **No significant deficiencies and no material weaknesses** relating to the audit of the financial statements are reported in the Independent Auditor's 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*.
3. **No instances of noncompliance** material to the financial statements were disclosed.
4. **No significant deficiencies and no material weaknesses** relating to the audit of the major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs expresses an **unmodified opinion**.
6. The audit disclosed **one audit finding relating to major programs**.
7. The programs tested as major were:

<b><u>Name of Program:</u></b>	<b><u>AL #</u></b>
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027
COVID-19 – Governor's Emergency Education Relief Fund	84.425C
COVID-19 – Elementary and Secondary School Emergency Relief Fund	84.425D
COVID-19 – American Rescue Plan Elementary and Secondary Secondary School Emergency Relief Fund	84.425U
Title I Grants to Local Education Agencies	84.010
Child Nutrition Cluster School Breakfast Program (SBP)	10.553
Child Nutrition Cluster National School Lunch Program (NSLP)	10.555

8. The **threshold** for distinguishing Type A and B programs was **\$750,000**.
9. The County was determined to be a **low-risk auditee**.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None noted.

**C. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2023-001: Budget Appropriation**

***Condition:***

Expenditures exceeded budget appropriations for certain departments in the following funds: General, Debt Service, CARES Act, Law Library, Fire/Rescue Grant, and Hanover Soil and Water.

***Criteria:***

The County is required to keep expenditures within budgeted amounts.

***Cause:***

Budgets were overspent due to timing differences as well as year-end accruals related to the audit.

(Continued)

**COUNTY OF CAROLINE, VIRGINIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2023**

**C. FINDINGS – COMMONWEALTH OF VIRGINIA (Continued)**

**2023-001: Budget Appropriation (Continued)**

***Effect:***

Actual expenditures exceeded amounts approved by the Board of Supervisors.

***Recommendation:***

Steps be taken to ensure that excess expenditures over budgeted appropriations be approved by the Board of Supervisors and budget amended accordingly.

***Management's Response (Unaudited):***

The County Finance Department will work closer with departments to avoid future budget variances.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**2023-002: Procurement Policies and Procedures – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – AL# 21.027**

***Condition:***

The County adheres to and follows Virginia Public Procurement Act “VPPA” for procurement, however, under the requirements of Uniform Guidance, the County does not have complete, written procurement policies that are in compliance with the additional standards required by the Uniform Guidance (2 CFR Part 200).

***Criteria:***

Under the requirements in the Uniform Guidance, all entities are required to have written procurement policies that conform to applicable Federal laws and regulations and standards. The complete procurement standards are located at 2 CFR Part 200, Sections 317 through 326.

***Cause:***

The County does not have its own written procurement policies that conform to applicable Federal laws and regulations and standards.

***Effect:***

The lack of the County’s own written policies under the specific requirements of Uniform Guidance could result in potential improper procurement using Federal funds.

**COUNTY OF CAROLINE, VIRGINIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2023**

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**  
**(Continued)**

**2023-002: Procurement Policies and Procedures – COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – AL# 21.027 (Continued)**

***Questioned Costs:***

Not applicable

***Perspective Information:***

Not applicable

***Repeat Finding:***

Not applicable

***Recommendation:***

Management should update existing written procurement procedures to align with Uniform Guidance requirements for all purchases to be made with Federal funds.

***Views of Responsible Officials and Planned Corrective Action:***

Management concurs and has begun updating existing written procurement procedures to comply with the Uniform Guidance.

**COUNTY OF CAROLINE, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2023**

**A. FINDINGS – COMMONWEALTH OF VIRGINIA**

**2022-001: Budget Appropriation**

***Condition:***

Expenditures exceeded budget appropriations for certain departments in the following funds: General, Virginia Public Assistance, Debt Service, County Capital Projects, CARES Act, Confiscated Asset, Fire/Rescue Grant, Sheriff, and Hanover Soil and Water.

***Criteria:***

The County is required to keep expenditures within budgeted amounts.

***Cause:***

Budgets were overspent due to timing differences as well as year-end accruals related to the audit.

***Effect:***

Actual expenditures exceeded amounts approved by the Board of Supervisors.

***Recommendation:***

Steps be taken to ensure that excess expenditures over budgeted appropriations be approved by the Board of Supervisors and budget amended accordingly.

***Current Status:***

Similar instances were noted in the current year.

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**2022-002: Procurement Policies and Procedures – COVID-19 Governor’s Emergency Education Relief Fund – AL# 84.425C, COVID-19 Elementary and Secondary School Emergency Relief Fund – AL# 84.425D, and COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund – AL#84.425U**

***Condition:***

The School Board adheres to and follows Virginia Public Procurement Act “VPPA” for procurement, however, under the requirements of Uniform Guidance, the School Board does not have complete, written procurement policies that are in compliance with the additional standards required by the Uniform Guidance (2 CFR Part 200).

***Criteria:***

Under the requirements in the Uniform Guidance, all entities are required to have written procurement policies that conform to applicable Federal laws and regulations and standards. The complete procurement standards are located at 2 CFR Part 200, Sections 317 through 326.

(Continued)



**COUNTY OF CAROLINE, VIRGINIA**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2023**

**D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT  
(Continued)**

**2022-002: Procurement Policies and Procedures – COVID-19 Governor’s Emergency Education Relief Fund – AL# 84.425C, COVID-19 Elementary and Secondary School Emergency Relief Fund – AL# 84.425D, and COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund – AL#84.425U (Continued)**

***Cause:***

The School Board does not have its own written procurement policies that conform to applicable Federal laws and regulations and standards.

***Effect:***

The lack of the School Board’s own written policies under the specific requirements of Uniform Guidance could result in potential improper procurement using Federal funds.

***Questioned Costs:***

Not applicable

***Perspective Information:***

Not applicable

***Repeat Finding:***

Not applicable

***Recommendation:***

Management should update existing written procurement procedures to align with Uniform Guidance requirements for all purchases to be made with Federal funds.

***Current Status:***

Condition not noted during the current year.