County of Prince George, Virginia

Annual Comprehensive Financial Report

Year Ended June 30, 2022

COUNTY OF PRINCE GEORGE, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

Prepared By:

Prince George County Finance Department

COUNTY OF PRINCE GEORGE, VIRGINIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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COUNTY OF PRINCE GEORGE, VIRGINIA

PRINCIPAL OFFICIALS ON JUNE 30, 2022

Board of Supervisors

Marlene J. Waymack, Chairperson
Donald Hunter, Vice-Chairperson

Floyd M. Brown, Jr.
Alan R. Carmichael
T.J. Webb

County School Board

Christopher A. Johnson, Chairperson,
Cecil M. Smith, Vice-Chairperson

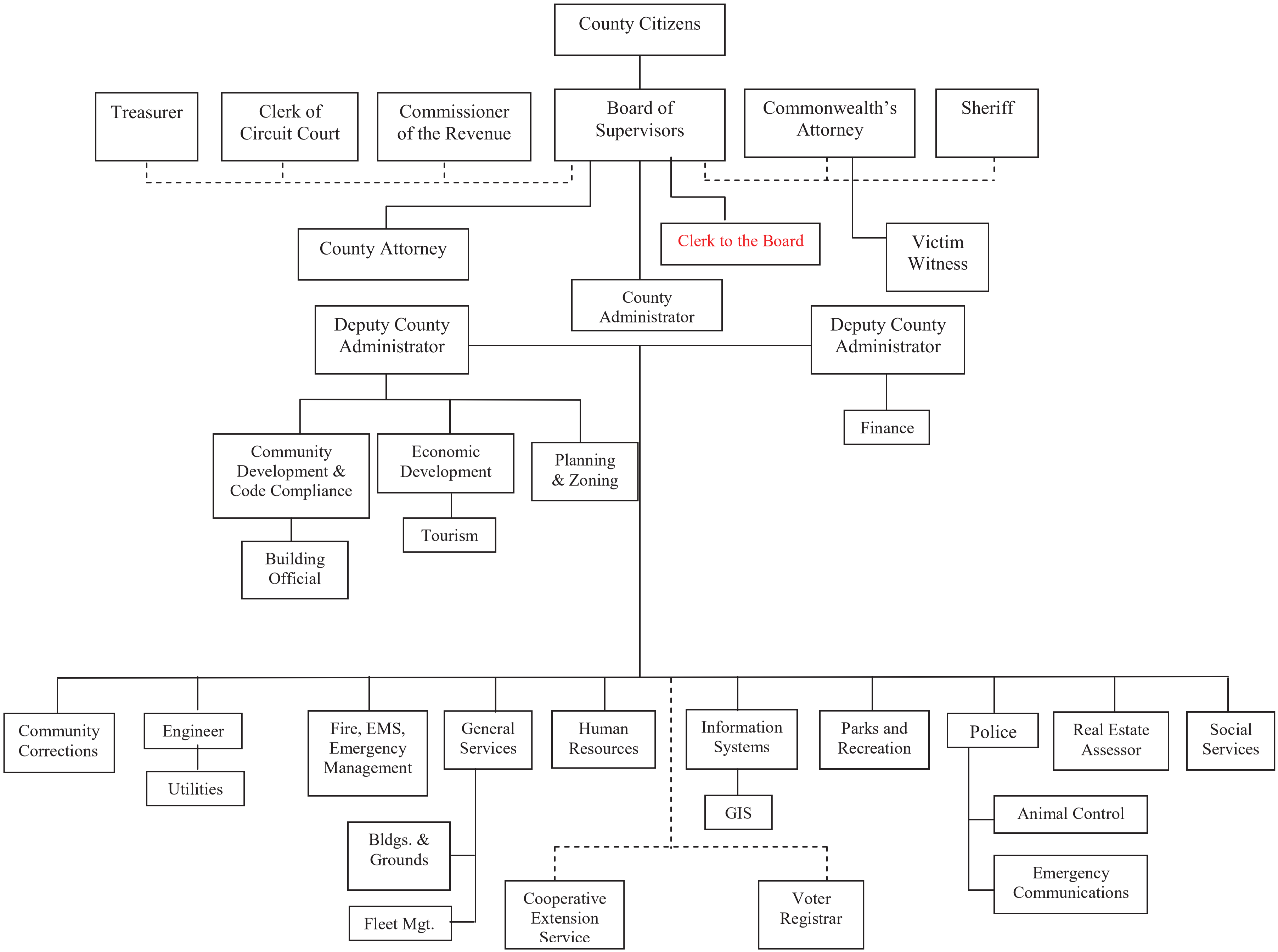
Jill A. Andrews
Robert E.L. Eley, III

Sherry D. Taylor

Other Officials

Chief Judge of the Circuit Court	William Edward Tomko III
Judge of the Circuit Court	Carson E. Saunders, Jr.
Judge of the Circuit Court	W. Allan Sharrett
Clerk of the Circuit Court	Joyce B. Jackson
Chief Judge of the General District Court	Elbert D. Mumphrey
Judge of the General District Court	Churchill Ridley Bain
Judge of the General District Court	Peter D. Eliades
Judge of the General District Court	Lyndia P. Ramsey
Judge of the General District Court	Harold Lee Townsend, III
Chief Judge of the Juvenile and Domestic Relations Court	Jacqueline R. Waymack
Judge of the Juvenile and Domestic Relations Court	Christopher B. Ackerman
Judge of the Juvenile and Domestic Relations Court	Wallace W. Brittle, Jr.
Clerk of the Combined Court	Denise R. Covington
Commonwealth's Attorney	Susan O. Fierro
Commissioner of the Revenue	Darlene M. Rowsey
Treasurer	Susan C. Vargo
Sheriff	Roger W. Vargo
County Administrator	Jeffrey D. Stoke
Superintendent of Schools	Lisa Pennycuff
Director of Social Services	Bertha H. Judge

PRINCE GEORGE COUNTY, VA



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Prince George Virginia

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

COUNTY OF PRINCE GEORGE, VIRGINIA

Jeffrey D. Stoke
County Administrator

December 5, 2022

The Honorable Members of the Board of Supervisors
County of Prince George, Virginia

Members of the Board:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Prince George County (the "County") for the fiscal year ended June 30, 2022. This report was prepared by the County's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The management of the County is responsible for establishing and maintaining an internal control structure to ensure the protection of County assets. In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Section 15.2-2511 of the Code of Virginia requires that local governments have their financial records audited annually as of the end of the fiscal year by an independent certified public accountant. The County has engaged the independent accounting firm of Robinson, Farmer, Cox Associates, Inc. (RFCA) to perform the audit and prepare the accompanying financial statements.

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http://www.princegeorgecountyva.gov

The Reporting Entity and its Services

The County of Prince George's Comprehensive Annual Financial Report includes all funds of the "primary government." In Virginia, cities and counties are distinct units of government; therefore, the County is responsible for providing all services normally provided by a local government. These services include police protection, social services, recreation and cultural activities, and community development. Additionally, the County operates a water and wastewater utility system. Fire protection services are largely provided by volunteers who receive financial and administrative support from the County. Emergency medical services are provided through a combination of full-time paid and volunteer personnel.

For financial reporting purposes and in accordance with the Governmental Accounting Standards Board (GASB), Statement 14, "The Financial Reporting Entity," the County has identified one discrete component unit. The GASB statement establishes the criteria used in making this determination and identifies each as a blended component unit or discretely presented component unit. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations, and therefore are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of this primary government. Therefore, the County School Board is reported in a discrete presentation. Based on GASB Statement 14 criteria, the School Board is a legally separate organization providing educational services to the public whose board is elected and is fiscally dependent on the local government.

The financial statements for the Riverside Regional Jail, the Appomattox Regional Library System, Appomattox River Water Authority, South Central Wastewater Authority, Crater Juvenile Detention Center, Prince George County Industrial Development Authority and Rowanty Vocational Technical School are not included in the County report. Boards separate from, and independent of, the Board of Supervisors administer these organizations.

Prince George County is located 25 miles southeast of Richmond, the capital city of Virginia, and 75 miles northeast of the Greater Hampton Roads area. The County's 276 square mile area has a population estimated at 43,209 people (2021 Census Bureau – County Population Estimates). The greater proportion of the County's land area remains rural, although areas of the County are experiencing rapid residential, commercial and industrial growth. Prince George County is an independent political subdivision of the Commonwealth of Virginia, and has no subordinate political entities within its borders. A five-member Board of Supervisors governs the County. Other elected officials in the County government include the Clerk of Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer. All elected officials are elected on a four-year cycle except the Clerk of Circuit Court who is elected every eight years.

Major industries located in Prince George County include: warehousing and distribution centers, hotels and tourism, manufacturing, packaging, and logistics automation. Prince George's strategic location on or near several east coast transportation arteries also contributes to the proliferation of distribution centers located in the County. Interstates 95 and 295 traverse through Prince George, as well as Route 460, a primary arterial from the Virginia Beach area.

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.2% for September 2022, as compared to 3.6% for September 2021. The state and national unemployment rates for September 2022 were 2.6% and 3.3%, respectively.

The President signed the American Rescue Plan Act (ARPA) in March of 2021. Prince George County was awarded $7,449,621 in ARPA Local Fiscal Recovery Funds through the Virginia Department of Treasury. This federal funding was provided in two equal installments, with half provided in August of 2021 (Fiscal Year 2022) and the other half in August of 2022 (Fiscal Year 2023). The County is required to use these funds to address costs incurred due to the COVID-19 public health emergency and for Utility and Broadband infrastructure. The Board will devote the majority of this funding to Utility Infrastructure improvements. The County has a deadline of December 31, 2024 to obligate the funds, and has until December 31, 2026 to fully expend the funds. To date, the County has expended $144,504 for a citizen personal property tax rebate program; $50,082 on cleaning and COVID-19 call center initiatives; $100,766 on a digital Board meeting platform; and $175,625 on a Courthouse air filtration system. The Board of Supervisors has obligated $235,177 for County fiber upgrades and will devote $6,000,000 for Utility infrastructure improvements. $743,467 of ARPA funding remains uncommitted.

Major Initiatives in Fiscal Year 2022

Following the vision and strategic initiatives of the Prince George County Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and departments have implemented and continued a number of specific programs and projects designed to enhance the levels of service provided to County residents while maintaining an effective and efficient government. A brief description of selected initiatives during fiscal year 2022 is as follows:

Public Safety Radio System Replacement

The County has been working with a consultant to purchase a replacement public safety radio system and selected L3Harris as the vendor to replace the existing system on November 26, 2019. As of June 30, 2022, $9,015,953 has been expended for consulting services and for the portion of L3Harris contract execution completed as of June 30. This project will be ongoing through Fiscal Year 2023, with cutover and final system acceptance anticipated by January 2023. The County budgeted and borrowed a total of $14.18 million for this system replacement.

Fire & EMS Initiatives

The County is planning for renovations to the existing Jefferson Park Fire Station. The County plans to separately award a roof replacement; a swipe entry system; a digital alerting system and an HVAC upgrade. Other Jefferson Park Fire Station renovations are in discussion. Four pieces of fire apparatus were purchased in FY2021 and FY2022 utilizing a dedicated 2 cents of Real Estate Tax revenue which the Board has committed to by ordinance §74-4. Two pieces of apparatus were delivered by June 30, 2021 (for $1,199,900); and the other two pieces were delivered during FY2022 at a cost of $1,156,838. The County devotes another 1 cent of Real Estate Tax revenue (ordinance §74-6) to Fire and EMS equipment, and the County is repaying debt obligations for $1,072,505 of Self-Contained Breathing Apparatus (SCBA) purchased during FY2021 using this dedicated one cent. Station 8 electrical upgrades are underway, with $30,351 expended at June 30, 2022 for design.

Other County Facility Improvements & Activities

Phase I renovations to the Central Wellness Center by Centennial Contractors were completed during FY2022 at a cost of $1,995,480. Plans are complete for a Circuit Courtroom renovation, with $66,004 expended on June 30, 2022. The County recently awarded the construction component of that renovation project to Virtexco, and the entire project estimate is $2,111,373 (construction and non-construction). A second County trash convenience station is in design and the County had expended $6,644 for design on June 30, 2022. The County will not incur debt for the Circuit Courtroom renovation or the Convenience Station projects, but rather the County will use Fund Balance reserves that exceed policy-required levels.

Community Development & Code Compliance and Assessor Software Replacement Complete
Replacement software, EnerGov, was purchased for Community Development and Code Compliance at a total cost of $222,881. The County purchased Visions Software to replace Proval, which was in use by the Assessor's office for over ten years. Visions will provide better functionality and web portal enhancements for staff and citizens; as well as improved field tools to gather assessment information. The total cost of software and implementation was $264,514.

School Projects
Construction of a new Walton Elementary is ongoing and expenditures at June 30, 2022 totaled $26,397,080. The Board of Supervisors participated in the spring 2021 Virginia Public School Authority pooled bonds issuance, and borrowed a total of $32,109,092 for the new school. Cash appropriations of $3,390,838 have been made to date, and sources include unreserved fund balance of $1,000,000; fund balance appropriations of $2,147,786 from school operations savings and $243,052 in investment interest and other sources. The cost of the new school is expected to total $35,499,930. The original fall 2022 opening date has been pushed back until after January 2023 chiefly due to ongoing supply chain disruption.

During FY2022, the High School bleachers were replaced at a cost of $305,400 and the High School Chiller was replaced for $500,000. School parking lot repairs totaling $124,999 were made during FYs 2021 and 2022. Technology infrastructure improvements were in progress on June 30, 2022 as was a roof replacement at N. B. Clements Junior High School. Installation of a turf field is in progress at the football complex with completion anticipated during FY2023. Multiple upgrades are in progress for the High School auditorium. Funding sources for these school projects include federal CARES and American Recovery Act funds appropriated to the School operating budget, excess School Impact Aid revenues, County appropriated Cash Proffers, and re-appropriated unexpended school operating budget amounts.

Water and Sewer Projects
The Public Utility (water and sewer fund) completed some improvement and rehabilitation projects in fiscal year 2022 that included a $2.78 million capital lease for an AMI Radio Meter Read system; Pump Station 7 and Pump Station 5 improvements of $591,929 and $48,368 respectively; and a renovation of the Food Lion water tank for $170,321. A three-mile water line extension project along Route 156 is essentially complete. Food Lion Water System upgrades, which include a one-mile water line extension along Route 460 and booster station upgrades, continue. The Public Utility completed a Route 460 water line extension in October 2021, and the booster station upgrades remain ongoing and are nearly complete. A contract award is pending for a Water Line Extension along Route 10 using federal funds awarded with the support of the late Congressman Donald McEachin. An award is forthcoming for a Southpointe Business Park Force Main Realignment, which the County will pay for using federal ARPA funding. The County will also use federal ARPA funding for an Appomattox River Water Line project currently in design.

Sections of the Report

Fiscal year 2022 was the nineteenth year in which the County was required to present financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement Number 34. GASB 34 dramatically changed the structure of financial statements, as well as required changes in the composition of the amounts reported. This limits the comparability of statements from prior fiscal years to the statements produced after implementation of GASB 34.

Compliance with GASB 34 also requires a written analysis of the County's financial performance for the year to be included in the financial statements. This analysis, referred to as management's discussion and analysis (MD&A), is included immediately following the auditor's letter. Prince George County's audited basic financial statements immediately follow the management's discussion and analysis. The notes to financial statements are an integral part of these basic financial statements. In accordance with GASB 34 and the opinion of the Auditor of Public Accounts, financed school plant and equipment, as well as the related debt, are reported with the primary government instead of the component unit school board.

The supplementary information, supporting schedules, and statistical tables provided after the basic financial statements contain more detailed information in support of the basic financial statements and are unaudited.

For federal programs and related funding, the County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Information related to compliance with these regulations is located in the *Compliance* section of this report.

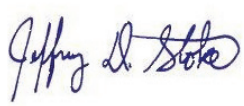
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Prince George for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the eighteenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the cooperation and dedication of the staff of the Prince George County Finance Department and the accounting firm of Robinson Farmer Cox Associates. Credit also must be given to the Board of Supervisors for their unfailing support for maintaining the highest standards of professionalism in the management of Prince George County's finances.

Respectfully submitted,



Jeffrey D. Stoke
County Administrator

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

To the Honorable Members of
the Board of Supervisors
County of Prince George, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of Prince George, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 87, *Leases and* 92, *Omnibus*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements: (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Prince George, Virginia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Prince George, Virginia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Prince George, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance

Required Supplementary Information (Continued)

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 County of Prince George, Virginia's basic financial statements. The accompanying other supplementary information 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022, on our consideration of County of Prince George, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Prince George, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Prince George, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox, Associates
Charlottesville, Virginia
December 5, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion of the County of Prince George's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2022. Please review it in conjunction with the transmittal letter in the beginning of this report and the County's financial statements, which begin after this analysis.

FINANCIAL HIGHLIGHTS

Government Wide Financial Statements (Full Accrual Basis)

The assets, and deferred outflows of resources of the County exceeded its liabilities, and deferred inflows of resources at June 30, 2022 by $71,014,123 (net position). Of this amount, $36,846,959 is unrestricted and may be used to meet the County's future obligations.

The County's total net position from Governmental Activities was $40,588,785 on June 30, 2022, compared to $49,642,848 total net position on June 30, 2021. Total net position represents the amount by which the County's assets exceeded its liabilities. The governmental net position decreased $9,054,063.

The total net position from Business-type activities (Water and Sewer Fund) was $30,425,338 on June 30, 2022, compared to $28,790,827 total net position on June 30, 2021. Net position increased $1,634,511 during FY 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Annual Comprehensive Financial Report contains a variety of schedules and tables designed to provide a comprehensive look at the use of the County's financial resources throughout the 2022 fiscal year and at the status of those financial resources at June 30, 2022, the end of the fiscal year. The basic financial statements contained in this report are separated into three sections:

- **Government-wide financial statements** provide a broad overview of both the long and short-term financial status of the County. Government-wide financial statements, a component of governmental financial reporting under GASB 34, provide financial information in a manner similar to private sector businesses. These statements include the value of capital assets (less accumulated depreciation) and the long-term liabilities of the County.

- **Fund financial statements** are similar in nature to financial statements issued by local governments prior to implementation of GASB 34. These are prepared on the modified accrual basis of accounting, and therefore do not include long-term liabilities, capital assets, or depreciation. Fund financial statements provide more detail on the operations of the County than the government-wide financial statements.

- **Notes to the financial statements** are an integral part of the previous two sections. These notes provide explanations of the amounts in the basic financial statements and offer the reader information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances in a manner similar to a private-sector business. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities.

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

The *statement of activities* presents information identifying how 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, some items of revenues and expenses are reported in this statement that will result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, the County is divided into the following categories:

- **Governmental activities** – Most of the County's basic services are reported here including general government, public safety, public works, education, health and welfare, parks and recreation and economic and community development.

- **Business-type activities** – The County's water and sewer services are reported here. These services are supported by charges for services based on use.

- **Component Units** – The County includes one separate legal entity in its report – the Prince George County School Board. While legally separate, the County is financially accountable for and provides operating and capital funding to the School Board.

Fund Financial Statements

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County's most significant funds. The fund financial statements are 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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may 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.

OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)

Fund Financial Statements: (Continued)

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Capital Projects and Debt Service funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water and sewer operations.

Fiduciary Funds – The 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 statements because the resources of those funds are not available to support the County's programs. The accounting used for fiduciary funds is similar to that of the proprietary funds.

Internal Services Fund - The County and School Health Insurance fund was newly reported as an internal service for in the fiscal year 2021 financial statements in accordance with Governmental Accounting Standards Board (GASB) statement No. 84. This fund was reported as an agency fund in previous financial statements.

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. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

Required Supplementary Information – In addition to the basic financial statements and notes, this report also presents budgetary comparison schedules, a schedule of funding progress and employer contributions and notes to the required supplementary information.

Other Supplementary Information – This report also presents combining and individual fund statements and schedules.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements include two basic statements: the statement of net position and the statement of activities. Both of these statements include all assets and liabilities for all County funds (except fiduciary funds) using the full accrual basis of accounting. The accrual basis of accounting is the method used by private-sector businesses.

The Statement of Net Position

The following table reflects the condensed statement of net position:

County of Prince George, Virginia
Schedule of Assets, Liabilities and Net Position
Governmental and Business-type Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Totals	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Current and other assets	$ 81,364,340	$ 97,733,962	$ 16,503,416	$ 15,087,875	$ 97,867,756	$ 112,821,837
Capital assets	65,284,493	56,364,044	19,542,239	16,517,275	84,826,732	72,881,319
Total assets	$ 146,648,833	$ 154,098,006	$ 36,045,655	$ 31,605,150	$ 182,694,488	$ 185,703,156
Deferred outflows of resources	$ 5,647,099	$ 6,637,376	$ 272,770	$ 294,114	$ 5,919,869	$ 6,931,490
Long-term liabilities outstanding	$ 93,550,072	$ 105,364,228	$ 4,502,715	$ 2,418,332	$ 98,052,787	$ 107,782,560
Current liabilities	7,566,797	4,323,438	766,007	586,404	8,332,804	4,909,842
Total liabilities	$ 101,116,869	$ 109,687,666	$ 5,268,722	$ 3,004,736	$ 106,385,591	$ 112,692,402
Deferred inflows of resources	$ 10,590,278	$ 1,404,868	$ 624,365	$ 103,701	$ 11,214,643	$ 1,508,569
Net position:						
Net investment in capital assets	$ 14,838,319	$ 36,657,589	$ 15,747,150	$ 15,241,280	$ 30,585,469	$ 51,898,869
Restricted	396,631	-	-	-	396,631	-
Restricted Cash	3,185,064	1,367,948	-	-	3,185,064	1,367,948
Unrestricted	22,168,771	11,617,311	14,678,188	13,549,547	36,846,959	25,166,858
Total net position	$ 40,588,785	$ 49,642,848	$ 30,425,338	$ 28,790,827	$ 71,014,123	$ 78,433,675

Net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. At June 30, 2022, the County's governmental assets exceeded liabilities and deferred inflows of resources by $40,588,785 while business assets exceeded its liabilities by $30,425,338. Of the County's net position, 36.56% and 73.84% in 2022 and 2021, respectively, represents its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment), net of accumulated depreciation and less any related debt used to acquire or construct those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The majority of the remaining balance of net position, 54.62% and 23.40% in 2022 and 2021, respectively, represents unrestricted net position, which may be used to meet the County's ongoing obligations. Unrestricted net position increased in governmental activities in FY 22 by $10,551,460 and increased in business-type activities by $1,128,641.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: (CONTINUED)

The Statement of Activities

The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also shows the general revenue sources that fund governmental operations. A summary of the statement of activities for the fiscal years covering July 1, 2020 through June 30, 2022 follows:

County of Prince George, Virginia
Changes in Net Position
Governmental and Business-type Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 11,033,135	$ 10,572,691	$ 7,221,244	$ 6,644,883	$ 18,254,379	$ 17,217,574
Operating grants and contributions	9,145,800	13,588,731	-	-	9,145,800	13,588,731
Capital grants and contributions	-	-	44,067	-	44,067	-
General revenues:						
General property taxes	44,417,243	41,180,429	-	-	44,417,243	41,180,429
Other local taxes	12,085,233	11,623,834	-	-	12,085,233	11,623,834
Use of money and property	(56,459)	322,634	74,440	63,750	17,981	386,384
C/VA non-categorical aid	5,452,407	5,784,848	125,122	59,900	5,577,529	5,844,748
Gain on disposal of capital asset	-	-	1,530	25,500	1,530	25,500
Other general revenues	567,584	295,188	90,386	48,053	657,970	343,241
Total revenues	$ 82,644,943	$ 83,368,355	$ 7,556,789	$ 6,842,086	$ 90,201,732	$ 90,210,441
Expenses:						
General government administration	$ 9,187,543	$ 6,299,297	$ -	$ -	$ 9,187,543	$ 6,299,297
Judicial administration	4,321,970	4,222,505	-	-	4,321,970	4,222,505
Public safety	25,711,621	26,953,969	-	-	25,711,621	26,953,969
Public works	2,866,658	3,058,759	-	-	2,866,658	3,058,759
Health and welfare	6,249,769	7,205,183	-	-	6,249,769	7,205,183
Education	37,682,595	24,927,166	-	-	37,682,595	24,927,166
Parks, recreation, and cultural	2,812,679	1,914,906	-	-	2,812,679	1,914,906
Community development	1,796,975	1,527,058	-	-	1,796,975	1,527,058
Interest and other fiscal charges	1,474,785	1,660,807	-	-	1,474,785	1,660,807
Water and sewer	-	-	5,516,688	5,479,982	5,516,688	5,479,982
Total expenses	$ 92,104,596	$ 77,769,650	$ 5,516,688	$ 5,479,982	$ 97,621,283	$ 83,249,632
Increase in net position before transfers	$ (9,459,653)	$ 5,598,705	$ 2,040,101	$ 1,362,104	$ (7,419,551)	$ 6,960,809
Transfers	405,590	264,532	(405,590)	(264,532)	-	-
Increase in net position	$ (9,054,063)	$ 5,863,237	$ 1,634,511	$ 1,097,572	$ 7,419,551-	$ 6,960,809
Net position, beginning, as restated	49,642,848	43,779,611	28,790,827	27,693,255	78,433,675	71,472,866
Net position, ending	$ 40,588,785	$ 49,642,848	$ 30,425,338	$ 28,790,827	$ 71,014,123	$ 78,433,675

Governmental Activities

Governmental activities revenues decreased from $83,368,355 to $82,644,943 or by $723,412 (.87%) in FY 22 from FY 21. There was a reduction in operating grants and contributions of $4,442,931 (32.7%) between FY 21 and FY 22 due to $6,528,856 in federal CARES (Coronavirus Relief) revenues received in FY 21 that were absent in FY 22. In addition, Prince George County became the grant recipient for the Crater Workforce Investment Board effective July 1, 2021 and their grant revenues of $1,297,385 are a new revenue source in FY 22. Federal American Recovery Plan Act (ARPA) revenue of $424,980 was recorded in FY 22 compared to $45,998 in FY 21, an increase of $378,982. Property tax revenues increased by $3,236,814 (7.86%) in FY 22 largely due to growth in assessed values (both real and personal property). Increases were also seen in other local taxes. Use of money and property (interest) revenues decreased in FY22 due to sluggish interest rates, and losses recorded in one investment type; there was also a decrease in non-categorical revenues from the Commonwealth of Virginia of $332,441.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: (CONTINUED)

Governmental activities expenses increased from $77,769,650 to $92,104,596 or 18.4%. Increases were seen in Education (primarily in capital spending related to construction of a new Middle Road Elementary School that will replace William A. Walton Elementary School); General Government Administration; Parks, Recreation and Cultural; Community Development; and Judicial Administration. There were decreases in Public Safety; Public Works; and Health and Welfare, chiefly due to expenditures incurred using federal CARES funding in FY 21 on targeted public safety and health and welfare initiatives that are absent in FY 22. There was also a decrease in Interest and Other Fiscal Charges.

Business-type activities

The Water and Sewer Fund revenues increased by $714,703; an increase of 10.5% over FY 21. This increase is attributable to an increase in connection and capacity fees; there was no rate increase implemented on July 1, 2021.

Total expenses for the Water and Sewer Fund increased slightly by $36,706 (0.67%); from $5,479,982 in FY 21 to $5,516,688 in FY 22.

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.

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of $67,515,601. Of this amount, $22,106,233 is assigned for capital projects, $3,074,676 is reserved for debt service purposes and $4,485,525 is assigned to various special revenue funds. The Stormwater Fund was separated from the General Fund for reporting purposes in FY 19, and is now reported as a nonmajor governmental fund.

General Fund. The general fund is the chief operating fund of the County. At the end of the current fiscal year, the general fund balance was $37,849,167 of which $37,849,167 represents unassigned fund balance of the General Fund. This amount equates to 32% of General Fund and School Operating expenditures (including debt service). The Board of Supervisors has committed to maintaining an unreserved General Fund balance of at least 12.5% of General Fund and School Operating expenditures and has met and exceeded that target for the fiscal year ending June 30, 2022.

The net increase in unassigned fund balance for the General Fund for 2022 was $4,445,880. Unassigned fund balance at June 30, 2021 was $33,403,287; compared to $37,849,167 at June 30, 2022. The increase in fund balance for the General Fund is largely attributable to collections exceeding budgeted amounts in the area of personal property tax and spending below budget amounts across county government functions. Prince George County continued its partnership with a collection agency in FY 22 to pursue delinquent property taxes. Significant reasons for the increase in unassigned General Fund balance are:

Revenues: General Fund revenues of $67,772,039 exceeded budgeted amounts by $5,005,713, primarily in general property taxes, other local tax revenues and permits, fees and licenses. Interest revenue (revenue from use of money and property) was below budgeted amounts, as were fines and forfeitures. Revenues were conservatively budgeted, and collections remained strong in FY 22.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

Expenditures: General Fund expenditures and transfers out were $3,431,266 less than amended budget amounts in FY 22. Spending was less than budgeted amounts by $2,481,883 for General Fund County Government operations in FY 22. Expenditures were under budgeted amounts in FY 22 due to conservative spending practices. Additionally, the transfer to schools was $949,383 less than the amount budgeted due to expenditures being $1,176,603 less than what was budgeted; actual school operating revenues from non-local sources were $227,220 less than projections.

Use of Fund Balance: In FY 2022, there was minimal planned / budgeted non-routine use of fund balance for operating purposes. The County Board of Supervisors re-appropriated $776,309 towards water, sewer and road improvements for the new elementary school under construction, with the understanding that the school division would restore this entire amount to fund balance over the next two fiscal years. The school division restored $400,000 from unexpended FY21 balances and will restore the remaining $376,309 from unexpended FY22 balances. The County Board of Supervisors appropriated $793,946 in FY 2021 "unexpended school balances" to the School Division to meet some capital needs, including $371,447 towards construction of a new elementary school to replace William A. Walton Elementary School and $422,469 for restroom and locker room renovations throughout the school system. The Prince George County Board of Supervisors appropriated some amounts for capital uses including $1,000,000 towards the renovation of the County Fleet Garage; $220,610 for replacement chillers at the County Administration Building; and $127,763 for architectural design of a second County trash convenience station. Additionally, the Board of Supervisors appropriated fund balance for unexpended grant and donations as well as for County and School purchase order obligations at year-end in the amounts of $514,231 and $548,602 respectively. Although the County appropriated use of fund balance, higher than expected revenues and conservative spending more than offset these planned uses, and there was an increase in fund balance of $4,445,880 over FY 2021.

Capital projects fund. The Capital Projects Fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was $22,106,233, which was a decrease of $26,346,587 from the FY 21 balance of $48,452,822. This capital fund, fund balance is largely comprised of unspent 2022, 2021 (Virginia Public School Authority), 2019, 2018 and 2017 bond proceeds for projects that will be ongoing in fiscal years 2023 and 2024. The drop in Capital projects fund balance is attributable to the ongoing construction of a new Middle Road Elementary School and use of Series 2021 bond proceeds during FY 22 for construction. During FY 2022, the County issued debt for:

- A County Garage Expansion and Renovation
- Self-Contained Breathing Apparatus for Fire & EMS (repaid with dedicated one cent in Real Estate Tax Revenues in accordance with County ordinance §74-6)
- School Technology Improvements
- School Generator at Prince George High School
- County Vehicles and School Buses (purchased in FY2021)
- Defibrillators for Fire & EMS

More details of specific project revenues and expenditures can be found in Note 5 and Exhibit 30.

Debt service fund. The Debt Service Fund received transfers from the General Fund higher than needed to meet debt obligation requirements in FY 22. Beginning in FY 19, the County began building a reserve in the debt fund to accommodate future capital projects and minimize potential future tax increases. At the end of FY 22 the Debt Service Fund, fund balance was $3,074,676, an increase of $1,807,116 over the FY 21 balance of $1,267,560. In FY 2022 transfers in were $9,127,376 and principal retirements of indebtedness totaled $4,689,165 while interest expense totaled $2,628,989. More information on the County's long-term obligations including general obligation bonds and school indebtedness can be found in Note 7.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled $30,425,338 for Water and Sewer Operations and $1,805,325 for the County and School Health Insurance Fund, now reflected as an internal service fund in accordance with GASB Statement No. 84. The County and School Health Insurance Fund net position decreased from $2,916,005 in FY21 to $1,805,325 in FY 22 due to unusually high school employee medical and pharmacy claims during FY 22 that contributions did not fully support. The School division separated from the combined self-funded County / School health insurance products effective July 1, 2022, moving to a fully insured product. The School Board will take actions to restore any accumulated deficit to the County and School Health insurance Fund in FYs 23 and FY 24. Details of the Water and Sewer operations were previously discussed in the letter.

General Fund Budgetary Highlights

Prince George County generally takes a conservative approach to financial management, staying well within budgetary limits for expenditures during the fiscal year and fiscal year 2022 was no exception. General fund adopted budget totaled $61,996,015 (net of a $594,679 transfer in from the school system for Children's Services Act costs), amended budget and transfers out totaled $66,750,618, an increase of $4,754,603. Actual general fund expenditures and transfers out totaled $60,041,843. Exhibit 12 provides details supporting a comparison of final amended budget and actual results. Expenditures in only one functional appropriation category exceeded its amended appropriations during FY 22. The following is a summary of the most significant changes in the adopted and amended budgets for FY 22:

- Increases and appropriations from General Fund, fund balance were approved for one-time or capital purposes and were for:
    - $1,000,000 for County Garage expansion and renovation*;
    - $793,946 to schools (FY2021 excess) for capital needs*
        - $371,477 for New Walton Elementary School
        - $422,469 for locker room and restroom renovations
    - $776,309 for New Elementary School Water, Sewer and Road Improvements (to be restored by schools over two years)*;
    - $517,061 for multi-year federal and state grants, insurance recoveries and donations;
    - $548,601 for purchase order obligations ($194,234 County; $354,367 School);
    - $220,610 for County Administration Building Chiller Replacement*;
    - $127,763 for design of a new second County Trash Convenience Station*

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS: (CONTINUED)

- The County received and appropriated the following General Fund grant amounts and increased state revenues during fiscal year 2022:

  - $144,597 in Fire Program Funds for use by the combined Fire and EMS system;
  - $103,101 in Social Services Public Assistance Funds for various initiatives;
  - $66,457 in NextGen911 Funding through VDEM (Emergency Communications Center);
  - $38,373 in Four for Life grants for Fire/EMS initiatives;
  - $29,066 in Virginia Compensation Board recoveries for Sheriff's Office (to provide a one-time state-funded bonus for the Sheriff and his funded deputies);
  - $24,233 in Division of Motor Vehicles Safety Grants (Police);
  - $15,249 in Social Services Welfare Administration for Senior Programs;
  - $12,862 State Record Preservation Grant (Circuit Court);
  - $12,094 State Litter Control Grant (General Services);
  - $6,080 in law enforcement Byrne grants (Police);
  - $5,697 in Bullet Proof Vest grants (Police and Sheriff);
  - $5,100 in State DCJS CARES Funding for Commonwealth's Attorney (used for technology purchases to support safe court proceedings);
  - $3,000 PSAP Training Grant (Emergency Communications Center);
  - $1,400 DMV Emergency Management Grant;
  - $1,000 John Randolph Foundation Grant for the Drug Court program;
  - $610 in Division of Motor Vehicles Animal Sterilization funds (Animal Services)

*Appropriation of General Fund, Fund Balance and transfer to the Capital Improvement Fund

Grant Awards in non-general funds were:

American Recovery Plan Act (ARPA) Funds (Special Revenue Fund)
- $3,724,810.50 (1st distribution); used for expenditures incurred in response to the COVID-19 pandemic and for Utility infrastructure

Riverside Criminal Justice Agency (Community Corrections)
- $29,660 Increase in Community Corrections Grant Award (from $691,777 to $711,632)

Economic Development Fund
- $10,450 Industrial Revitalization Fund Grant

Special Welfare Fund
- $17,486 United Way Food and Shelter Emergency Grant Funds (Social Services)

School Funds
- $3,667,466 in ESSER II and III CARES Coronavirus Relief Funds (Direct School Distribution); used for COVID academic and student safety response;
- $1,205,246 in ARPA Fund (Direct School Distribution)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Accounting Standards Board (GASB) Statement 34 requires the primary government (the County) to report debt and debt service incurred "on behalf" of component units (the School Board). In this report, capital assets such as school buildings that have related debt are reported with the primary government on the Statement of Net Position. The portion of these capital assets free of related debt are reported as buildings and improvements under the component unit School Board (see Note 5 in the Notes to Financial Statements).

The following table summarizes the County's capital assets, net of depreciation, as of June 30, 2022. The County's total investment in capital assets, such as land, buildings and improvements, utility plant, equipment, and construction in progress totals $152,050,790 (includes schools and water and sewer).

County of Prince George, Virginia
Capital Assets (net of Depreciation)
Governmental and Business-type Activities
For the Year Ended June 30, 2022

	Governmental Activities 2022	Business-type Activities 2022
Land	$ 3,995,201	$ 244,744
Buildings and improvements	65,902,413	-
Utility plant	-	34,277,879
Equipment	34,840,863	4,685,512
Construction in progress	15,189,456	870,091
Total	$ 119,927,933	$ 40,078,226
Less accumulated depreciation	54,643,440	20,535,987
Net capital assets	$ 65,284,493	$ 19,542,239

More information on the County's capital assets can be found in note 5 to the financial statements.

At the end of fiscal year 2022, the County had total outstanding debt of $74,208,174 (excluding compensated absences, bond premiums, length of service award program and OPEB, see Note 7 in the Notes to Financial Statements), in comparison; the County had $74,416,339 and $58,254,411 in outstanding debt at June 30, 2021 and 2020, respectively. Of the $74,208,174 of outstanding debt at June 30, 2022, $36,334,000 is for general government purposes and $37,025,174 is outstanding debt on behalf of the School Board. The Water and Sewer Fund has outstanding debt of $849,000.

For more information regarding Prince George County's long-term obligations, see Note 7 in the Notes to Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.2% for September 2022, as compared to 3.6% for September 2021. The state and national unemployment rates for September 2022 were 2.6% and 3.3%, respectively.

The FY 23 General Fund operating budget totaled $68,951,487, which was a $6,360,793 (10.2%) increase over the FY 22 adopted budget. Both real property and personal property assessed values increased, and the Prince George County Board of Supervisors reduced tax rates for FY 23. For FY 23 the Real Estate Tax Rate dropped from $0.86 to $0.82; the Personal Property Tax Rate dropped from $4.25 to $3.90; and the Board eliminated the motor vehicle license fee. There was ***no reliance on fund balance*** during FY 23 for operations. Prince George County ended FY 22 in a strong financial position and there are no indicators of collection concerns early in FY 23.

The County will receive federal American Rescue Plan Act (ARPA) funding over the next two years totaling $7,449,621. The Board has prioritized the majority of this funding for Utility infrastructure. As of June 30, 2022, $470,977 had been expended; $45,998 during FY 21 and $424,980 during FY22 (see Exhibits 3, 5 and 35).

It is the continued mission of the County to provide the most cost-efficient services to the taxpayers of Prince George County, and to make Prince George "the best place to live, learn, work and raise a family."

REQUESTS FOR INFORMATION

This financial report is designed to provide the Board of Supervisors, citizens, taxpayers, customers, and creditors of Prince George County, Virginia with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Prince George County, PO Box 68, Prince George, VA 23875, telephone (804) 722-8710.

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Basic Financial Statements

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Government-wide Financial Statements

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Statement of Net Position
At June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 40,353,194	$ 15,670,187	$ 56,023,381	$ 7,978,074
Restricted cash	30,500,256	-	30,500,256	-
Leases receivable	134,168	120,836	255,004	-
Internal balances	(156,805)	156,805	-	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	7,579,290	-	7,579,290	-
Accounts receivable	1,299,945	555,588	1,855,533	1,836
Due from other governmental units	1,654,292	-	1,654,292	3,124,034
Total current assets	$ 81,364,340	$ 16,503,416	$ 97,867,756	$ 11,103,944
Noncurrent Assets:				
Net pension asset	$ -	$ -	$ -	$ 166,768
Capital assets (net of accumulated depreciation):				
Land	$ 3,995,201	$ 244,744	$ 4,239,945	$ 1,154,404
Construction in progress	15,189,456	870,091	16,059,547	27,863,793
Buildings	26,448,265	-	26,448,265	33,702,060
Machinery and equipment	9,703,173	4,292,683	13,995,856	4,503,801
Jointly owned assets	9,494,937	-	9,494,937	-
Utility plant in service	-	14,134,721	14,134,721	-
Leased buildings	412,112	-	412,112	-
Leased equipment	41,349	-	41,349	-
Total capital assets	$ 65,284,493	$ 19,542,239	$ 84,826,732	$ 67,224,058
Total noncurrent assets	$ 65,284,493	$ 19,542,239	$ 84,826,732	$ 67,390,826
Total assets	$ 146,648,833	$ 36,045,655	$ 182,694,488	$ 78,494,770
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	$ 4,573,206	$ 224,614	$ 4,797,820	$ 12,192,642
OPEB related items	632,043	36,220	668,263	1,740,492
LOSAP related items	130,251	-	130,251	-
Deferred amount on bond refunding	311,599	11,936	323,535	-
Total deferred outflows of resources	$ 5,647,099	$ 272,770	$ 5,919,869	$ 13,933,134
LIABILITIES				
Current Liabilities:				
Accounts payable	$ 6,258,132	$ 644,098	$ 6,902,230	$ 1,070,258
Accrued liabilities	183,607	-	183,607	7,152,234
Customer deposits	-	104,436	104,436	-
Unearned revenues	57,263	-	57,263	54,644
Accrued interest payable	1,067,794	17,473	1,085,267	-
Current portion of long-term obligations	7,531,794	211,606	7,743,400	30,844
Total current liabilities	$ 15,098,590	$ 977,613	$ 16,076,203	$ 8,307,980
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations	$ 86,018,279	$ 4,291,109	$ 90,309,388	$ 42,095,689
Total liabilities	$ 101,116,869	$ 5,268,722	$ 106,385,591	$ 50,403,669
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property tax	$ 193,404	$ -	$ 193,404	$ -
Pension related items	8,318,028	415,554	8,733,582	25,771,375
OPEB related items	1,794,489	102,835	1,897,324	4,282,408
LOSAP related items	151,395	-	151,395	-
Lease related items	132,962	105,976	238,938	-
Total deferred inflows of resources	$ 10,590,278	$ 624,365	$ 11,214,643	$ 30,053,783
NET POSITION				
Net Investment in capital assets	$ 14,838,319	$ 15,747,150	$ 30,585,469	$ 67,224,058
Restricted for net pension asset	-	-	-	166,768
Restricted for opioid settlement	396,631	-	396,631	-
Restricted cash:				
Proffers	110,388	-	110,388	-
Debt service	3,074,676	-	3,074,676	-
Unrestricted (deficit)	22,168,771	14,678,188	36,846,959	(55,420,374)
Total net position	$ 40,588,785	$ 30,425,338	$ 71,014,123	$ 11,970,452

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Statement of Activities
For the Year Ended June 30, 2022

			Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	$ 9,187,543	$ 2,018,969	$ 1,599,309	$ -
Judicial administration	4,321,970	1,475,444	878,620	-
Public safety	25,711,621	5,621,334	3,111,836	-
Public works	2,866,658	523,305	1,400	-
Health and welfare	6,249,769	912,246	3,521,479	-
Education	37,682,595	-	-	-
Parks, recreation, and cultural	2,812,679	357,393	24,956	-
Community development	1,796,975	124,443	8,200	-
Interest on long-term debt	1,474,785	-	-	-
Total governmental activities	$ 92,104,596	$ 11,033,135	$ 9,145,800	$ -
Business-type activities:				
Public Utilities	$ 5,516,688	$ 7,221,244	$ 125,122	$ 44,067
Total business-type activities	$ 5,516,688	$ 7,221,244	$ 125,122	$ 44,067
Total primary government	$ 97,621,284	$ 18,254,379	$ 9,270,922	$ 44,067
COMPONENT UNIT:				
School Board	$ 50,500,179	$ 431,799	$ 64,756,089	$ -
Total component unit	$ 50,500,179	$ 431,799	$ 64,756,089	$ -

General revenues:
- General property taxes
- Local sales and use taxes
- Consumer utility taxes
- Business license taxes
- Motor vehicle license taxes
- Taxes on recordation and wills
- Meals taxes
- Lodging taxes
- Bank stock tax
- Other local taxes
- Unrestricted revenues from use of money and property
- Miscellaneous
- County contribution to School Board
- Grants and contributions not restricted to specific programs
- Gain on disposal of capital assets

Transfers
- Total general revenues and transfers

Change in net position
Net position - beginning of year
Net position - end of year

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
$ (5,569,265)	$ -	$ (5,569,265)	$ -
(1,967,905)	-	(1,967,905)	-
(16,978,451)	-	(16,978,451)	-
(2,341,953)	-	(2,341,953)	-
(1,816,044)	-	(1,816,044)	-
(37,682,595)	-	(37,682,595)	-
(2,430,330)	-	(2,430,330)	-
(1,664,332)	-	(1,664,332)	-
(1,474,785)	-	(1,474,785)	-
$ (71,925,661)	$ -	$ (71,925,661)	$ -
$ -	$ 1,873,745	$ 1,873,745	$ -
$ -	$ 1,873,745	$ 1,873,745	$ -
$ (71,925,661)	$ 1,873,745	$ (70,051,916)	$ -
$ -	$ -	$ -	$ 14,687,709
$ -	$ -	$ -	$ 14,687,709
$ 44,417,243	$ -	$ 44,417,243	$ -
4,309,079	-	4,309,079	-
897,231	-	897,231	-
2,214,083	-	2,214,083	-
394,770	-	394,770	-
709,361	-	709,361	-
1,695,898	-	1,695,898	-
880,469	-	880,469	-
141,423	-	141,423	-
842,919	-	842,919	-
(56,459)	74,440	17,981	-
567,584	90,386	657,970	919,224
-	-	-	15,866,948
5,452,407	-	5,452,407	-
-	1,530	1,530	-
405,590	(405,590)	-	-
$ 62,871,598	$ (239,234)	$ 62,632,364	$ 16,786,172
$ (9,054,063)	$ 1,634,511	$ (7,419,552)	$ 31,473,881
49,642,848	28,790,827	78,433,675	(19,503,429)
$ 40,588,785	$ 30,425,338	$ 71,014,123	$ 11,970,452

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Fund Financial Statements

Balance Sheet
Governmental Funds
At June 30, 2022

	General	Capital Projects	Debt Service	ARPA	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 34,363,108	$ -	$ -	$ -	$ 4,181,680	$ 38,544,788
Restricted cash	-	27,425,580	3,074,676	-	-	30,500,256
Leases receivable	134,168	-	-	-	-	134,168
Receivables (net of allowance for uncollectibles):						
Taxes receivable	7,579,290	-	-	-	-	7,579,290
Accounts receivable	491,775	-	-	-	808,170	1,299,945
Due from other governmental units	1,645,749	-	-	-	8,543	1,654,292
Total assets	$ 44,214,090	$ 27,425,580	$ 3,074,676	$ -	$ 4,998,393	$ 79,712,739
LIABILITIES						
Accounts payable	$ 878,735	$ 5,319,347	$ -	$ -	$ 56,969	$ 6,255,051
Unearned revenue	-	-	-	-	57,263	57,263
Accrued liabilities	181,602	-	-	-	2,005	183,607
Due to other funds	156,805	-	-	-	-	156,805
Total liabilities	$ 1,217,142	$ 5,319,347	$ -	$ -	$ 116,237	$ 6,652,726
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property tax	$ 5,014,819	$ -	$ -	$ -	$ -	$ 5,014,819
Opioid settlement	-	-	-	-	396,631	396,631
Lease related items	132,962	-	-	-	-	132,962
Total deferred outflows of resources	$ 5,147,781	$ -	$ -	$ -	$ 396,631	$ 5,544,412
FUND BALANCES						
Restricted:						
Proffers	$ -	$ 110,388	$ -	$ -	$ -	$ 110,388
Opioid	-	-	-	-	14,273	14,273
Debt service	-	-	3,074,676	-	-	3,074,676
Unspent bond proceeds - various projects	-	27,315,192	-	-	-	27,315,192
Total restricted	$ -	$ 27,425,580	$ 3,074,676	$ -	$ 14,273	$ 30,514,529
Assigned:						
Public safety	$ -	$ -	$ -	$ -	$ 143,295	$ 143,295
Economic development	-	-	-	-	1,289,491	1,289,491
Capital projects	-	(5,319,347)	-	-	-	(5,319,347)
Stormwater	-	-	-	-	2,187,950	2,187,950
Asset forfeiture	-	-	-	-	47,802	47,802
Tourism	-	-	-	-	802,714	802,714
Total assigned	$ -	$ (5,319,347)	$ -	$ -	$ 4,471,252	$ (848,095)
Unassigned	$ 37,849,167	$ -	$ -	$ -	$ -	$ 37,849,167
Total fund balance	$ 37,849,167	$ 22,106,233	$ 3,074,676	$ -	$ 4,485,525	$ 67,515,601
Total liabilities, deferred inflows of resources and fund balance	$ 44,214,090	$ 27,425,580	$ 3,074,676	$ -	$ 4,998,393	$ 79,712,739

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

Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
At June 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 67,515,601
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		65,284,493
Internal service funds are used by the County to charge the cost of dental and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. The internal service fund net position is:		1,805,325
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(1,067,794)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Opioid settlement	$ 396,631	
Unavailable revenue-property taxes	4,821,415	5,218,046
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred outflows related to:		
Net pension liabilities	$ 4,703,457	
Net OPEB liabilities	632,043	5,335,500
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liabilities	$ (8,469,423)	
Net OPEB liabilities	(1,794,489)	(10,263,912)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Details supporting this amount are as follows:		
Deferred amount on refunding		311,599
Compensated absences		(1,850,150)
County general obligation bonds		(36,334,000)
School Board general obligation bonds		(37,025,174)
Lease liability		(455,321)
Net OPEB liabilities		(5,213,441)
Net pension liabilities		(5,381,750)
County premium on bonds payable		(4,110,865)
School Board premium on bonds payable		(3,179,372)
Net position of governmental activities		$ 40,588,785

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

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General	Capital Projects	Debt Service	ARPA	Other Governmental Funds	Total
REVENUES						
General property taxes	$ 43,769,979	$ -	$ -	$ -	$ -	$ 43,769,979
Other local taxes	9,018,154	-	-	-	3,067,079	12,085,233
Permits, privilege fees, and regulatory licenses	721,955	-	-	-	-	721,955
Fines and forfeitures	331,240	-	-	-	-	331,240
Revenue from the use of money and property	(158,368)	100,229	-	-	1,680	(56,459)
Charges for services	1,560,915	-	-	-	34,410	1,595,325
Miscellaneous	68,169	63,583	-	-	39,201	170,953
Recovered costs	392,507	-	-	-	84,493	477,000
Intergovernmental:						
Commonwealth	10,060,949	75,480	-	-	732,827	10,869,256
Federal	2,006,539	-	-	424,980	1,297,432	3,728,951
Total revenues	$ 67,772,039	$ 239,292	$ -	$ 424,980	$ 5,257,122	$ 73,693,433
EXPENDITURES						
Current:						
General government administration	$ 5,595,214	$ 752,834	$ -	$ 107,046	$ -	$ 6,455,094
Judicial administration	2,989,088	-	-	-	-	2,989,088
Public safety	17,310,834	7,347,691	-	138,225	2,383,235	27,179,985
Public works	2,281,335	2,798,785	-	179,709	125,361	5,385,190
Health and welfare	5,558,021	-	-	-	-	5,558,021
Education	15,866,948	23,737,107	-	-	-	39,604,055
Parks, recreation, and cultural	1,703,304	383,577	-	-	-	2,086,881
Community development	362,333	-	-	-	1,374,579	1,736,912
Debt service:						
Bond issuance cost	-	75,096	-	-	-	75,096
Principal retirement	-	-	4,689,165	-	-	4,689,165
Interest and other fiscal charges	-	-	2,631,095	-	-	2,631,095
Total expenditures	$ 51,667,077	$ 35,095,090	$ 7,320,260	$ 424,980	$ 3,883,175	$ 98,390,582
Excess (deficiency) of revenues over (under) expenditures	$ 16,104,962	$ (34,855,798)	$ (7,320,260)	$ -	$ 1,373,947	$ (24,697,149)
OTHER FINANCING SOURCES (USES)						
Transfers in	$ -	$ 3,814,211	$ 9,127,376	$ -	$ 69,131	$ 13,010,718
Issuance of debt	-	4,695,000	-	-	-	4,695,000
Transfers (out)	(11,659,082)	-	-	-	(946,046)	(12,605,128)
Total other financing sources (uses)	$ (11,659,082)	$ 8,509,211	$ 9,127,376	$ -	$ (876,915)	$ 5,100,590
Net change in fund balances	$ 4,445,880	$ (26,346,587)	$ 1,807,116	$ -	$ 497,032	$ (19,596,559)
Fund balances - beginning	33,403,287	48,452,820	1,267,560	-	3,988,493	87,112,160
Fund balances - ending	$ 37,849,167	$ 22,106,233	$ 3,074,676	$ -	$ 4,485,525	$ 67,515,601

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

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:				
Net change in fund balances - total governmental funds			$	(19,596,559)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the capital outlays exceeded depreciation in the current period. Details are as follows:				
Depreciation expense	$	(4,607,519)		
Capital asset additions		12,787,491		
Lease asset additions		27,355		
Transfer of joint tenancy assets from Primary Government to the Component Unit		240,245		8,447,572
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.				
Opioid settlement	$	396,631		
Property taxes		647,264		1,043,895
Internal service funds are used by the County to charge the costs of dental and health insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.				(1,110,680)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.				
Details supporting these changes are as follows:				
Issuance of debt	$	(4,695,000)		
Issuance of lease liability		(27,355)		
Amortization of premium on bonds payable		1,497,728		
Principal paid on lease liability		44,944		
Retirement of general obligation bonds		4,689,165		1,509,482
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.				
Details supporting these changes are as follows:				
Change in accrued interest payable	$	(95,323)		
Pension expense		1,089,670		
OPEB expense		(187,746)		
Lease expense		(33)		
Deferred amount on refunding		(170,967)		
Change in compensated absences		16,626		652,227
Change in net position of governmental activities			$	(9,054,063)

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

Statement of Net Position
Proprietary Funds
At June 30, 2022

	Enterprise Funds: Water and Sewer	Governmental Activities: Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$ 15,670,187	$ 1,808,406
Lease receivable, current portion	53,025	-
Accounts receivable, net of allowance for uncollectibles	555,588	-
Total current assets	$ 16,278,800	$ 1,808,406
Noncurrent assets:		
Due from other funds	$ 156,805	$ -
Lease receivable, net of current portion	67,811	-
Capital assets (net of accumulated depreciation):		
Land	$ 244,744	$ -
Utility plant in service	14,134,721	-
Machinery and equipment	4,292,683	-
Construction in progress	870,091	-
Total capital assets	$ 19,542,239	$ -
Total noncurrent assets	$ 19,766,855	$ -
Total assets	$ 36,045,655	$ 1,808,406
DEFERRED OUTFLOWS OF RESOUCES		
Pension related items	$ 224,614	$ -
OPEB related items	36,220	-
Deferred amount on bond refunding	11,936	-
Total deferred outflows of resources	$ 272,770	$ -
Total assets and deferred outflows of resources	$ 36,318,425	$ 1,808,406
LIABILITIES		
Current liabilities:		
Accounts payable	$ 644,098	$ 3,081
Customers' deposits	104,436	-
Accrued interest payable	17,473	-
Compensated absences - current portion	8,113	-
Loan payable - current portion	118,890	-
Bonds payable - current portion	84,603	-
Total current liabilities	$ 977,613	$ 3,081
Noncurrent liabilities:		
Compensated absences - net of current portion	$ 73,115	$ -
Net pension liability	225,345	-
Net OPEB liabilities	389,117	-
Loan payable - net of current portion	2,658,291	-
Bonds payable - net of current portion	945,241	-
Total noncurrent liabilities	$ 4,291,109	$ -
Total liabilities	$ 5,268,722	$ 3,081
DEFERRED INFLOWS OF RESOUCES		
Pension related items	$ 415,554	$ -
OPEB related items	102,835	-
Lease related items	105,976	-
Total deferred inflows of resources	$ 624,365	$ -
NET POSITION		
Net investment in capital assets	$ 15,747,150	$ -
Unrestricted	14,678,188	1,805,325
Total net position	$ 30,425,338	$ 1,805,325
Total liabilities, deferred inflows of resources and net position	$ 36,318,425	$ 1,808,406

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

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds		Governmental Activities	
	Water and Sewer		Internal Service Fund	
OPERATING REVENUES				
Charges for services:				
Water revenues	$	1,945,338	$	-
Sewer revenues		4,322,833		-
Penalty/reconnection charges		144,008		-
Insurance premiums		-		8,384,615
Miscellaneous		90,386		-
Total operating revenues	$	6,502,565	$	8,384,615
OPERATING EXPENSES				
Water supply, treatment and pumping	$	457,378	$	-
Wastewater treatment, pumping and disposal		2,273,050		-
Administrative and operation		1,109,492		-
Other supplies and expenses		619,982		-
Insurance claims		-		9,495,295
Depreciation		916,890		-
Total operating expenses	$	5,376,792	$	9,495,295
Operating income (loss)	$	1,125,773	$	(1,110,680)
NONOPERATING REVENUES (EXPENSES)				
Connection/capacity fees	$	809,065	$	-
Interest income		4,593		-
Rental income		69,847		-
Federal CARES Act income		125,122		-
Gain from sale of assets		1,530		-
Interest expense		(139,896)		-
Total nonoperating revenues (expenses)	$	870,261	$	-
Income (loss) before transfers	$	1,996,034	$	(1,110,680)
Capital contributions	$	44,067	$	-
Transfers in		149,410		-
Transfers out		(555,000)		-
Change in net position	$	1,634,511	$	(1,110,680)
Net position - beginning		28,790,827		2,916,005
Net position - ending	$	30,425,338	$	1,805,325

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Enterprise Funds Water and Sewer	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 6,379,861	$ 8,384,615
Payments for operating activities	(3,112,249)	(9,500,324)
Payments to employees	(1,002,195)	-
Net cash provided by (used for) operating activities	$ 2,265,417	$ (1,115,709)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Loan to other funds	$ 155,253	$ -
Transfers from other funds	(405,590)	-
Net cash provided by (used for) noncapital financing activities	$ (250,337)	$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	$ (3,941,854)	$ -
Proceeds from sale of capital assets	1,530	-
Connection/capacity charges	809,065	-
Principal payments on bonds	(214,000)	-
Issuance of long-term debt	2,777,181	-
Deferred amount on refunding	3,165	-
Interest expense	(152,384)	-
Net cash provided by (used for) capital and related financing activities	$ (717,297)	$ -
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	$ 4,593	$ -
Rental income	69,847	-
Net cash provided by (used for) investing activities	$ 74,440	$ -
Net increase in cash and cash equivalents	$ 1,372,223	$ (1,115,709)
Cash and cash equivalents - beginning	14,297,965	2,924,115
Cash and cash equivalents - ending	$ 15,670,188	$ 1,808,406
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ 1,125,773	$ (1,110,680)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	$ 916,890	$ -
Federal CARES Act revenue	125,122	-
Change in leases receivable	(120,836)	-
Change in accounts receivable	(77,736)	-
Change in deferred outflows of resources	18,179	-
Change in deferred inflows of resources	520,664	-
Change in accounts payable	238,161	(5,029)
Change in customer deposits	(685)	-
Change in deferred revenue	(48,569)	-
Change in compensated absences	8,979	-
Change in net pension liability	(458,345)	-
Change in net OPEB liabilities	17,820	-
Total adjustments	$ 1,139,644	$ (5,029)
Net cash provided by (used for) operating activities	$ 2,265,417	$ (1,115,709)

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

Statement of Fiduciary Net Position
Fiduciary Funds
At June 30, 2022

	Private-Purpose Trust Fund Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	$ 21,617	$ 79,731
Guaranteed investment contracts	2,133,707	-
Total assets	$ 2,155,324	$ 79,731
LIABILITIES		
Deferred revenue	$ -	$ -
Total liabilities	$ -	$ -
NET POSITION		
Restricted for:		
Pensions	$ 2,155,324	$ -
Performance bond recipients	-	65,427
Social services clients	-	14,304
Total net position	$ 2,155,324	$ 79,731
Total liabilities and net position	$ 2,155,324	$ 79,731

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

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2022

		Private-Purpose Trust Fund: Pension Trust Fund		Custodial Funds
Additions:				
Employer contributions	$	141,000	$	-
Private contributions		-		28,169
Interest income		417		-
Other investment income		73,883		-
Total additions	$	215,300	$	28,169
Deductions:				
Members' benefits	$	124,010	$	-
Recipient payments		-		18,128
Total deductions	$	124,010	$	18,128
Change in net position	$	91,290	$	10,041
Net position - beginning of year		2,064,034		69,690
Net position - end of year	$	2,155,324	$	79,731

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

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

The financial statements of the County of Prince George, Virginia have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB), 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.

Financial Statement Presentation

Management's Discussion and Analysis - Governmental standards established requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A).

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. The governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (government and business-type activities) and its discretely presented component unit. 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.

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

The County's internal activities include water and sewer billings and activities of the County garage. It is the County's policy not to eliminate these internal activities in the government-wide Statement of Activities.

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. Under the reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results.

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 Prince George (the primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

B. Individual Component Unit Disclosures

Blended Component Unit - The County has no blended component units at June 30, 2022.

Discretely Presented Component Unit - The School Board members are elected by the citizens of Prince George County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022.

C. Other Related Organizations

Included in the County's Comprehensive Annual Financial Report

None

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

C. Other Related Organizations: (Continued)

Excluded from the County's Comprehensive Annual Financial Report

Joint Ventures

South Central Wastewater Authority

The South Central Wastewater Authority is considered a joint venture and therefore its operations are not included in the County’s financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases wastewater treatment services from the Authority at prescribed rates and capacity levels. The County’s expenditures for wastewater treatment services for the year ended June 30, 2022 were $584,501. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority’s office at 900 Magazine Road, Petersburg, Virginia 23803.

Riverside Regional Jail Authority

The Riverside Regional Jail Authority is considered a joint venture and therefore its operations are not included in the County’s financial statements. The Counties of Charles City, Chesterfield, Prince George and Surry and the Cities of Petersburg, Colonial Heights and Hopewell each appoint two members to the fourteen member board. Each participating entity is required to commit prisoners and pay the established per diem charge in accordance with its service agreement with the Authority. The County’s expenditures for confinement services for the year ended June 30, 2022 were $2,322,071. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority’s office at 1000 River Road, Hopewell, Virginia 23860.

Appomattox River Water Authority

The Appomattox River Water Authority is considered a joint venture and therefore its operations are not included in the County’s financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases water from the Authority at prescribed rates and capacity levels. The County’s expenses for water purchased for the year ended June 30, 2022 were $390,633. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

Complete financial statements for the Authority can be obtained from the Authority’s office at 21300 Chesdin Road, Petersburg, Virginia 23860.

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

C. Other Related Organizations: (Continued)

Excluded from the County's Comprehensive Annual Financial Report: (Continued)

Appomattox Regional Library

The County is a participant with the County of Dinwiddie and the City of Hopewell in a joint venture to operate the Appomattox Regional Library (the Library). The Library is governed by a 9 member board composed of three appointees each from Hopewell, Dinwiddie, and Prince George. Each locality is obligated by contract to fund a percentage of the Library's approved budget. In accordance with the joint venture agreement, the County remitted $604,127 to the Library for fiscal year 2022. Financial statements for the Library can be obtained at its administrative offices at 245 East Cawson Street, Hopewell, Virginia 23860. The participants have no ongoing financial responsibilities to or equity interest in the Library.

Jointly Governed Organizations

The County participates with eight other localities in District 19 Community Services Board. The County also participates with five other localities in Virginia's Gateway Region, a regional economic development organization. The County provided funding of $117,374 to District 19 CSB during fiscal year 2022. The County provided funding of $338,824 to Crater Youth Care Commission during fiscal year 2022. The County provided funding of $82,145 to Virginia Gateway Region during fiscal year 2022.

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

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

Generally the effect of interfund activity has been eliminated from the County's government-wide financial statements. Exceptions to our general rule are payments-in-lieu of taxes where the amounts are equivalent to interfund services provided and other charges between the government's proprietary funds and various other functions of government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

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

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

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

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

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

1. Governmental Funds

   Governmental Funds are those through which most governmental functions typically are financed. The County reports the following governmental funds:

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

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

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 government-wide reporting purposes.

1. Governmental Funds: (Continued)

Special Revenue Funds: Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Special Revenue Funds are considered nonmajor governmental funds and consist of the Economic Development Fund, Community Corrections Fund, Asset Forfeiture Fund Tourism Fund, Stormwater Fund, and the Workforce Investment Fund. The ARPA Fund is a major special revenue fund that accounts for and reports specific revenue that is restricted to expenditures for specified purposes of federal ARPA funds.

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

Debt Service Fund – The Debt Service Fund Accounts for and reports resources that are restricted, committed or assigned to expenditure for principal and interest or to report financial resources being accumulated for future debt service. The Debt Service fund is considered a major governmental fund.

2. Proprietary Funds

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.

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Enterprise Funds consist of the Water and Sewer Fund, which is considered a major fund.

Internal Services Funds - The Health Insurance Fund accounts for all activities of the County and Component Unit School Board employee health insurance program.

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

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

3. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Trust and Custodial Funds. These funds utilize the accrual basis of accounting as described in the Proprietary Funds. Fiduciary funds are not included in the government-wide financial statements. Trust Funds include the Pension Trust Fund. Custodial funds include the Special Welfare Fund, and the Performance Bond Fund.

4. Component Unit

The Prince George County School Board has the following funds:

Governmental Funds:

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

Governmental Funds:

Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Adult Basic Education Fund, Textbook Fund, School Activity Funds and School Cafeteria Fund are considered to be nonmajor funds.

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.

F. Investments

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

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

G. Receivables and Payables

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 $729,498 at June 30, 2022 is comprised of property taxes in the amount of $695,105 and utility accounts of $34,393.

Real and Personal Property Tax Data:

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

	Real Property	Personal Property
Levy	July 1	January 1
Due Date	June 5/December 5	June 5
Lien Date	July 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

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

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

H. Capital Assets: (Continued)

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

Assets	Years
Buildings	40
Machinery and Equipment	5-20
Utility Plant	30-50
Buses	10
Leased buildings	5-30
Leased equipment	2-5

I. Compensated Absences

County employees are granted vacation and sick pay in varying amounts based on years of service. Employees may accumulate, subject to certain limitations, unused vacation and sick pay earned and, upon retirement, termination, or death, may be compensated for certain amounts at specified rates. The cost of accumulated vacation and sick pay expected to be paid from future expendable resources is accounted for as a liability in the government-wide statements and proprietary statements.

All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. For governmental fund types, the amount of accumulated unpaid vacation leave which is payable from available resources is recorded as a liability of the respective fund only if they have matured, for example, as a result of employee retirement or resignation. For the County's Water and Sewer Fund, the cost of vacation and sick leave is recorded as a liability when earned.

J. Use of Estimates

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

K. Fund Equity

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

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

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

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

K. Fund Equity: (Continued)

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

The Board of Supervisors establishes and modifies or rescinds fund balance commitments and assignments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment, which does not lapse at year end, is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). The County does this through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes). The County's Board of Supervisors has not delegated this authority to assign amounts to any individual for the fiscal year ended June 30, 2021.

In the General Fund, the County strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately 15% of the actual GAAP basis expenditures and other financing sources and uses.

L. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

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

M. Restricted Cash

The County has total restricted assets of $30,500,256, which consist of proffers in the amount of $120,387, debt service of $3,074,676, and unspent bond proceeds of $27,425,580 at June 30, 2022.

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

N. Net Position

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

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

O. Net Position Flow Assumption

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 government-wide and proprietary fund 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.

P. Deferred Outflows/Inflows of Resources

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

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

P. Deferred Outflows/Inflows of Resources: (Continued)

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

Q. 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 Retirement Plan and the additions to/deductions from the County's Retirement Plan's net fiduciary 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.

R. Other Postemployment Benefits (OPEB)

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to §51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

R. Other Postemployment Benefits (OPEB): (Continued)

Political Subdivision and Teacher Employee Health Insurance Credit Program

The County and Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Programs were established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the Programs' OPEB, and the related OPEB expenses, information about the fiduciary net position of the County and VRS Teacher Employee HIC Programs; and the additions to/deductions from the County and VRS Teacher Employee HIC Programs' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Leases

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

Lessee

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

Lessor

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

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

S. Leases (Continued)

Key Estimates and Judgments

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

- The County uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.
- Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

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

T. Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, Leases and 92, Omnibus 2020 during the fiscal year ended June 30, 2022. Statement No. 87, Leases requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, Omnibus 2020 addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the leases:

	Governmental Activities	General Fund	Utility Fund
Lessee activity:			
Lease assets	$ 472,877	$ -	$ -
Lease liabilities	$ 472,877	$ -	$ -
Lessor activity:			
Lease receivable	$ 168,283	$ 168,283	$ 174,564
Deferred inflows of resources - leases	$ 168,283	$ 168,283	$ 174,564

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and Fund level for other Governmental Funds. The School Board is authorized to transfer budgeted amounts within the school system's categories.

5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. Appropriations lapse on June 30 for all County units with the exception of Capital Projects.

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 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 amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper that has received at least two of the following ratings: P-1 by Moody's Investors Service, Inc.; A-1 by Standard 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).

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-. The County's rated debt investments as of June 30, 2022 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

Rated Debt Investments' Values

Rated Debt Investments	Value	AAAm	AA+f
Virginia Investment Pool - High Quality Bond	$ 10,587,495	$ -	$ 10,587,495
Virginia Investment Pool - Stable NAV Liquidity	13,278,389	13,278,389	-
SNAP	27,763,959	27,763,959	-
Total	$ 51,629,843	$ 41,042,348	$ 10,587,495

Interest Rate Risk

The County does not have a formal policy relating to interest rate risk.

Investment Type	Fair Value	Less Than 1 Year	1-3 Years
Virginia Investment Pool - High Quality Bond	$ 10,587,495	$ -	$ 10,587,495
Virginia Investment Pool - Stable NAV Liquidity	13,278,389	13,278,389	-
SNAP	27,763,959	27,763,959	-
Total	$ 51,629,843	$ 41,042,348	$ 10,587,495

Custodial Credit Risk

The County's investments are all insured, registered in the County's name and held in an account in the County's name, or invested in an external investment pool.

Fair Value Measurements:

Fair value of the Virginia Investment Pool 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 has measured fair value of the above investments at the net asset value (NAV). There are no withdrawal limitations or restrictions imposed on participants in SNAP. The Virginia Investment Pool has a limit of two withdrawals per month.

NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)

Redemption Restrictions:

External Investment Pools

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

NOTE 4—DUE TO/FROM OTHER GOVERNMENTS:

At June 30, 2022, the County has amounts due from other governments as follows:

	Primary Government	Component Unit School Board
Commonwealth of Virginia:		
Local sales tax	$ 695,591	-
Social Services	83,976	-
Comprehensive services	248,257	-
Constitutional officer reimbursements	140,078	-
Communication tax	145,674	-
Crater detention and jail programs	-	149,669
Other funds	72,553	-
State sales tax	-	1,381,066
State security equipment	-	154,524
Victim witness	6,804	-
Drug Court Treatment Grant	22,755	-
Community corrections	343	
Federal Government:		
Other funds	46,561	-
Adult education	-	61,903
Food service	-	263,697
JROTC	-	9,886
School grants	-	1,103,289
Highway safety	9,538	-
Victim witness	15,877	-
Emergency services	25,231	-
Social Services	141,054	-
Total due from other governments	$ 1,654,292	$ 3,124,034

NOTE 5—CAPITAL ASSETS:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

Primary Government:

	Balance July 1, 2021	GASB 87 Adjustment	Additions	Deletions	Balance June 30, 2022
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 3,995,201	$ -	$ -	$ -	$ 3,995,201
Construction in progress	8,081,392	-	10,747,777	3,639,713	15,189,456
Total capital assets not being depreciated	$ 12,076,593	$ -	$ 10,747,777	$ 3,639,713	$ 19,184,657
Capital assets being depreciated:					
Buildings	$ 44,031,309	$ -	$ 2,347,284	$ -	$ 46,378,593
Machinery and equipment	32,726,492	-	2,840,700	780,609	34,786,583
Leased buildings	-	445,952	-	-	445,952
Leased equipment	-	26,925	27,355	-	54,280
Jointly owned assets	19,318,113	-	617,577	857,822	19,077,868
Total capital assets being depreciated	$ 96,075,914	$ 472,877	$ 5,832,916	$ 1,638,431	$ 100,743,276
Accumulated depreciation:					
Buildings	$ 18,497,216	$ -	$ 1,433,112	$ -	$ 19,930,328
Machinery and equipment	23,780,416	-	2,083,603	780,609	25,083,410
Leased buildings	-	-	33,840	-	33,840
Leased equipment	-	-	12,931	-	12,931
Jointly owned assets	9,510,831	-	1,044,033	971,933	9,582,931
Total accumulated depreciation	$ 51,788,463	$ -	$ 4,607,519	$ 1,752,542	$ 54,643,440
Total capital assets being depreciated, net	$ 44,287,451	$ 472,877	$ 1,225,397	$ (114,111)	$ 46,099,836
Governmental activities capital assets, net	$ 56,364,044	$ 472,877	$ 11,973,174	$ 3,525,602	$ 65,284,493

Reconciliation of primary government net position net investment in capital assets:

Net capital assets	$	$ 65,284,493
Long-term debt applicable to capital assets at June 30, 2022		78,210,133
Less: Bond proceeds received but not expended on capital assets at June 30, 2022		(27,763,959)
Net investment in capital assets	$	$ 14,838,319

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Primary Government: (continued)

The following is a summary of capital project activity for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Central Wellness Upgrades	$ 1,680,849	$ 314,631	$ 1,995,480	$ -
Central Wellness Parking Lot	19,332	-	-	19,332
Police In-Car Cameras	50,509	-	-	50,509
Route 156 Water Extension	1,238,192	1,745,884	-	2,984,076
Food Lion Water System Upgrade	1,094,425	1,035,401	-	2,129,826
Software Community Development	222,881	-	222,881	-
Station 8 Electrical Upgrades	-	30,351	-	30,351
Public Safety Radio Project	2,490,426	6,525,527	-	9,015,953
Assessor Software	237,614	26,900	264,514	-
Fire Trucks	1,014,284	142,554	1,156,838	-
Jefferson Park Fire Station	-	75,754	-	75,754
Circuit Court Room Renovations	-	66,004	-	66,004
School Restroom and Locker Room	-	37,627	-	37,627
Convenience Station	-	6,644	-	6,644
Utility Temple Avenue Tank & Pump Station	-	17,500	-	17,500
Continental Motel Site Land Acquisition	-	347,084	-	347,084
County Garage Expansion & Renovation	32,880	375,916	-	408,796
	$ 8,081,392	$ 10,747,777	$ 3,639,713	$ 15,189,456

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Primary Government: (continued)

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 244,744	$ -	$ -	$ 244,744
Construction in progress	560,780	698,589	389,278	870,091
Total capital assets not being depreciated	$ 805,524	$ 698,589	$ 389,278	$ 1,114,835
Capital assets being depreciated:				
Utility plant in service	$ 33,443,415	$ 834,464	$ -	$ 34,277,879
Machinery and equipment	1,887,433	2,798,079	-	4,685,512
Total capital assets being depreciated	$ 35,330,848	$ 3,632,543	$ -	$ 38,963,391
Accumulated depreciation:				
Utility plant in service	$ 19,245,051	$ 898,107	$ -	$ 20,143,158
Machinery and equipment	374,046	18,783	-	392,829
Total accumulated depreciation	$ 19,619,097	$ 916,890	$ -	$ 20,535,987
Total capital assets being depreciated, net	$ 15,711,751	$ 2,715,653	$ -	$ 18,427,404
Business-type activities capital assets, net	$ 16,517,275	$ 3,414,242	$ 389,278	$ 19,542,239

Discretely Presented Component Unit—School Board:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	$ 1,154,404	$ -	$ -	$ 1,154,404
Construction in progress	4,102,077	24,692,115	930,399	27,863,793
Total capital assets not being depreciated	$ 5,256,481	$ 24,692,115	$ 930,399	$ 29,018,197
Capital assets being depreciated:				
Buildings	$ 67,997,855	$ 1,600,724	$ -	$ 69,598,579
Machinery and equipment	14,427,831	1,702,325	484,946	15,645,210
Total capital assets being depreciated	$ 82,425,686	$ 3,303,049	$ 484,946	$ 85,243,789
Accumulated depreciation:				
Buildings	$ 33,477,189	$ 2,419,330	$ -	$ 35,896,519
Machinery and equipment	10,691,415	934,940	484,946	11,141,409
Total accumulated depreciation	$ 44,168,604	$ 3,354,270	$ 484,946	$ 47,037,928
Total capital assets being depreciated, net	$ 38,257,082	$ (51,221)	$ -	$ 38,205,861
School Board capital assets, net	$ 43,513,563	$ 24,640,894	$ 930,399	$ 67,224,058

NOTE 5—CAPITAL ASSETS: (CONTINUED)

Discretely Presented Component Unit—School Board:

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government administration	$	575,834
Judicial administration		445,069
Public safety		1,872,930
Public works		47,022
Health and welfare		105,581
Education		1,044,033
Parks, recreation and cultural		485,082
Community development		31,968
Total Governmental activities	$	4,607,519
Business-type activities	$	916,890
Component Unit School Board	$	2,382,337 *
* Transfer of jointly owned assets		971,933
Total accumulated depreciation increase	$	3,354,270

NOTE 6—INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2022, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ -	$ 11,659,082
Proprietary Fund	149,410	555,000
Capital Projects Fund	3,814,211	-
Debt Service Fund	9,127,376	-
Nonmajor Funds	69,131	946,046
Total	$ 13,160,128	$ 13,160,128

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting 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 the other funds in accordance with budgeting authorization.

NOTE 6—INTERFUND TRANSFERS: (CONTINUED)

The following is a summary of due to/from other funds/Component Units at June 30, 2022:

	Interfund Receivables	Interfund Payables
Primary Government:		
General Fund	$ -	$ 156,805
Water and Sewer Fund	156,805	-
Total	$ 156,805	$ 156,805

NOTE 7—LONG-TERM OBLIGATIONS:

Primary Government:

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	Balance at July 1, 2021	GASB 87 Adjustment	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Governmental Activities Obligations:						
Incurred by County:						
Compensated absences	$ 1,866,776	$ -	$ 73,056	$ 89,682	$ 1,850,150	$ 185,015
Net OPEB liability	5,999,087	-	680,466	1,466,112	5,213,441	-
Lease liability	-	472,877	27,355	44,911	455,321	45,556
Net pension liabilities:						
Net pension liability	13,937,583	-	9,334,684	18,678,413	4,593,854	-
Net LOSAP liability	1,419,478	-	223,309	854,891	787,896	-
Total net pension liabilities	$ 15,357,061	$ -	$ 9,557,993	$ 19,533,304	$ 5,381,750	$ -
Direct borrowings and direct placements						
General obligation bonds	35,460,000	-	4,695,000	3,821,000	36,334,000	4,554,000
Premiums on bonds	5,245,794	-	-	1,134,929	4,110,865	871,821
Total incurred by County	$ 63,928,718	$ 472,877	$ 15,033,870	$ 26,089,938	$ 53,345,527	$ 5,656,392
Incurred by School Board:						
Direct borrowings and direct placements						
General Obligation Bonds	$ 37,893,339	$ -	$ -	$ 868,165	$ 37,025,174	$ 1,514,002
Premium on Bonds	3,542,171	-	-	362,799	3,179,372	361,400
Total incurred by School Board	$ 41,435,510	$ -	$ -	$ 1,230,964	$ 40,204,546	$ 1,875,402
Total Governmental Activities Obligations	$ 105,364,228	$ 472,877	$ 15,033,870	$ 27,320,902	$ 93,550,073	$ 7,531,794

NOTE 7—LONG-TERM OBLIGATIONS: (Continued)

Primary Government: (Continued)

The general fund revenues are used to liquidate compensated absences and other long-term obligation amounts to include net pension liabilities and net other postemployment benefit obligation.

	Balance at July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Business-type Activities Obligations:					
Compensated absences	$ 72,249	$ 16,450	$ 7,471	$ 81,228	$ 8,113
Net pension liability	683,690	457,901	916,247	225,344	-
Net OPEB liabilities	371,297	21,542	3,722	389,117	-
Direct borrowings and direct placements					
Loans payable	-	2,777,181	-	2,777,181	118,890
General obligation bonds	1,063,000	-	214,000	849,000	77,000
Premiums on bonds	228,096	-	47,252	180,844	7,603
Total Business-type Activities Obligations	$ 2,418,332	$ 3,273,074	$ 1,188,692	$ 4,502,714	$ 211,606

Annual requirements to amortize general obligation long-term obligations are as follows:

	Governmental Activities		Governmental Activities	
	Lease liabilities		Direct Borrowings and Direct Placements	
	General Obligation Bonds		General Obligation Bonds	
Year Ending June 30,	Principal	Interest	Principal	Interest
2023	$ 45,556	$ 12,747	$ 4,554,000	$ 1,338,309
2024	39,486	11,678	4,213,000	1,157,528
2025	36,152	10,578	3,912,000	977,971
2026	37,194	9,536	2,780,000	834,818
2027	32,578	8,462	2,874,000	718,198
2028	33,568	7,472	2,784,000	596,917
2029	34,589	6,451	2,906,000	474,326
2030	35,641	5,399	2,863,000	350,303
2031	36,726	4,314	2,995,000	224,604
2032	37,841	3,197	2,550,000	130,708
2033	38,994	2,046	1,824,000	78,745
2034	40,180	860	1,085,000	33,325
2035	6,816	26	435,000	18,188
2036	-	-	277,000	11,152
2037	-	-	282,000	5,631
Total	$ 455,321	$ 82,766	$ 36,334,000	$ 6,950,723

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Annual requirements to amortize school and enterprise long-term obligations are as follows:

Year Ending June 30,	Direct Borrowings and Direct Placements			
	School		Business-type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	$ 1,514,002	$ 1,195,858	$ 77,000	$ 40,525
2024	1,522,318	1,119,007	80,000	36,600
2025	1,586,666	1,040,909	85,000	32,475
2026	1,652,594	960,937	90,000	28,100
2027	1,222,000	889,706	93,000	23,525
2028	1,288,000	826,591	98,000	18,750
2029	1,351,000	760,233	103,000	13,725
2030	1,419,000	690,580	109,000	8,425
2031	1,494,000	617,330	114,000	2,850
2032	1,446,000	551,349	-	-
2033	1,501,000	498,137	-	-
2034-2038	5,225,000	2,023,992	-	-
2039-2043	5,810,000	1,437,684	-	-
2044-2048	6,440,000	807,389	-	-
2049-2051	3,553,594	138,820	-	-
Total	$ 37,025,174	$ 13,558,522	$ 849,000	$ 204,975

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Governmental Activities:

General Obligations—Incurred by the County:

The following is a summary of general obligations incurred by the County:

Premium on bond		4,110,865
General Obligation Bonds:		
$27,750,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	$	24,467,000
$4,695,000 General Obligation Bond 2022 Series issued March 30, 2022, interest payable semi-annually, at a rate of 1.995%		4,695,000
$9,300,000 General Obligation Note Series 2018 issued May 2, 2018 due in varying annual installments through February 2033, interest payable semi-annually, at 3.16%		7,172,000
Total General Obligation Bonds	$	36,334,000
Net OPEB liabilities		5,213,441
Lease liability:		
Lease agreements for police equipment entered into at various dates, for lease terms ranging from 2 to 5 years, with discount rates ranging from 2.00% to 3.00%.	$	32,328
Lease agreements for tower rentals entered into on September 1, 2020, for a lease term of 15 years, with a discount rate of 3.00%.		422,993
Total lease liability	$	455,321
Net pension liabilities		5,381,750
Compensated absences		1,850,150
Total incurred by the County	$	53,345,527

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Governmental Activities: (Continued)

General Obligations—Incurred by the School Board:

The following is a summary of long-term obligations incurred by the School Board:

Premium on bond	$ 3,179,372
General Obligation Bonds:	
$5,556,565 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	$ 5,128,565
$7,760,053 issued November 10, 2006, due in various annual installments through July 2025. Interest payable semi-annually, at 2.15%.	1,886,609
$30,010,000 issued May, 2021, due in various semi-annual installments through July, 2050. Interest payable semi-annually at coupon rates varying from 2.05% to 5.05%	30,010,000
Total General Obligation Bonds	$ 37,025,174
Total Incurred by School Board	$ 40,204,546
Total Governmental Activities Long-term Obligations	$ 93,550,073

NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)

Primary Government: (Continued)

Business-type Activities:

The following is a summary of long-term obligations incurred by the Enterprise Fund:

General Obligation Bonds:	
$1,063,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%.	$ 849,000
Loans Payable:	
$2,777,181 loan payble issued on April 29, 2022 from Government Capital Corporation due in annual payments through April 29, 2037, interest payable annually, at a rate of 2.997%	$ 2,777,181
Net pension liability	$ 225,344
Net OPEB liabilities	$ 389,117
Compensated Absences	$ 81,228
Premium on bonds	$ 180,844
Total Incurred by Business-type Activities	$ 4,502,714

Component Unit School Board:

The following is a summary of long-term obligations for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021	Increases	Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Compensated absences	$ 329,847	$ 61,585	$ 82,987	$ 308,445	$ 30,844
Net pension liability	59,853,754	13,263,491	43,014,283	30,102,962	-
Net OPEB liabilities	13,263,712	2,072,500	3,621,086	11,715,126	-
Total	$ 73,447,313	$ 15,397,576	$ 46,718,356	$ 42,126,533	$ 30,844

NOTE 8—DEFERRED/UNAVAILABLE REVENUE:

The following is a summary of unearned/unavailable revenue for the year ended June 30, 2022:

Deferred revenue /unavailable revenue represent 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.

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Deferred/Unavailable Revenue		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	$ -	$ 4,821,415
Prepaid property taxes due in December 2021, but paid in advance by the taxpayers.	193,404	193,404
Total unavailable/deferred revenue	$ 193,404	$ 5,014,819

NOTE 9—COMMITMENTS AND CONTINGENT LIABILITIES:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of the Uniform Guidance. Pursuant to the provisions of this guidance all major programs and certain other programs were tested for compliance with applicable grant requirements.

While no matters of noncompliance were disclosed by our 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.

At June 30, 2022, the County had the following construction contracts outstanding:

Project	Contractor	Balance June 30, 2022
New Walton Elementary School	Loughridge & Company	$ 8,707,661
Route 156 Water Line Extension	Perkinson Construction	127,835
Route 460 Water Line Extension	Waco Inc	248,831
County Garage Renovation	Loughridge & Company	2,286,379
Prince George High School Stadium	Field Turf USA	1,523,882
Clements Roofing Project	Whitley Service Roofing	269,399
Total		$ 13,163,987

NOTE 10—LITIGATION:

At June 30, 2022, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

NOTE 11—RISK MANAGEMENT:

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

The County is a member of the Virginia Association of Counties Risk Pool (VaCorp) insurance program for its property, automobile, liability, public officials and worker's compensation coverage. The pool is a nonprofit, tax exempt association.

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

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

NOTE 12—PENSION PLAN:

Plan Description

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

Benefit Structures

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

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

NOTE 12—PENSION PLAN: (CONTINUED)

Benefit Structures: (Continued)

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

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

Average Final Compensation and Service Retirement Multiplier

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

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

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

NOTE 12—PENSION PLAN: (CONTINUED)

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	179	146
Inactive members:		
Vested inactive members	53	24
Non-vested inactive members	53	82
Inactive members active elsewhere in VRS	115	24
Total inactive members	221	130
Active members	253	185
Total covered employees	653	461

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 14.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were $2,206,164 and $2,051,146 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 7.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were $347,253 and $323,364 for the years ended June 30, 2022 and June 30, 2021, respectively.

NOTE 12—PENSION PLAN: (CONTINUED)

Net Pension Liability

The net pension liability (asset) (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

NOTE 12—PENSION PLAN: (CONTINUED)

Actuarial Assumptions – General Employees (Continued)

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

NOTE 12—PENSION PLAN: (CONTINUED)

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

Mortality rates:

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

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

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

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

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

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

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

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

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

NOTE 12—PENSION PLAN: (CONTINUED)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating

NOTE 12—PENSION PLAN: (CONTINUED)

Discount Rate: (Continued)

employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Primary Government			
Balances at June 30, 2020	$ 71,821,098	$ 57,199,825	$ 14,621,273
Changes for the year:			
Service cost	$ 1,996,147	$ -	$ 1,996,147
Interest	4,721,007	-	4,721,007
Changes of assumptions	3,036,714	-	3,036,714
Differences between expected and actual experience	(1,252,608)	-	(1,252,608)
Contributions - employer	-	2,048,655	(2,048,655)
Contributions - employee	-	683,395	(683,395)
Net investment income	-	15,608,529	(15,608,529)
Benefit payments, including refunds of employee contributions	(3,760,512)	(3,760,512)	-
Administrative expenses	-	(38,717)	38,717
Other changes	-	1,473	(1,473)
Net changes	$ 4,740,748	$ 14,542,823	$ (9,802,075)
Balances at June 30, 2021	$ 76,561,846	$ 71,742,648	$ 4,819,198
Component School Board (nonprofessional)			
Balances at June 30, 2020	$ 19,544,829	$ 17,227,793	$ 2,317,036
Changes for the year:			
Service cost	$ 424,362	$ -	$ 424,362
Interest	1,279,032	-	1,279,032
Changes of assumptions	548,083	-	548,083
Differences between expected and actual experience	428,110	-	428,110
Contributions - employer	-	316,606	(316,606)
Contributions - employee	-	219,919	(219,919)
Net investment income	-	4,638,272	(4,638,272)
Benefit payments, including refunds of employee contributions	(1,192,421)	(1,192,421)	-
Administrative expenses	-	(11,841)	11,841
Other changes	-	435	(435)
Net changes	$ 1,487,166	$ 3,970,970	$ (2,483,804)
Balances at June 30, 2021	$ 21,031,995	$ 21,198,763	$ (166,768)

NOTE 12—PENSION PLAN: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County of Prince George Net Pension Liability (Asset)	$ 14,802,119	$ 4,819,198	$ (3,431,198)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	$ 2,030,720	$ (166,768)	$ (2,028,025)

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of $982,547 and $65,621, respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 251,517	955,616	256,866	10,953
Change in proportionate share	7,634	7,634	-	-
Change in assumptions	2,332,503	-	328,850	-
Net difference between projected and actual earnings on pension plan investments	-	7,770,332	-	2,287,509
Employer contributions subsequent to the measurement date	2,206,164	-	347,253	-
Total	$ 4,797,818	$ 8,733,582	$ 932,969	$ 2,298,462

NOTE 12—PENSION PLAN: (CONTINUED)

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

$2,206,164 and $347,253 were reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2023	$ (987,851)	$ (155,482)
2024	(1,192,542)	(325,437)
2025	(1,604,834)	(532,242)
2026	(2,356,701)	(699,585)
Thereafter	-	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS CAFR may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Component Unit School Board (professional)

Plan Description

All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Retirement Plan upon employment. This is a cost-sharing multiple employer plan administered by the Virginia Retirement System (the system). Additional information related to the plan description is included in the first section of this note.

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. 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 $5,657,203 and $5,485,844 for the years ended June 30, 2022 and June 30, 2021, respectively. In June 2021, the Commonwealth made a special contribution of approximately $61.3 million to the VRS Teacher Retirement Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

At June 30, 2022, the school division reported a liability of $30,102,962 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, 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, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .38777% as compared to .39540% at June 30, 2020.

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

For the year ended June 30, 2022, the school division recognized pension expense of $($253,966). 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.

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,563,988
Change in assumptions	5,273,960	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	328,510	1,938,843
Net difference between projected and actual earnings on pension plan investments	-	18,970,082
Employer contributions subsequent to the measurement date	5,657,203	-
Total	$ 11,259,673	$ 23,472,913

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

$5,657,203 was 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2023	$	(4,485,446)
2024		(3,847,003)
2025		(4,032,999)
2026		(5,508,139)
2027		3,144

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality rates:

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

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

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

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

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

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

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

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

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

		Teacher Employee Retirement Plan
Total Pension Liability	$	53,381,141
Plan Fiduciary Net Position		45,617,878
Employers' Net Pension Liability (Asset)	$	7,763,263
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.46%

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

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

NOTE 12—PENSION PLAN: (CONTINUED)

Component Unit School Board (professional): (Continued)

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	$ 58,097,088	$ 30,102,962	$ 7,074,055

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS CAFR may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Primary Government and Component Unit School Board

Aggregate Pension Information

Pension Plans	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
Primary Government				
LOSAP Pension Plan	$ 130,251	$ 151,395	$ 787,896	$ 191,198
VRS Pension Plans:				
Primary Government	4,797,820	8,733,582	4,819,198	982,547
Totals	$ 4,928,071	$ 8,884,977	$ 5,607,094	$ 1,173,745
Component Unit School Board				
VRS Pension Plans:				
School Board Nonprofessional	$ 932,969	$ 2,298,462	$ (166,768)	$ 65,621
School Board Professional	11,259,673	23,472,913	30,102,962	(253,966)
Totals	$ 12,192,642	$ 25,771,375	$ 29,936,194	$ (188,345)

NOTE 13—LANDFILL POSTCLOSURE CARE COSTS:

The County closed its landfill prior to the date mandated by state and federal laws and regulations and the Department of Environmental Quality in the Commonwealth of Virginia has indicated the County is no longer liable for post closure care monitoring and maintenance.

NOTE 14—SURETY BONDS:

	Amount
Division of Risk Management Surety:	
Commonwealth Funds	
Joyce B. Jackson, Clerk of the Circuit Court	$ 400,000
Susan Vargo, Treasurer	500,000
Darlene M. Rowsey, Commissioner of the Revenue	3,000
Roger W. Vargo, Sheriff	30,000
Virginia Association of Counites Risk Pool:	
All County employees covered under Crime Policy	500,000
All Public Officals covered under Public Officials Liability	5,000,000
Virginia Municipal League:	
All School Board employees covered under Crime Policy	500,000

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB:

Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

The specific information about the Political Subdivision HIC Plan OPEB, including eligibility, coverage and benefits is described below:

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB:

Health Insurance Credit (HIC) Plan (OPEB Plan):

Eligible Employees

The Political Subdivision Retiree HIC Plan was established July 1, 1993 for retired political subdivision employees of employers who elect the benefit and retire with at least 15 years of service credit. Eligible employees include full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan. These employees are enrolled automatically upon employment.

Benefit Amounts

The Political Subdivision Retiree HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired political subdivision employees of participating employers. For employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is $45.00 per month.

HIC Plan Notes

The monthly HIC benefit cannot exceed the individual premium amount. There is no HIC for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	31
Inactive members:	
Vested inactive members	5
Active members	185
Total covered employees	221

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2022 was .61% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were $31,515 and $29,278 for the years ended June 30, 2022 and June 30, 2021, respectively.

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately $2.5 million of additional employer contributions in FY 2021.

Net HIC OPEB Liability

The Component Unit School Board's (nonprofessional) net HIC OPEB liability was measured as of June 30, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions:

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

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

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

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

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

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

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expectec Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investement Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 282,291	$ 20,371	$ 261,920
Changes for the year:			
Service cost	$ 7,288	$ -	$ 7,288
Interest	18,524	-	18,524
Benefit changes	-	-	-
Differences between expected			-
and actual experience	(3,322)	-	(3,322)
Assumption changes	3,721	-	3,721
Contributions - employer	-	29,269	(29,269)
Net investment income	-	6,692	(6,692)
Benefit payments	(15,722)	(15,722)	-
Administrative expenses	-	(122)	122
Net changes	$ 10,489	$ 20,117	$ -9,628
Balances at June 30, 2021	$ 292,780	$ 40,488	$ 252,292

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board's (nonprofessional) Net HIC OPEB Liability	$ 282,364	$ 252,292	$ 226,577

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2022, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of $73,487. At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Program from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 83,408	$ 2,681
Net difference between projected and actual earnings on HIC OPEB plan investments	-	3,476
Change in assumptions	5,202	-
Employer contributions subsequent to the measurement date	31,515	-
Total	$ 120,125	$ 6,157

$31,515 was reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ 49,383
2024	34,146
2025	(195)
2026	(895)
2027	14
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were $427,719 and $412,838 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of $4,951,882 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC Program was .38579% as compared to .39247% at June 30, 2020.

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

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC OPEB expense of $336,892. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

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

At June 30, 2022, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 86,410
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	65,231
Change in assumptions	133,858	19,901
Change in proportionate share	22,846	265,867
Employer contributions subsequent to the measurement date	427,719	-
Total	$ 584,423	$ 437,409

$427,719 was reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

Year Ended June 30	
2023	$ (72,457)
2024	(73,198)
2025	(63,435)
2026	(45,980)
2027	(14,578)
Thereafter	(11,057)

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

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

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2020, 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, 2021.

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

Mortality Rates – Teachers

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

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

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

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

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

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

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

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2021, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	$	1,477,874
Plan Fiduciary Net Position		194,305
Teacher Employee net HIC OPEB Liability (Asset)	$	1,283,569
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		13.15%

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by each school division for the VRS Teacher Employee HIC Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the Teacher Employee HIC OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Teacher Employee HIC OPEB liability.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 5,574,446	$ 4,951,882	$ 4,425,043

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

Contributions

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions: (Continued)

employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $82,045 and $76,585 for the years ended June 30, 2022 and June 30, 2021, respectively, for the County; $28,024 and $25,983 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (nonprofessional) and $191,313 and $184,629 for the years ended June 30, 2022 and June 30, 2021, respectively, for the School Board (professional).

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

At June 30, 2022, the entity reported a liability of $799,738 for the County; $271,391 for the School Board (nonprofessional); $1,928,034 for the School Board (professional) for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion was .06870% as compared to .06970% at June 30, 2020 for the County. At June 30, 2021, the participating employer's proportion was .02330% as compared to .02370% at June 30, 2020 for the School Board (nonprofessional). At June 30, 2021, the participating employer's proportion was .16560% as compared to .16740% at June 30, 2020 for the School Board (professional).

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of $32,237 (County), $14,981 (School Board – nonprofessional), $43,975 (School Board – professional). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government		
Differences between expected and actual experience	$ 91,213	$ 6,094
Net difference between projected and actual earnings on GLI OPEB program investments	-	190,880
Change in assumptions	44,089	109,421
Changes in proportion	38,915	30,445
Employer contributions subsequent to the measurement date	82,045	-
Total	$ 256,262	$ 336,840
Component Unit School Board (nonprofessional)		
Differences between expected and actual experience	$ 30,953	$ 2,068
Net difference between projected and actual earnings on GLI OPEB program investments	-	64,775
Change in assumptions	14,962	37,132
Changes in proportion	38,917	18,088
Employer contributions subsequent to the measurement date	28,024	-
Total	$ 112,856	$ 122,063
Component Unit School Board (professional)		
Differences between expected and actual experience	$ 219,899	$ 14,691
Net difference between projected and actual earnings on GLI OPEB program investments	-	460,180
Change in assumptions	106,292	263,796
Changes in proportion	1,032	95,403
Employer contributions subsequent to the measurement date	191,313	-
Total	$ 518,536	$ 834,070

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

$82,045 (County); $28,024 (School Board nonprofessional); and $191,313 (School Board professional) were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (nonprofessional)	Component Unit School Board (professional)
2023	$ (39,925)	$ (9,507)	$ (129,995)
2024	(30,185)	(6,250)	(103,408)
2025	(25,046)	(2,689)	(92,793)
2026	(54,888)	(14,896)	(149,663)
2027	(12,579)	(3,889)	(30,988)
Thereafter	-	-	-

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, 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, 2021. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

Mortality Rates – Teachers

Pre-Retirement:

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

Post-Retirement:

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Mortality Rates – Teachers: (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the 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, 2021, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		Group Life Insurance OPEB Program
Total GLI OPEB Liability	$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	$	1,164,272
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.45%

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2021, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate: (Continued)

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 1,168,447	$ 799,738	$ 501,990
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 396,513	$ 271,391	$ 170,350
School Board (professional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	$ 2,816,927	$ 1,928,034	$ 1,210,212

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at https://www.varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan):

County

Plan Description

In addition to the pension benefits described in Note 12 and the group life benefits described above, the County administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life 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. In addition, the County provides a fixed basic death benefit for all retirees.

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	$	206
Total retirees with coverage		10
Total spouses with coverage		1
Total	$	217

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2022 was $0.

Total OPEB Liability

The County's total OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as January 1, 2021.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

Actuarial Assumptions

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

Inflation	2.50% per year as of January 1, 2021
Salary Increases	2.50% per year for general salary inflations as of January 1, 2021
Discount Rate	3.69% for accounting and funding disclosures as of June 30, 2022

Mortality rates were PUB2010G.H (general employees headcount) for males/females with generational improvements with Scale SSA18. For those on disability, PUBC2010G.H disabled for males/females with generational improvements with Scale SSA18. The disability and termination rates have been updated to those in the most recent VRS OPEB valuation.

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

Discount Rate

The discount rate used to measure the total OPEB liability is 3.69%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2022.

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability
Balances at June 30, 2021	$ 5,206,871
Changes for the year:	
Service cost	345,809
Interest	106,611
Changes in assumptions	(856,471)
Net changes	(404,051)
Balances at June 30, 2022	$ 4,802,820

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

Rate		
1% Decrease (2.69%)	**Current Discount Rate (3.69%)**	**1% Increase (4.69%)**
$ 5,277,698	$ 4,802,820	$ 4,377,572

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.25% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.25% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.25% decreasing to 3.25%)	**Healthcare Cost Trend (6.25% decreasing to 4.25%)**	**1% Increase (7.25% decreasing to 5.25%)**
$ 4,275,971	$ 4,802,820	$ 5,422,489

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

For the year ended June 30, 2022, the County recognized OPEB expense in the amount of $311,364. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 675,301
Changes in assumptions	412,001	885,183
Total	$ 412,001	$ 1,560,484

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

County: (Continued)

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

Year Ended June 30		
2023	$	(141,056)
2024		(141,056)
2025		(141,056)
2026		(141,056)
2027		(141,056)
Thereafter		(443,203)

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

School Board

Plan Description

In addition to the pension benefits described in Note 12 and the health insurance credit and group life benefits described above, the School Board administers a single-employer defined benefit healthcare plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The plan does not issue a publicly available financial report.

Benefits Provided

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life 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. In addition, the School Board provides a fixed basic death benefit for all retirees.

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

School Board: (Continued)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

Plan Membership

At June 30, 2022 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	$	601
Total retirees with coverage		32
Total spouses with coverage		7
Total	$	640

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2022 was $97,948.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial Assumptions

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

Inflation	2.50% per year as of January 1, 2021
Salary Increases	2.50% per year for general salary inflations as of January 1, 2021
Discount Rate	3.69% for accounting and funding disclosures as of June 30, 2022

Mortality rates were PUB2010G.H (general employees headcount) for males/females with generational improvements with Scale SSA18. For those on disability, PUBC2010G.H disabled for males/females with generational improvements with Scale SSA18. The disability and termination rates have been updated to those in the most recent VRS OPEB valuation.

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

School Board: (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability is 3.69%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2022.

Changes in Total OPEB Liability

		School Board Total OPEB Liability
Balances at June 30, 2021	$	4,692,810
Changes for the year:		
Service cost		293,335
Interest		94,798
Changes in assumptions		(671,468)
Benefit payments		(97,948)
Net changes		(381,283)
Balances at June 30, 2022	$	4,311,527

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

The following amounts present the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current discount rate:

	Rate				
	1% Decrease (2.69%)		Current Discount Rate (3.69%)		1% Increase (4.69%)
$	4,679,386	$	4,311,527	$	3,972,989

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Medical, Dental, and Life Insurance – Pay-as-you-Go (OPEB Plan): (Continued)

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 School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.25% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.25% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

Rates		
1% Decrease (5.25% decreasing to 3.25%)	Healthcare Cost Trend (6.25% decreasing to 4.25%)	1% Increase (7.25% decreasing to 5.25%)
$ 3,844,922	$ 4,311,527	$ 4,862,427

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

For the year ended June 30, 2022, the School Board recognized OPEB expense in the amount of $116,904. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,992,930
Changes in assumptions	404,552	889,779
Total	$ 404,552	$ 2,882,709

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

Year Ended June 30	
2023	$ (271,229)
2024	(271,229)
2025	(271,229)
2026	(271,229)
2027	(271,229)
Thereafter	(1,122,012)

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

NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB: (CONTINUED)

Aggregate OPEB Information

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program:	$ 256,262	$ 336,840	$ 799,738	$ 32,237
County Stand-Alone Plan	412,001	1,560,484	4,802,820	311,364
Totals	$ 668,263	$ 1,897,324	$ 5,602,558	$ 343,601

	Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Program:				
School Board Nonprofessional	$ 112,856	$ 122,063	$ 271,391	$ 14,981
School Board Professional	518,536	834,070	1,928,034	43,975
Teacher Health Insurance Credit Program	584,423	437,409	4,951,862	336,892
Nonprofessional Health Insurance Credit Program	120,125	6,157	252,292	73,487
School Stand-Alone Plan	404,552	2,882,709	4,311,527	116,904
Totals	$ 1,740,492	$ 4,282,408	$ 11,715,106	$ 586,239

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM:

Plan Description and Provisions

On January 1, 2001 the Prince George County Board of Supervisors adopted the Length of Service Awards Program for the Prince George County Volunteer Fire Companies and Emergency Crew to recognize the service provided by the volunteers. The plan is a single employer, defined benefit pension plan open to any volunteer emergency service technician or volunteer firefighter who has earned a year of credited service. Participants vest after five years of service and earn a fixed dollar benefit based on years of service. Benefits and refunds of the postemployment defined benefit pension plan are recognized when due and payable in accordance with the terms of the plan. No separate financial report is issued for the plan.

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)

Plan Description and Provisions: (Continued)

As of June 30, 2022, the date of the most recent actuarial valuation, the program membership consisted of the following:

	LOSAP
Inactive members or their beneficiaries currently receiving benefits	47
Inactive members:	
Vested inactive members	58
Total inactive members	58
Active members	129
Total covered employees	234

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	8.00%
Discount Rate	3.73%
Long term expected rate of return	3.75%

Investments

The following was the County's adopted asset allocation as of June 30, 2022:

Asset Class (Strategy)	Target Allocation
Fixed Income	99.00%
Cash	1.00%
Total	100.00%

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)

Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2022 were as follows:

	LOSAP		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	$ 3,483,513	$ 2,064,035	$ 1,419,478
Changes for the year:			
Service cost	$ 82,655	$ -	$ 82,655
Interest	117,403	-	117,403
Differences between expected and actual experience	23,251	-	23,251
Change in assumptions	(656,548)	-	(656,548)
Contributions - employer	-	141,000	(141,000)
Net investment income	-	57,343	(57,343)
Benefit payments	(107,055)	(107,055)	-
Net changes	$ (540,294)	$ 91,288	$ (631,582)
Balances at June 30, 2022	$ 2,943,219	$ 2,155,323	$ 787,896

The plan's fiduciary net position is 73.23% of the total pension liability.

Discount Rate

The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates at lesser or equal to the difference between actuarially determined contribution rates and the member rate. 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 plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM: (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 3.42%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.42%) or 1-percentage-point higher (4.42%) than the current rate:

	1% Decrease (2.42%)	Current Discount Rate (3.42%)	1% Increase (4.42%)
LOSAP			
Net Pension Liability	$ 1,183,000	$ 787,896	$ 462,000

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

For the year ended June 30, 2022, the County recognized pension expense of $191,198. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LOSAP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 47,447	-
Change in assumptions	-	151,395
Net difference between projected and actual earnings on pension plan investments	82,804	-
Total	$ 130,251	$ 151,395

Amounts reported as deferred outflows of resources to pensions will be recognized in pension expense in future accounting periods as follows:

Year ended June 30	LOSAP
2023	$ 26,410
2024	18,154
2025	9,606
2026	1,379
2027	(1,605)
2028	(5,772)
Thereafter	(69,316)

NOTE 17—LEASES RECEIVABLE:

The County leases property to third parties. Lease revenue totaled $34,115 and 53,728 for the Governmental and Business-Type Activities respectively for the year ended June 30, 2022. Lease interest revenue totaled $1,733 and $1,472 respectively for the year ended June 30, 2022. Discount rates vary on lease receivables from 2.00% to 4.50%. The following summarizes the balances related to these leases for the year ended June 30, 2022:

	Governmental Activities
Appomattox Regional Library	$ 28,667
Crown Castle	55,854
Cellco dba Verizon	49,647
Total	$ 134,168

	Business-type Activities
Triton/Cingular Wireless	$ 67,249
Petersburg Cellular	53,587
Total	$ 120,836

NOTE 18—UPCOMING PRONOUNCEMENTS:

Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

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

NOTE 18—UPCOMING PRONOUNCEMENTS: (CONTINUED)

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

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

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

Required Supplementary Information

Note to Required Supplementary Information:

Presented budgets were prepared in accordance with accounting principles generally accepted in the United States of America.

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	$ 39,229,703	$ 39,229,703	$ 43,769,979	$ 4,540,276
Other local taxes	8,137,164	8,137,164	9,018,154	880,990
Permits, privilege fees, and regulatory licenses	502,050	502,050	721,955	219,905
Fines and forfeitures	352,500	373,904	331,240	(42,664)
Revenue from the use of money and property	409,463	409,463	(158,368)	(567,831)
Charges for services	1,400,329	1,404,222	1,560,915	156,693
Miscellaneous	-	41,038	68,169	27,131
Recovered costs	186,375	327,389	392,507	65,118
Intergovernmental:				
Commonwealth	9,896,569	10,362,481	10,060,949	(301,532)
Federal	1,881,862	1,978,912	2,006,539	27,627
Total revenues	$ 61,996,015	$ 62,766,326	$ 67,772,039	$ 5,005,713
EXPENDITURES				
Current:				
General government administration:				
Legislative:				
Board of supervisors	$ 166,831	$ 175,253	$ 179,414	$ (4,161)
General and financial administration:				
County administrator	$ 316,417	$ 316,417	$ 271,211	$ 45,206
Human resources	330,060	330,060	319,926	10,134
Legal services	369,501	369,501	364,447	5,054
Commissioner of revenue	503,894	503,894	459,122	44,772
Treasurer	654,190	654,190	649,899	4,291
Assessor	620,771	620,771	538,438	82,333
Finance	863,600	863,600	809,654	53,946
Information Technology	1,124,920	1,124,920	1,035,419	89,501
County garage	544,956	590,472	633,334	(42,862)
Other general and financial administration	453,043	142,020	68,256	73,764
Total general and financial administration	$ 5,781,352	$ 5,515,845	$ 5,149,706	$ 366,139
Board of elections:				
Registrar	$ 374,238	$ 374,238	$ 266,094	$ 108,144
Total general government administration	$ 6,322,421	$ 6,065,336	$ 5,595,214	$ 470,122
Judicial administration:				
Courts:				
Circuit court	$ 143,486	$ 143,486	$ 147,155	$ (3,669)
General district court	51,620	51,620	50,409	1,211
Magistrate	1,400	1,400	260	1,140
Sheriff	1,301,935	1,361,620	1,275,830	85,790
Law library	-	3,403	3,268	135

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022 (Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES: (Continued)				
Judicial administration: (Continued)				
Courts: (Continued)				
Victim witness	$ 117,889	$ 117,889	$ 118,323	$ (434)
Clerk of Circuit Court	628,409	649,051	630,685	18,366
Total courts	$ 2,244,739	$ 2,328,469	$ 2,225,930	$ 102,539
Commonwealth's attorney:				
Commonwealth's attorney	$ 768,841	$ 796,917	$ 763,158	$ 33,759
Total judical administration	$ 3,013,580	$ 3,125,386	$ 2,989,088	$ 136,298
Public safety:				
Law enforcement and traffic control:				
Police department	$ 6,524,299	$ 6,601,665	$ 6,575,326	$ 26,339
Law enforcement grants	72,605	411,139	172,785	238,354
Total law enforcement and traffic control	$ 6,596,904	$ 7,012,804	$ 6,748,111	$ 264,693
Fire and rescue services:				
Volunteer fire departments	$ 287,176	$ 743,358	$ 273,715	$ 469,643
LOSAP volunteers	141,000	141,000	141,000	-
SAFER Grant	636,695	640,722	613,515	27,207
Fire and rescue service	3,876,185	3,995,775	3,985,837	9,938
Total fire and rescue services	$ 4,941,056	$ 5,520,855	$ 5,014,067	$ 506,788
Correction and detention:				
Confinement and care of prisoners	$ 2,579,328	$ 2,725,741	$ 2,662,641	$ 63,100
Juvenile services - VJCCCA	87,413	87,413	85,745	1,668
Court services	107,499	110,299	101,695	8,604
Total correction and detention	$ 2,774,240	$ 2,923,453	$ 2,850,081	$ 73,372
Inspections:				
Building	$ 964,543	$ 964,596	$ 808,167	$ 156,429
Other protection:				
Animal control	$ 514,931	$ 514,931	$ 401,834	$ 113,097
Emergency services	1,523,279	1,592,736	1,488,574	104,162
Total other protection	$ 2,038,210	$ 2,107,667	$ 1,890,408	$ 217,259
Total public safety	$ 17,314,953	$ 18,529,375	$ 17,310,834	$ 1,218,541

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Public works:				
Sanitation and waste removal:				
Refuse disposal	$ 61,928	$ 74,022	$ 69,422	$ 4,600
Total sanitation and waste removal	$ 61,928	$ 74,022	$ 69,422	$ 4,600
Maintenance of general buildings and grounds:				
General properties	$ 2,288,166	$ 2,351,714	$ 2,209,594	$ 142,120
Engineering	3,000	3,000	2,319	681
Total maintenance of general buildings and grounds	$ 2,291,166	$ 2,354,714	$ 2,211,913	$ 142,801
Total public works	$ 2,353,094	$ 2,428,736	$ 2,281,335	$ 147,401
Health and welfare:				
Health:				
Supplement of local health department	$ 222,377	$ 222,377	$ 222,377	$ -
Mental health and mental retardation:				
District 19 CSB	$ 117,374	$ 117,374	$ 117,374	$ -
Welfare:				
Public assistance and welfare administration	$ 3,134,740	$ 3,264,000	$ 3,062,664	$ 201,336
Comprehensive services	2,178,720	2,278,720	2,006,860	271,860
Tax Relief for the Elderly & Disabled	150,000	150,000	148,746	1,254
Total welfare	$ 5,463,460	$ 5,692,720	$ 5,218,270	$ 474,450
Total health and welfare	$ 5,803,211	$ 6,032,471	$ 5,558,021	$ 474,450
Education:				
Other instructional costs:				
Contribution to School Board Component Unit	$ 16,461,964	$ 16,816,331	$ 15,866,948	$ 949,383
Total education	$ 16,461,964	$ 16,816,331	$ 15,866,948	$ 949,383
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation department	$ 1,038,542	$ 1,050,051	$ 1,078,892	$ (28,841)
Farmer's market	11,659	18,854	20,285	(1,431)

General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022 (Continued)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES: (Continued)				
Parks, recreation, and cultural: (Continued)				
Library:				
Contribution to regional library	$ 604,127	$ 604,127	$ 604,127	$ -
Total parks, recreation, and cultural	$ 1,654,328	$ 1,673,032	$ 1,703,304	$ (30,272)
Community development:				
Planning and community development:				
Planning department	$ 296,951	$ 296,951	$ 247,979	$ 48,972
Total planning and community development	$ 296,951	$ 296,951	$ 247,979	$ 48,972
Environmental management:				
Contribution to soil and water conservation district	$ 21,000	$ 21,000	$ 21,000	$ -
Resource conservation and development council	3,000	3,000	3,000	-
Total environmental management	$ 24,000	$ 24,000	$ 24,000	$ -
Cooperative extension program:				
Extension office	$ 81,975	$ 106,725	$ 90,354	$ 16,371
Total community development	$ 402,926	$ 427,676	$ 362,333	$ 65,343
Total expenditures	$ 53,326,477	$ 55,098,343	$ 51,667,077	$ 3,431,266
Excess (deficiency) of revenues over (under) expenditures	$ 8,669,538	$ 7,667,983	$ 16,104,962	$ 8,436,979
OTHER FINANCING SOURCES (USES)				
Transfers (out)	$ (8,669,538)	$ (11,659,082)	$ (11,659,082)	$ -
Total other financing sources (uses)	$ (8,669,538)	$ (11,659,082)	$ (11,659,082)	$ -
Net change in fund balances	$ -	$ (3,991,099)	$ 4,445,880	$ 8,436,979
Fund balances - beginning	-	3,991,099	33,403,287	29,412,188
Fund balances - ending	$ -	$ -	$ 37,849,167	$ 37,849,167

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 1,996,147	$ 1,935,381	$ 1,719,670	$ 1,687,722
Interest	4,721,007	4,477,182	4,349,151	4,188,791
Changes of assumptions	3,036,714	-	1,933,171	-
Differences between expected and actual experience	(1,252,608)	632,605	(731,696)	(443,473)
Benefit payments, including refunds of employee contributions	(3,760,512)	(3,105,373)	(3,039,430)	(3,244,955)
Net change in total pension liability	$ 4,740,748	$ 3,939,795	$ 4,230,866	$ 2,188,085
Total pension liability - beginning	71,821,098	67,881,303	63,650,437	61,462,352
Total pension liability - ending (a)	$ 76,561,846	$ 71,821,098	$ 67,881,303	$ 63,650,437
Plan fiduciary net position				
Contributions - employer	$ 2,048,655	$ 2,034,732	$ 1,902,865	$ 1,775,463
Contributions - employee	683,395	691,737	649,145	617,252
Net investment income	15,608,529	1,069,758	3,574,949	3,734,158
Benefit payments, including refunds of employee contributions	(3,760,512)	(3,105,373)	(3,039,430)	(3,244,955)
Administrative expense	(38,717)	(36,371)	(34,946)	(32,283)
Other	1,473	(1,290)	(2,257)	(3,320)
Net change in plan fiduciary net position	$ 14,542,823	$ 653,193	$ 3,050,326	$ 2,846,315
Plan fiduciary net position - beginning	57,199,825	56,546,632	53,496,306	50,649,991
Plan fiduciary net position - ending (b)	$ 71,742,648	$ 57,199,825	$ 56,546,632	$ 53,496,306
County's net pension liability - ending (a) - (b)	$ 4,819,198	$ 14,621,273	$ 11,334,671	$ 10,154,131
Plan fiduciary net position as a percentage of the total pension liability	93.71%	79.64%	83.30%	84.05%
Covered payroll	$ 14,112,573	$ 14,273,382	$ 13,288,929	$ 12,417,476
County's net pension liability as a percentage of covered payroll	34.15%	102.44%	85.29%	81.77%

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

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 1,724,984	$ 1,631,572	$ 1,613,853	$ 1,467,866
Interest	4,120,883	3,916,207	3,699,509	3,513,756
Changes of assumptions	(81)	-	-	-
Differences between expected and actual experience	(1,906,805)	(1,580)	329,000	-
Benefit payments, including refunds of employee contributions	(2,692,781)	(2,551,709)	(2,541,646)	(2,114,367)
Net change in total pension liability	$ 1,246,200	$ 2,994,490	$ 3,100,716	$ 2,867,255
Total pension liability - beginning	60,216,152	57,221,662	54,120,946	51,253,691
Total pension liability - ending (a)	$ 61,462,352	$ 60,216,152	$ 57,221,662	$ 54,120,946
Plan fiduciary net position				
Contributions - employer	$ 1,785,303	$ 1,925,702	$ 1,906,737	$ 1,913,168
Contributions - employee	613,996	606,201	603,046	593,887
Net investment income	5,541,986	781,596	1,968,791	5,814,591
Benefit payments, including refunds of employee contributions	(2,692,781)	(2,551,709)	(2,541,646)	(2,114,367)
Administrative expense	(31,674)	(27,427)	(26,604)	(30,700)
Other	(4,950)	(332)	(414)	306
Net change in plan fiduciary net position	$ 5,211,880	$ 734,031	$ 1,909,910	$ 6,176,885
Plan fiduciary net position - beginning	45,438,111	44,704,080	42,794,170	36,617,285
Plan fiduciary net position - ending (b)	$ 50,649,991	$ 45,438,111	$ 44,704,080	$ 42,794,170
County's net pension liability - ending (a) - (b)	$ 10,812,361	$ 14,778,041	$ 12,517,582	$ 11,326,776
Plan fiduciary net position as a percentage of the total pension liability	82.41%	75.46%	78.12%	79.07%
Covered payroll	$ 12,437,319	$ 12,301,757	$ 12,155,198	$ 11,848,964
County's net pension liability as a percentage of covered payroll	86.93%	120.13%	102.98%	95.59%

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 424,362	$ 417,680	$ 353,840	$ 377,036
Interest	1,279,032	1,259,700	1,252,121	1,234,247
Changes of assumptions	548,083	-	456,178	-
Differences between expected and actual experience	428,110	(79,409)	(47,828)	(292,564)
Benefit payments	(1,192,421)	(1,430,714)	(1,048,362)	(1,078,384)
Net change in total pension liability	$ 1,487,166	$ 167,257	$ 965,949	$ 240,335
Total pension liability - beginning	19,544,829	19,377,572	18,411,623	18,171,288
Total pension liability - ending (a)	$ 21,031,995	$ 19,544,829	$ 19,377,572	$ 18,411,623
Plan fiduciary net position				
Contributions - employer	$ 316,606	$ 348,886	$ 319,251	$ 331,061
Contributions - employee	219,919	224,879	205,319	177,826
Net investment income	4,638,272	333,023	1,125,599	1,209,522
Benefit payments	(1,192,421)	(1,430,714)	(1,048,362)	(1,078,384)
Administrator charges	(11,841)	(11,736)	(11,400)	(10,683)
Other	435	(388)	(709)	(1,066)
Net change in plan fiduciary net position	$ 3,970,970	$ (536,050)	$ 589,698	$ 628,276
Plan fiduciary net position - beginning	17,227,793	17,763,843	17,174,145	16,545,869
Plan fiduciary net position - ending (b)	$ 21,198,763	$ 17,227,793	$ 17,763,843	$ 17,174,145
School subdivision's net pension liability - ending (a) - (b)	$ (166,768)	$ 2,317,036	$ 1,613,729	$ 1,237,478
Plan fiduciary net position as a percentage of the total pension liability	100.79%	88.15%	91.67%	93.28%
Covered payroll	$ 4,799,615	$ 4,862,382	$ 4,338,783	$ 3,836,815
School subdivision's net pension liability as a percentage of covered payroll	-3.47%	47.65%	37.19%	32.25%

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

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans
Component Unit School Board (nonprofessional)
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2017	2016	2015	2014
Total pension liability				
Service cost	$ 406,040	$ 417,396	$ 428,123	$ 409,306
Interest	1,219,527	1,223,081	1,181,493	1,135,508
Changes of assumptions	(206,348)	-	-	-
Differences between expected and actual experience	(192,234)	(724,912)	(66,650)	-
Benefit payments	(955,012)	(977,659)	(920,068)	(855,679)
Net change in total pension liability	$ 271,973	$ (62,094)	$ 622,898	$ 689,135
Total pension liability - beginning	17,899,315	17,961,409	17,338,511	16,649,376
Total pension liability - ending (a)	$ 18,171,288	$ 17,899,315	$ 17,961,409	$ 17,338,511
Plan fiduciary net position				
Contributions - employer	$ 355,732	$ 434,571	$ 441,561	$ 471,667
Contributions - employee	190,544	190,538	194,358	205,593
Net investment income	1,822,949	258,910	670,676	2,031,194
Benefit payments	(955,012)	(977,659)	(920,068)	(855,679)
Administrator charges	(10,692)	(9,483)	(9,320)	(11,024)
Other	(1,617)	(111)	(143)	107
Net change in plan fiduciary net position	$ 1,401,904	$ (103,234)	$ 377,064	$ 1,841,858
Plan fiduciary net position - beginning	15,143,965	15,247,199	14,870,135	13,028,277
Plan fiduciary net position - ending (b)	$ 16,545,869	$ 15,143,965	$ 15,247,199	$ 14,870,135
School subdivision's net pension liability - ending (a) - (b)	$ 1,625,419	$ 2,755,350	$ 2,714,210	$ 2,468,376
Plan fiduciary net position as a percentage of the total pension liability	91.06%	84.61%	84.89%	85.76%
Covered payroll	$ 3,935,335	$ 3,885,016	$ 3,930,143	$ 4,107,517
School subdivision's net pension liability as a percentage of covered payroll	41.30%	70.92%	69.06%	60.09%

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.38770%	0.39540%	0.39127%	0.40418%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 30,102,962	$ 57,536,718	$ 51,493,355	$ 47,531,000
Employer's Covered Payroll	34,118,863	34,406,830	32,824,265	35,074,106
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	88.23%	167.22%	156.88%	135.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%	74.81%

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

Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan - Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2017	2016	2015	2014
Employer's Proportion of the Net Pension Liability (Asset)	0.41019%	0.42124%	0.41460%	0.42720%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 50,445,000	$ 59,033,000	$ 52,186,000	$ 51,625,000
Employer's Covered Payroll	32,307,287	32,125,441	26,635,819	26,967,312
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	156.14%	183.76%	195.92%	191.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.92%	68.28%	70.68%	70.88%

Schedule of Employer Contributions - Pension Plans
Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2022	$ 2,206,164	$ 2,206,164	$ -	$ 15,148,810	14.56%
2021	2,051,146	2,051,146	-	14,112,573	14.53%
2020	2,036,997	2,036,997	-	14,273,382	14.27%
2019	1,905,449	1,905,449	-	13,288,929	14.34%
2018	1,775,595	1,775,595	-	12,417,476	14.30%
2017	1,782,156	1,782,156	-	12,437,319	14.33%
2016	1,825,702	1,825,702	-	12,301,757	14.84%
2015	1,912,013	1,912,013	-	12,155,198	15.73%
2014	1,913,608	1,913,608	-	11,848,964	16.15%
2013	1,743,353	1,743,353	-	10,794,754	16.15%
School Board - Non-Professionals:					
2022	$ 347,253	$ 347,253	$ -	$ 5,166,471	6.72%
2021	323,364	323,364	-	4,799,615	6.74%
2020	353,871	353,871	-	4,862,382	7.28%
2019	322,212	322,212	-	4,338,783	7.43%
2018	331,058	331,058	-	3,836,815	8.63%
2017	363,984	363,984	-	3,935,335	9.25%
2016	434,571	434,571	-	3,885,016	11.19%
2015	443,713	443,713	-	3,930,143	11.29%
2014	448,541	448,541	-	4,107,517	10.92%
2013	421,769	421,769	-	3,862,356	10.92%
School Board - Professionals:					
2022	$ 5,657,203	$ 5,657,203	$ -	$ 35,308,841	16.02%
2021	5,485,844	5,485,844	-	34,118,863	16.08%
2020	5,253,823	5,253,823	-	34,406,830	15.27%
2019	5,031,204	5,031,204	-	32,824,265	15.33%
2018	5,095,114	5,095,114	-	35,074,106	14.53%
2017	4,687,068	4,687,068	-	32,307,287	14.51%
2016	4,516,837	4,516,837	-	32,125,441	14.06%
2015	4,323,112	4,323,112	-	26,635,819	16.23%

The School Board Professional schedule is intended to report information for 10 years. 2015 is the first year for this presentation, no other data is available. Additional years will be included when available.

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

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

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

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

All Others (Non 10 Largest) – Hazardous Duty:

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

Component Unit School Board - Professional Employees

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

Schedule of Changes in Net Pension Liabiltiy and Related Ratios
Pension Trust Fund
For the Years Ended June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total pension liability:					
Service costs	$ 82,655	$ 84,774	$ 81,128	$ 55,169	$ 73,069
Interest cost	117,403	121,704	125,859	123,115	120,949
Change due to differences in experience	23,251	38,691	(24,181)	15,615	(4,863)
Change in assumptions	(656,548)	69,405	264,215	305,983	(46,581)
Benefit payments	(107,055)	(100,105)	(112,694)	(88,550)	(86,045)
Net change in total pension liability	$ (540,294)	$ 214,469	$ 334,327	$ 411,332	$ 56,529
Total pension liability - beginning	3,483,513	3,269,044	2,934,717	2,523,385	2,466,856
Total pension liability - ending	$ 2,943,219	$ 3,483,513	$ 3,269,044	$ 2,934,717	$ 2,523,385
Plan fiduciary net position:					
Employer contributions	$ 141,000	$ 141,000	$ 141,000	$ 135,000	$ 135,000
Net investment income	57,343	64,431	48,682	47,825	44,633
Benefit payments	(107,055)	(100,105)	(112,694)	(88,550)	(86,045)
Net change in plan fiduciary net position	$ 91,288	$ 105,326	$ 76,988	$ 94,275	$ 93,588
Plan fiduciary net position - beginning	2,064,035	1,958,709	1,881,721	1,787,446	1,693,858
Plan fiduciary net position - ending	$ 2,155,323	$ 2,064,035	$ 1,958,709	$ 1,881,721	$ 1,787,446
Net pension liability	$ 787,896	$ 1,419,478	$ 1,310,335	$ 1,052,996	$ 735,939
Plan fiduciary net position as a percentage of the total pension liability	$ 73%	$ 59%	$ 60%	$ 64%	$ 71%

This schedule is intended to report information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Schedule of Employer Contributions
Pension Trust Fund
For the Years Ended June 30, 2014 through June 30, 2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	$ 144,598	$ 144,755	$ 127,637	$ 172,160	$ 140,657	$ 140,087	$ 138,239	$ 148,854	$ 144,746
Contributions in relation to the actuarially determined contribution	104,500	104,500	104,500	104,500	135,000	135,000	141,000	141,000	141,000
Contribution deficiency (excess)	$ (40,098)	$ (40,255)	$ (23,137)	$ (67,660)	$ (5,657)	$ (5,087)	$ 2,761	$ (7,854)	$ (3,746)

This schedule is intended to report information for 10 years. Information prior to the 2014 is not available. However, additional years will be included as they become available.

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, 2022.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar on a closed amortization period
Remaining amortization period	10 years
Inflation	8.00%
Investment rate of return	3.75%

Schedule of Changes in the Component Unit School Board's (nonprofessional) Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total HIC OPEB Liability				
Service cost	$ 7,288	$ 6,970	$ 5,833	$ 6,200
Interest	18,524	16,901	11,047	(410)
Changes of benefit terms	-	12,715	-	-
Differences between expected and actual experience	(3,322)	3,397	85,304	171,164
Changes in assumptions	3,721	-	5,886	-
Benefit payments	(15,722)	(16,149)	(14,867)	(11,700)
Net change in total HIC OPEB liability	$ 10,489	$ 23,834	$ 93,203	$ 165,254
Total HIC OPEB Liability - beginning	282,291	258,457	165,254	-
Total HIC OPEB Liability - ending (a)	$ 292,780	$ 282,291	$ 258,457	$ 165,254
Plan fiduciary net position				
Contributions - employer	$ 29,269	$ 23,340	$ 21,211	$ 17,292
Net investment income	6,692	368	669	268
Benefit payments	(15,722)	(16,149)	(14,867)	(11,700)
Administrative expense	(122)	(36)	(14)	(10)
Other	-	-	(1)	-
Net change in plan fiduciary net position	$ 20,117	$ 7,523	$ 6,998	$ 5,850
Plan fiduciary net position - beginning	20,371	12,848	5,850	-
Plan fiduciary net position - ending (b)	$ 40,488	$ 20,371	$ 12,848	$ 5,850
School Board's net HIC OPEB liability - ending (a) - (b)	$ 252,292	$ 261,920	$ 245,609	$ 159,404
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13.83%	7.22%	4.97%	3.54%
Covered payroll	$ 4,799,615	$ 4,862,382	$ 4,338,783	$ 4,338,783
School Board's net HIC OPEB liability as a percentage of covered payroll	5.26%	5.39%	5.66%	3.67%

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

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2019 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 31,515	$ 31,515	$ -	$ 5,166,471	0.61%
2021	29,278	29,278	-	4,799,615	0.61%
2020	23,339	23,339	-	4,862,382	0.48%
2019	20,826	20,826	-	4,338,783	0.48%

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

Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2022

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

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

Non-Largest Ten Locality Employers - General Employees

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

Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.38579%	$ 4,951,882	$ 34,118,863	14.51%	13.15%
2020	0.39247%	5,119,836	34,406,830	14.88%	9.95%
2019	0.39005%	5,106,134	32,716,090	15.61%	8.97%
2018	0.40374%	5,126,000	32,697,249	15.68%	8.08%
2017	0.40934%	5,193,000	32,336,732	16.06%	7.04%

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

Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 427,719	$ 427,719	$ -	$ 35,348,677	1.21%
2021	412,838	412,838	-	34,118,863	1.21%
2020	412,882	412,882	-	34,406,830	1.20%
2019	392,593	392,593	-	32,716,090	1.20%
2018	398,264	398,264	-	32,697,249	1.22%
2017	358,589	358,589	-	32,336,732	1.11%

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

Notes to Required Supplementary Information
Teacher Employee Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2022

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

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

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

Schedule of County and School Board's Share of Net OPEB Liability
Group Life Insurance (GLI) Program
For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.06870%	$ 799,738	$ 14,182,483	5.64%	67.45%
2020	0.06970%	1,163,513	14,347,917	8.11%	52.64%
2019	0.06729%	1,105,239	13,315,573	8.30%	52.00%
2018	0.06548%	995,000	12,450,965	7.99%	51.22%
2017	0.06792%	1,022,000	12,527,854	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.02330%	$ 271,391	$ 4,811,622	5.64%	67.45%
2020	0.02370%	395,848	4,880,818	8.11%	52.64%
2019	0.02217%	360,765	4,346,078	8.30%	52.00%
2018	0.01942%	295,000	3,692,563	7.99%	51.22%
2017	0.02143%	323,000	3,953,134	8.17%	48.86%
Component Unit School Board (professional)					
2021	0.16560%	$ 1,928,034	$ 34,190,556	5.64%	67.45%
2020	0.16740%	2,793,298	34,448,169	8.11%	52.64%
2019	0.16728%	2,722,091	32,793,271	8.30%	52.00%
2018	0.17196%	2,612,000	32,697,249	7.99%	51.22%
2017	0.17310%	2,638,000	32,336,732	8.16%	48.86%

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

Schedule of Employer Contributions
Group Life Insurance (GLI) Program
For the Years Ended June 30, 2017 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	$ 82,045	$ 82,045	$ -	$ 15,193,596	0.54%
2021	76,585	76,585	-	14,182,483	0.54%
2020	74,609	74,609	-	14,347,917	0.52%
2019	69,241	69,241	-	13,315,573	0.52%
2018	65,238	65,238	-	12,450,965	0.52%
2017	65,145	65,145	-	12,527,854	0.52%
Component Unit School Board (nonprofessional)					
2022	$ 28,024	$ 28,024	$ -	$ 5,189,665	0.54%
2021	25,983	25,983	-	4,811,622	0.54%
2020	25,380	25,380	-	4,880,818	0.52%
2019	22,600	22,600	-	4,346,078	0.52%
2018	19,426	19,426	-	3,692,563	0.53%
2017	20,556	20,556	-	3,953,134	0.52%
Component Unit School Board (professional)					
2022	$ 191,313	$ 191,313	$ -	$ 35,428,419	0.54%
2021	184,629	184,629	-	34,190,556	0.54%
2020	179,130	179,130	-	34,448,169	0.52%
2019	170,045	170,045	-	32,793,271	0.52%
2018	171,742	171,742	-	32,697,249	0.53%
2017	168,151	168,151	-	32,336,732	0.52%

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

Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2022

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 345,809	$ 197,028	$ 192,222	$ 96,043	$ 93,700
Interest	106,611	126,175	141,762	102,426	97,005
Changes in assumptions	(856,471)	262,234	282,066	(164,294)	(14,655)
Changes in benefit terms	-	-	-	2,289,643	-
Differences between expected and actual experience	-	(331,534)	-	(673,409)	-
Benefit payments	-	-	-	(92,945)	(55,013)
Net change in total OPEB liability	$ (404,051)	$ 253,903	$ 616,050	$ 1,557,464	$ 121,037
Total OPEB liability - beginning	5,206,871	4,952,968	4,336,918	2,779,454	2,658,417
Total OPEB liability - ending	$ 4,802,820	$ 5,206,871	$ 4,952,968	$ 4,336,918	$ 2,779,454
Covered employee payroll	$ 15,213,154	$ 14,135,095	$ 14,364,766	$ 13,386,741	$ 9,602,174
County's total OPEB liability (asset) as a percentage of covered employee payroll	31.57%	36.84%	34.48%	32.40%	28.95%

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

Notes to Required Supplementary Information - County OPEB
For the Year Ended June 30, 2022

Valuation Date: 1/1/2021
Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.69% as of June 30, 2022
Inflation	2.50% per year as of January 1, 2021
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.25% in 2021 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010G.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA18. The disabilit and termination rates have been updated to those used in the most recent VRS OPEB valuation.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit - School Board
For the Measurement Dates of June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 293,335	$ 265,708	$ 259,227	$ 267,064	$ 260,550
Interest	94,798	141,515	165,449	244,151	227,986
Changes in assumptions	(671,468)	207,858	308,450	(384,313)	(33,108)
Differences between expected and actual experience	-	(1,241,001)	-	(1,438,147)	-
Benefit payments	(97,948)	(381,067)	(119,102)	(159,411)	(84,346)
Net change in total OPEB liability	$ (381,283)	$ (1,006,987)	$ 614,024	$ (1,470,656)	$ 371,082
Total OPEB liability - beginning	4,692,810	5,699,797	5,085,773	6,556,429	6,185,347
Total OPEB liability - ending	$ 4,311,527	$ 4,692,810	$ 5,699,797	$ 5,085,773	$ 6,556,429
Covered employee payroll	$ 41,391,980	$ 39,643,392	$ 38,653,622	$ 36,566,162	$ 23,107,306
County's total OPEB liability (asset) as a percentage of covered employee payroll	10.42%	11.84%	14.75%	13.91%	28.37%

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

Notes to Required Supplementary Information - School Board OPEB
For the Year Ended June 30, 2022

Valuation Date: 1/1/2021
Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.69% as of June 30, 2022
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.25% in 2021 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010G.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA18. The disabilit and termination rates have been updated to those used in the most recent VRS OPEB valuation.

Other Supplementary Information

County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Revenue from local sources:				
Revenue from the use of money and property	$ 1,329,985	$ -	$ 100,229	$ 100,229
Miscellaneous	1,998	43,583	63,583	20,000
Intergovernmental:				
Commonwealth	75,480	75,480	75,480	-
Total revenues	$ 1,407,463	$ 119,063	$ 239,292	$ 120,229
EXPENDITURES				
Current:				
General government administration				
Courthouse renovations	$ 5,957	$ 5,957	$ -	$ 5,957
Assessor software	10,015	26,900	26,900	-
Garage renovation	119,220	3,036,069	375,916	2,660,153
IT server room HVAC	-	12,768	12,768	-
Human services cooling tower and pump	265	265	-	265
Koolwood lane improvements	48,636	50,636	50,636	-
County admin chiller	220,610	220,610	220,610	-
Circuit court renovation	108,572	108,572	66,004	42,568
Miscellaneous outlays / projects	114,751	114,751	-	114,751
Total general government administration	$ 628,026	$ 3,576,528	$ 752,834	$ 2,823,694
Public safety				
Police vehicles	$ 38,174	$ 364,174	$ 262,956	$ 101,218
Body cameras	5,991	5,991	-	5,991
Fire / EMS apparatus and equipment	558,028	687,740	453,103	234,637
Burn building	414,453	-	-	-
Fire / EMS vehicle replacement	4,555	4,555	-	4,555
Crew building electrical upgrades	37,892	158,320	30,351	127,969
Other public safety projects	3,111,157	2,890,229	-	2,890,229
Jefferson Park fire station	100,500	100,500	75,754	24,746
Building inspector software	3,493	3,493	-	3,493
Radio project	12,087,799	12,303,368	6,525,527	5,777,841
Total public safety	$ 16,362,042	$ 16,518,370	$ 7,347,691	$ 9,170,679
Public works				
Utility route 156 water extension	$ 1,725,384	$ 1,845,384	$ 1,745,884	$ 99,500
Utility temple avenue tank	435,000	435,000	17,500	417,500
Utility Food Lion water upgrades	1,245,845	1,245,846	1,035,401	210,445
Total public works	$ 3,406,229	$ 3,526,230	$ 2,798,785	$ 727,445
Parks, recreation, and cultural:				
Central Wellness Center	$ 46,128	$ 46,128	$ -	$ 46,128
Community center parking lot	1,392	1,392	-	1,392
Parks vehicle replacement	371	4,520	-	4,520
Tennis and basketball courts	1,350	-	-	-
CDCC vehicle replacement	1,604	71,455	62,302	9,153
CDCC building upgrades	311,613	314,631	314,631	-
Convenience station	127,763	127,763	6,644	121,119
Total parks, recreation and cultural	$ 490,221	$ 565,889	$ 383,577	$ 182,312

County Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Education:				
School bus replacement	$ 15,232	$ 431,973	$ 424,600	$ 7,373
PGHS generator	179,220	179,220	179,220	-
School technology	25,438	25,438	-	25,438
School restroom and lockerroom renovation	422,469	422,469	37,627	384,842
Harrison roof	34,316	34,316	-	34,316
Electrical switch gears	547	-	-	-
Fire alarm replacement	50,000	50,000	-	50,000
Moore water improvements	2,181	4,462	2,181	2,281
Parking lot repairs	14,399	14,399	14,399	-
PGHS HVAC Chiller	125,500	125,500	125,500	-
Bleacher replacement	305,400	305,400	300,800	4,600
Walton Elementary improvements	30,950,184	32,102,062	22,652,780	9,449,282
Walton HVAC improvements	1,734	-	-	-
Total education	$ 32,126,620	$ 33,695,239	$ 23,737,107	$ 9,958,132
Debt service:				
Bond issuance cost	$ 60,128	$ 80,987	$ 75,096	$ 5,891
Total expenditures	$ 53,073,266	$ 57,963,243	$ 35,095,090	$ 22,868,153
Excess (deficiency) of revenues over (under) expenditures	$ (51,665,803)	$ (57,844,180)	$ (34,855,798)	$ 22,988,382
OTHER FINANCING SOURCES (USES)				
Transfer in	$ 75,733	$ 3,259,211	$ 3,814,211	$ 555,000
Issuance of debt	2,688,805	2,914,471	4,695,000	1,780,529
Total other financing sources (uses)	$ 2,764,538	$ 6,173,682	$ 8,509,211	$ 2,335,529
Net change in fund balances	$ (48,901,265)	$ (51,670,498)	$ (26,346,587)	$ 25,323,911
Fund balances - beginning	48,901,265	51,670,498	48,452,820	(3,217,678)
Fund balances - ending	$ -	$ -	$ 22,106,233	$ 22,106,233

County Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**
EXPENDITURES				
Debt Service - School Obligations:				
Principal retirement	$ 2,253,043	$ 2,253,043	$ 868,165	$ 1,384,878
Interest and other fiscal charges	1,043,936	1,043,936	1,042,292	1,644
Total debt service school obligations	$ 3,296,979	$ 3,296,979	$ 1,910,457	$ 1,386,522
Debt Service - County Obligations:				
Principal retirement	$ 4,239,844	$ 4,239,844	$ 3,821,000	$ 418,844
Interest and other fiscal charges	1,590,553	1,590,553	1,588,803	1,750
Total debt service county obligations	$ 5,830,397	$ 5,830,397	$ 5,409,803	$ 420,594
Total expenditures:				
Principal retirement	$ 6,492,887	$ 6,492,887	$ 4,689,165	$ 1,803,722
Interest and other fiscal charges	2,634,489	2,634,489	2,631,095	3,394
Total expenditures	$ 9,127,376	$ 9,127,376	$ 7,320,260	$ 1,807,116
Excess (deficiency) of revenues over (under) expenditures	$ (9,127,376)	$ (9,127,376)	$ (7,320,260)	$ 1,807,116
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 9,127,376	$ 9,127,376	$ 9,127,376	$ -
Net change in fund balances	$ -	$ -	$ 1,807,116	$ 1,807,116
Fund balances - beginning	-	-	1,267,560	1,267,560
Fund balances - ending	$ -	$ -	$ 3,074,676	$ 3,074,676

County ARPA Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	**Final**	**Actual Amounts**	
REVENUES				
Intergovernmental:				
Federal	$ -	$ 3,678,813	$ 424,980	$ (3,253,833)
Total revenues	$ -	$ 3,678,813	$ 424,980	$ (3,253,833)
EXPENDITURES				
General government administration	$ -	$ 107,046	$ 107,046	$ -
Judicial administration	-	-	-	-
Public safety	-	633,533	138,225	495,308
Public works	-	2,938,234	179,709	2,758,525
Health and welfare	-	-	-	-
Education	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Community development	-	-	-	-
Total expenditures	$ -	$ 3,678,813	$ 424,980	$ 3,253,833
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Combining Balance Sheet
Nonmajor Governmental Funds
At June 30, 2022

	Community Corrections Fund	Economic Development Fund	Asset Forfeiture Fund	Stormwater Fund	Tourism Fund	Crater Workforce Fund	Opioid Fund	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	$ 160,590	$ 989,928	$ 105,065	$ 2,172,384	$ 753,713	$ -	$ -	$ 4,181,680
Receivables (net of allowance for uncollectibles):								
Accounts receivable	-	303,707	-	15,716	77,843	-	410,904	808,170
Due from other government	343	8,200	-	-	-	-	-	8,543
Total assets	$ 160,933	$ 1,301,835	$ 105,065	$ 2,188,100	$ 831,556	$ -	$ 410,904	$ 4,998,393
LIABILITIES								
Accounts payable	$ 15,633	$ 12,344	$ -	$ 150	$ 28,842	$ -	$ -	$ 56,969
Deferred revenue	-	-	57,263	-	-	-	-	57,263
Accrued expenses	2,005	-	-	-	-	-	-	2,005
Total liabilities	$ 17,638	$ 12,344	$ 57,263	$ 150	$ 28,842	$ -	$ -	$ 116,237
DEFERRED INFLOWS OF RESOURCES								
Opioid settlement	$ -	$ -	$ -	$ -	$ -	$ -	$ 396,631	$ 396,631
FUND BALANCES								
Restricted:								
Special revenue	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,273	$ 14,273
Assigned:								
Special revenue	$ 143,295	$ 1,289,491	$ 47,802	$ 2,187,950	$ 802,714	$ -	$ -	$ 4,471,252
Total fund balances	$ 143,295	$ 1,289,491	$ 47,802	$ 2,187,950	$ 802,714	$ -	$ 14,273	$ 4,485,525
Total liabilities, deferred inflows of resouces and fund balances	$ 160,933	$ 1,301,835	$ 105,065	$ 2,188,100	$ 831,556	$ -	$ 410,904	$ 4,998,393

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Community Corrections Fund	Economic Development Fund	Asset Forfeiture Fund	Stormwater Fund	Tourism Fund	Crater Workforce Fund	Opioid Fund	Total Nonmajor Governmental Funds
REVENUES								
Other local taxes	$ -	$ 1,695,898	$ -	$ 477,825	$ 893,356	$ -	$ -	$ 3,067,079
Revenue from the use of money and property	-	-	-	1,680	-	-	-	1,680
Charges for services	34,410	-	-	-	-	-	-	34,410
Miscellaneous	-	-	-	-	24,928	-	14,273	39,201
Recovered costs	84,493	-	-	-	-	-	-	84,493
Intergovernmental:								
Commonwealth	711,632	8,200	12,995	-	-	-	-	732,827
Federal	-	-	47	-	-	1,297,385	-	1,297,432
Total revenues	$ 830,535	$ 1,704,098	$ 13,042	$ 479,505	$ 918,284	$ 1,297,385	$ 14,273	$ 5,257,122
EXPENDITURES								
Current:								
Public safety	$ 1,062,546	$ -	$ 23,304	$ -	$ -	$ 1,297,385	$ -	$ 2,383,235
Public works	-	-	-	125,361	-	-	-	125,361
Community Development	-	1,084,405	-	-	290,174	-	-	1,374,579
Total expenditures	$ 1,062,546	$ 1,084,405	$ 23,304	$ 125,361	$ 290,174	$ 1,297,385	$ -	$ 3,883,175
Excess (deficiency) of revenues over (under) expenditures	$ (232,011)	$ 619,693	$ (10,262)	$ 354,144	$ 628,110	$ -	$ 14,273	$ 1,373,947
OTHER FINANCING SOURCES (USES)								
Transfers in	$ 69,131	$ -	$ -	$ -	$ -	$ -	$ -	$ 69,131
Transfers (out)	-	(355,407)	-	(441,229)	(149,410)	-	-	(946,046)
Total other financing sources (uses)	$ 69,131	$ (355,407)	$ -	$ (441,229)	$ (149,410)	$ -	$ -	$ (876,915)
Net change in fund balances	$ (162,880)	$ 264,286	$ (10,262)	$ (87,085)	$ 478,700	$ -	$ 14,273	$ 497,032
Fund balances - beginning	306,175	1,025,205	58,064	2,275,035	324,014	-	-	3,988,493
Fund balances - ending	$ 143,295	$ 1,289,491	$ 47,802	$ 2,187,950	$ 802,714	$ -	$ 14,273	$ 4,485,525

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Community Corrections Fund				Economic Development Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES								
Other local taxes	$ -	$ -	$ -	$ -	$ 1,215,911	$ 1,215,911	$ 1,695,898	$ 479,987
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	36,000	36,000	34,410	(1,590)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	84,493	84,493	84,493	-	-	-	-	-
Intergovernmental:								
Commonwealth	691,777	721,437	711,632	(9,805)	-	10,450	8,200	(2,250)
Federal	-	-	-	-	-	-	-	-
Total revenues	$ 812,270	$ 841,930	$ 830,535	$ (11,395)	$ 1,215,911	$ 1,226,361	$ 1,704,098	$ 477,737
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Correction and detention:								
Local Community Corrections	1,060,619	1,090,279	1,062,546	27,733	-	-	-	-
Total public safety	$ 1,060,619	$ 1,090,279	$ 1,062,546	$ 27,733	$ -	$ -	$ -	$ -
Public Works:								
Stormwater services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Community Development:								
Planning and community devlopment:								
Tourism initiatives	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Economic development	-	-	-	-	860,504	1,223,954	1,084,405	139,549
Total community development	$ -	$ -	$ -	$ -	$ 860,504	$ 1,223,954	$ 1,084,405	$ 139,549
Total expenditures	$ 1,060,619	$ 1,090,279	$ 1,062,546	$ 27,733	$ 860,504	$ 1,223,954	$ 1,084,405	$ 139,549
Excess (deficiency) of revenues over (under) expenditures	$ (248,349)	$ (248,349)	$ (232,011)	$ 16,338	$ 355,407	$ 2,407	$ 619,693	$ 617,286
OTHER FINANCING SOURCES (USES)								
Transfers in	$ 69,131	$ 69,131	$ 69,131	$ -	$ -	$ -	$ -	$ -
Transfers (out)	-	-	-	-	(355,407)	(355,407)	(355,407)	-
Total other financing sources (uses)	$ 69,131	$ 69,131	$ 69,131	$ -	$ (355,407)	$ (355,407)	$ (355,407)	$ -
Net change in fund balances	$ (179,218)	$ (179,218)	$ (162,880)	$ 16,338	$ -	$ (353,000)	$ 264,286	$ 617,286
Fund balances - beginning	100,000	174,227	306,175	131,948	-	353,000	1,025,205	672,205
Fund balances - ending	$ (79,218)	$ (4,991)	$ 143,295	$ 148,286	$ -	$ -	$ 1,289,491	$ 1,289,491

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Asset Forfeiture Fund				Stormwater Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES								
Other local taxes	$ -	$ -	$ -	$ -	$ 490,000	$ 490,000	$ 477,825	$ (12,175)
Revenue from the use of money and property	-	-	-	-	-	-	1,680	1,680
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	12,995	12,995	-	-	-	-	-
Federal	-	47	47	-	-	-	-	-
Total revenues	$ -	$ 13,042	$ 13,042	$ -	$ 490,000	$ 490,000	$ 479,505	$ (10,495)
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	$ -	$ 71,090	$ 23,304	$ 47,786	$ -	$ -	$ -	$ -
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	$ -	$ 71,090	$ 23,304	$ 47,786	$ -	$ -	$ -	$ -
Public Works:								
Stormwater services	$ -	$ -	$ -	$ -	$ 48,771	$ 2,010,148	$ 125,361	$ 1,884,787
Community Development:								
Planning and community devlopment:								
Tourism initiatives	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total expenditures	$ -	$ 71,090	$ 23,304	$ 47,786	$ 48,771	$ 2,010,148	$ 125,361	$ 1,884,787
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (58,048)	$ (10,262)	$ 47,786	$ 441,229	$ (1,520,148)	$ 354,144	$ 1,874,292
OTHER FINANCING SOURCES (USES)								
Transfers in	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers (out)	-	-	-	-	(441,229)	(441,229)	(441,229)	-
Total other financing sources (uses)	$ -	$ -	$ -	$ -	$ (441,229)	$ (441,229)	$ (441,229)	$ -
Net change in fund balances	$ -	$ (58,048)	$ (10,262)	$ 47,786	$ -	$ (1,961,377)	$ (87,085)	$ 1,874,292
Fund balances - beginning	-	58,048	58,064	58,064	-	2,100,091	2,275,035	174,944
Fund balances - ending	$ -	$ -	$ 47,802	$ 105,850	$ -	$ 138,714	$ 2,187,950	$ 2,049,236

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Tourism Fund				Crater Workforce Fund			
	Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
REVENUES								
Other local taxes	$ 540,411	$ 553,298	$ 893,356	$ 340,058	$ -	$ -	$ -	$ -
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	24,928	24,928	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	1,297,385	1,297,385
Total revenues	$ 540,411	$ 578,226	$ 918,284	$ 340,058	$ -	$ -	$ 1,297,385	$ 1,297,385
EXPENDITURES								
Current:								
General Government Administration:								
Workforce Investment Board	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,297,385	$ (1,297,385)
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Public Works:								
Stormwater services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Community Development:								
Planning and community devlopment:								
Tourism initiatives	$ 391,001	$ 437,234	$ 290,174	$ 147,060	$ -	$ -	$ -	$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	$ 391,001	$ 437,234	$ 290,174	$ 147,060	$ -	$ -	$ -	$ -
Total expenditures	$ 391,001	$ 437,234	$ 290,174	$ 147,060	$ -	$ -	$ 1,297,385	$ (1,297,385)
Excess (deficiency) of revenues over (under) expenditures	$ 149,410	$ 140,992	$ 628,110	$ 487,118	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES (USES)								
Transfers in	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Transfers (out)	(149,410)	(149,410)	(149,410)	-	-	-	-	-
Total other financing sources (uses)	$ (149,410)	$ (149,410)	$ (149,410)	$ -	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ (8,418)	$ 478,700	$ 487,118	$ -	$ -	$ -	$ -
Fund balances - beginning	-	8,418	324,014	315,596	-	-	-	-
Fund balances - ending	$ -	$ -	$ 802,714	$ 802,714	$ -	$ -	$ -	$ -

Combining Statement of Fiduciary Net Position
Custodial Funds
At June 30, 2022

	Special Welfare Fund	Performance Bond Fund	Total
ASSETS			
Cash and cash equivalents	$ 14,304	$ 65,427	$ 79,731
Total assets	$ 14,304	$ 65,427	$ 79,731
NET POSITION			
Restricted for:			
Performance bond recipients	$	$ 65,427	$ 65,427
Social services clients	14,304	-	14,304
Total net position	$ 14,304	$ 65,427	$ 79,731

Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2022

	Special Welfare Fund	Performance Bond Fund	Total
ADDITIONS:			
Contributions			
Private contributions	$ 28,169	$ -	$ 28,169
Total Additions	$ 28,169	$ -	$ 28,169
DEDUCTIONS:			
Recipient payments	$ 18,128	$ -	$ 18,128
Total Deductions	$ 18,128	$ -	$ 18,128
Net increase (decrease) in fiduciary net position	$ 10,041	$ -	$ 10,041
Net position, beginning	4,263	65,427	69,690
Net position, ending	$ 14,304	$ 65,427	$ 79,731

Discretely Presented Component Unit – School Board

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Combining Balance Sheet
Governmental Funds - Discretely Presented Component Unit - School Board
At June 30, 2022

	Major Fund	NonMajor Funds				
	School Operating Fund	School Cafeteria Fund	Adult Basic Education Fund	Textbook Fund	School Activity Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,186,525	$ 1,619,854	$ 216,045	$ 156,311	$ 799,339	$ 7,978,074
Receivables (net of allowance for uncollectibles):						
Accounts receivable	998	-	838	-	-	1,836
Due from other governmental units	2,798,434	263,697	61,903	-	-	3,124,034
Total assets	$ 7,985,957	$ 1,883,551	$ 278,786	$ 156,311	$ 799,339	$ 11,103,944
LIABILITIES						
Accounts payable	$ 991,953	$ 58,435	$ -	$ 19,870	$ -	$ 1,070,258
Accrued liabilities	6,939,160	213,074	-	-	-	7,152,234
Unearned revenues	54,644	-	-	-		54,644
Total liabilities	$ 7,985,757	$ 271,509	$ -	$ 19,870	$ -	$ 8,277,136
FUND BALANCES						
Assigned	$ -	$ 1,612,042	$ 278,786	$ 136,441	$ 799,339	$ 2,826,608
Unassigned	200	-	-	-	-	200
Total fund balances	$ 200	$ 1,612,042	$ 278,786	$ 136,441	$ 799,339	$ 2,826,808
Total liabilities and fund balances	$ 7,985,957	$ 1,883,551	$ 278,786	$ 156,311	$ 799,339	$ 11,103,944

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total fund balances per above		$ 2,826,808
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		67,224,058
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Pension related items	$ 12,192,642	
OPEB related items	1,740,492	13,933,134
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	$ (308,445)	
Net pension liability/asset	(29,936,194)	
Net OPEB liabilities	(11,715,126)	(41,959,765)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	$ (25,771,375)	
OPEB related items	(4,282,408)	(30,053,783)
Net position of governmental activities		$ 11,970,452

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	Major Fund	Nonmajor Funds				
	School Operating Fund	School Cafeteria Fund	Adult Basic Education Fund	Textbook Fund	School Activity Funds	Total Governmental Funds
REVENUES						
Charges for services	$ 29,930	$ 322,276	$ 79,593	$ -	$ -	$ 431,799
Miscellaneous	72,169	-	-	-	847,055	919,224
Recovered costs	99,730	-	-	-	-	99,730
Intergovernmental:						
County contribution to school board	15,703,563	-	-	163,385	-	15,866,948
Commonwealth	47,650,905	60,261	221,324	481,439	-	48,413,929
Federal	11,119,916	4,567,077	417,292	-	-	16,104,285
Total revenues	$ 74,676,213	$ 4,949,614	$ 718,209	$ 644,824	$ 847,055	$ 81,835,915
EXPENDITURES						
Current:						
Education	$ 74,676,213	$ 4,061,762	$ 716,499	$ 517,417	$ 742,932	$ 80,714,823
Total expenditures	$ 74,676,213	$ 4,061,762	$ 716,499	$ 517,417	$ 742,932	$ 80,714,823
Net change in fund balances	$ -	$ 887,852	$ 1,710	$ 127,407	$ 104,123	$ 1,121,092
Fund balances - beginning	200	724,190	277,076	9,034	695,216	1,705,716
Fund balances - ending	$ 200	$ 1,612,042	$ 278,786	$ 136,441	$ 799,339	$ 2,826,808

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

Net change in fund balances - total governmental funds - per above		$ 1,121,092
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. Details are as follows:		
Current year asset additions	$ 27,064,765	
Depreciation expense	(3,354,270)	23,710,495
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. Details supporting these changes are as follows:		
Change in compensated absences	$ 21,402	
Pension expense	6,191,543	
OPEB expense	191,474	6,404,419
Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds.		237,875
Change in net position of governmental activities		$ 31,473,881

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 103,500	$ 103,500	$ 29,930	$ (73,570)
Miscellaneous	75,000	75,000	72,169	(2,831)
Recovered costs	131,500	131,500	99,730	(31,770)
Intergovernmental:				
County contribution to School Board	16,298,579	16,652,946	15,703,563	(949,383)
Commonwealth	47,239,710	47,239,710	47,650,905	411,195
Federal	9,363,631	14,236,344	11,119,916	(3,116,428)
Total revenues	$ 73,211,920	$ 78,439,000	$ 74,676,213	$ (3,762,787)
EXPENDITURES				
Current:				
Education				
Instruction	$ 52,750,235	$ 54,108,514	$ 51,594,702	$ 2,513,812
Administrative, attendance & health services	4,117,174	4,383,174	4,383,199	(25)
Pupil transportation	4,824,643	4,864,643	4,866,972	(2,329)
Operation and maintenance	6,282,117	6,744,117	6,742,114	2,003
Facilities	1,839,170	4,086,429	3,683,396	403,033
Technology	3,398,581	4,252,123	3,405,830	846,293
Total education	$ 73,211,920	$ 78,439,000	$ 74,676,213	$ 3,762,787
Total expenditures	$ 73,211,920	$ 78,439,000	$ 74,676,213	$ 3,762,787
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ -	$ -
Fund balances - beginning	-	-	200	200
Fund balances - ending	$ -	$ -	$ 200	$ 200

COUNTY OF PRINCE GEORGE, VIRGINIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	School Cafeteria Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 1,334,135	$ 1,334,135	$ 322,276	$ (1,011,859)
Intergovernmental:				
County contribution to School Board	-	-	-	-
Commonwealth	82,185	82,185	60,261	(21,924)
Federal	1,806,478	2,776,478	4,567,077	1,790,599
Total revenues	$ 3,222,798	$ 4,192,798	$ 4,949,614	$ 756,816
EXPENDITURES				
Current:				
Education				
Instruction	$ -	$ -	$ -	$ -
School food services	3,222,798	4,192,798	4,061,762	131,036
Total expenditures	$ 3,222,798	$ 4,192,798	$ 4,061,762	$ 131,036
Excess (deficiency) of revenues over (under) expenditures	$ -	$ -	$ 887,852	$ 887,852
OTHER FINANCING SOURCES (USES)				
Transfer in	$ -	$ -	$	$ -
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Net change in fund balances	$ -	$ -	$ 887,852	$ 887,852
Fund balances - beginning	-	-	724,190	724,190
Fund balances - ending	$ -	$ -	$ 1,612,042	$ 1,612,042

Adult Basic Education Fund				Textbook Fund			
Budgeted Amounts			Variance with Final Budget Positive	Budgeted Amounts			Variance with Final Budget Positive
Original	Final	Actual	(Negative)	Original	Final	Actual	(Negative)
$ 399,296	$ 387,288	$ 79,593	$ (307,695)	$ -	$ -	$ -	$ -
-	-	-	-	163,385	163,385	163,385	-
236,324	221,324	221,324	-	478,133	478,133	481,439	3,306
354,496	422,961	417,292	(5,669)	-	-	-	-
$ 990,116	$ 1,031,573	$ 718,209	$ (313,364)	$ 641,518	$ 641,518	$ 644,824	$ 3,306
$ 990,116	$ 1,031,573	$ 716,499	$ 315,074	$ 641,518	$ 641,518	$ 517,417	$ 124,101
-	-	-	-	-	-	-	-
$ 990,116	$ 1,031,573	$ 716,499	$ 315,074	$ 641,518	$ 641,518	$ 517,417	$ 124,101
$ -	$ -	$ 1,710	$ 1,710	$ -	$ -	$ 127,407	$ 127,407
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ 1,710	$ 1,710	$ -	$ -	$ 127,407	$ 127,407
-	-	277,076	277,076	-	-	9,034	9,034
$ -	$ -	$ 278,786	$ 278,786	$ -	$ -	$ 136,441	$ 136,441

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Sources:

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

COUNTY OF PRINCE GEORGE, VIRGINIA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Governmental Activities	2013	2014	2015	2016
Net investment in capital assets	$ 22,029,930	$ 18,291,890	$ 15,188,357	$ 17,875,023
Restricted	284,061	338,206	398,838	393,414
Unrestricted	9,433,937	13,496,337	10,222,062	7,846,042
Total Governmental Activities Net Position	$ 31,747,928	$ 32,126,433	$ 25,809,257	$ 26,114,479
Business-Type Activities				
Net investment in capital assets	$ 15,885,286	$ 15,778,830	$ 15,339,288	$ 13,606,908
Unrestricted	6,224,416	6,636,804	6,423,645	8,771,772
Total Business-Type Activities Net Position	$ 22,109,702	$ 22,415,634	$ 21,762,933	$ 22,378,680
Primary Government				
Net investment in capital assets	$ 37,915,216	$ 34,070,720	$ 30,527,645	$ 31,481,931
Restricted	284,061	338,206	398,838	393,414
Unrestricted	15,658,353	20,133,141	16,645,707	16,617,814
Total Primary Government Activities Net Position	$ 53,857,630	$ 54,542,067	$ 47,572,190	$ 48,493,159

Table 1

	2017	2018	2019	2020	2021	2022
	$ 20,292,736	$ 21,281,179	$ 27,304,734	$ 27,193,687	$ 36,657,589	$ 14,838,319
	216,958	216,958	131,274	186,712	1,367,948	3,581,695
	11,221,917	10,410,544	8,911,558	13,257,733	11,617,311	22,168,771
	$ 31,731,611	$ 31,908,681	$ 36,347,566	$ 40,638,132	$ 49,642,848	$ 40,588,785
	$ 14,324,473	$ 14,866,149	$ 14,900,608	$ 14,853,189	$ 15,241,280	$ 15,747,150
	9,165,720	9,926,815	11,480,701	12,840,066	13,549,547	14,678,188
	$ 23,490,193	$ 24,792,964	$ 26,381,309	$ 27,693,255	$ 28,790,827	$ 30,425,338
	$ 34,617,209	$ 36,147,328	$ 42,205,342	$ 42,046,876	$ 51,898,869	$ 30,585,469
	216,958	216,958	131,274	186,712	1,367,948	3,581,695
	20,387,637	20,337,359	20,392,259	26,097,799	25,166,858	36,846,959
	$ 55,221,804	$ 56,701,645	$ 62,728,875	$ 68,331,387	$ 78,433,675	$ 71,014,123

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government Administration	$ 4,927,971	$ 4,895,544	$ 5,226,913	$ 5,330,273	$ 6,291,210	$ 5,516,354	$ 7,124,169	$ 5,759,968	$ 6,299,297	$ 9,187,543
Judicial Administration	2,105,719	2,279,571	2,361,018	2,431,271	1,601,574	2,326,800	1,392,819	2,787,177	4,222,505	4,321,970
Public Safety	13,620,239	15,209,669	14,683,153	15,317,725	14,804,237	15,796,407	17,891,395	17,954,349	26,953,969	25,711,621
Public Works	1,985,467	1,918,871	1,976,333	2,225,922	2,029,476	2,129,080	2,778,816	3,527,908	3,058,759	2,866,658
Health and Welfare	3,508,587	3,825,004	3,893,335	4,255,353	3,993,580	4,199,909	5,477,052	5,196,590	7,205,183	6,249,769
Education	15,976,873	17,189,503	13,944,549	17,867,950	17,186,958	19,360,755	17,501,426	18,712,181	24,927,166	37,682,595
Parks, Recreation, and Cultural	1,803,237	1,840,982	2,169,979	1,749,036	1,808,204	2,131,881	2,130,184	1,968,299	1,914,906	2,812,679
Community Development	646,834	1,715,143	1,246,531	1,470,872	3,388,237	1,385,661	1,372,798	2,431,043	1,527,058	1,796,975
Interest on Long-Term Debt	2,006,445	1,848,132	1,585,509	2,268,088	1,272,381	1,539,356	1,374,596	1,709,111	1,660,807	1,474,785
Total Governmental Activities Expenses	$ 46,581,372	$ 50,722,418	$ 47,087,320	$ 52,916,490	$ 52,375,857	$ 54,386,203	$ 57,043,255	$ 60,046,626	$ 77,769,650	$ 92,104,595
Business-Type Activities										
Public Utilities	$ 3,919,095	$ 4,551,777	$ 5,049,902	$ 5,061,020	$ 5,130,765	$ 4,822,569	$ 5,520,112	$ 5,545,690	$ 5,479,982	$ 5,516,688
Total Business-Type Activities Expenses	$ 3,919,095	$ 4,551,777	$ 5,049,902	$ 5,061,020	$ 5,130,765	$ 4,822,569	$ 5,520,112	$ 5,545,690	$ 5,479,982	$ 5,516,688
Total Primary Government Expenses	**$ 50,500,467**	**$ 55,274,195**	**$ 52,137,222**	**$ 57,977,510**	**$ 57,506,622**	**$ 59,208,772**	**$ 62,563,367**	**$ 65,592,316**	**$ 83,249,632**	**$ 97,621,283**
Program Revenues										
Governmental Activities										
Charges for Services										
General Government Administration	$ 44,476	$ 13,625	$ 315,724	$ 295,174	$ 383,810	$ 552,704	$ 207,313	$ 329,613	$ 2,224,479	$ 2,018,969
Judicial Administration	788,800	577,035	478,272	430,620	522,609	425,782	179,440	129,866	1,245,089	1,475,444
Public Safety	729,407	857,627	647,770	655,492	797,867	775,931	1,109,380	1,217,084	5,284,705	5,621,334
Public Works	65,298	427,282	119,175	130,123	115,353	482,356	431,514	618,981	504,760	523,305
Health and Welfare	-	-	-	-	-	-	-	-	892,466	912,246
Parks, Recreation, and Cultural	125,298	135,969	122,734	120,063	129,408	107,530	112,757	68,465	357,210	357,393
Community Development	407,599	119,583	35,578	-	-	-	-	-	63,982	124,443
Operating Grants and Contributions	5,013,258	6,114,788	6,327,951	6,383,355	6,174,523	5,599,776	6,142,208	7,496,188	13,588,731	9,145,800
Capital Grants and Contributions	-	2,691,550	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	$ 7,174,136	$ 10,937,459	$ 8,047,204	$ 8,014,827	$ 8,123,570	$ 7,944,079	$ 8,182,612	$ 9,860,197	$ 24,161,422	$ 20,178,934
Business-Type Activities										
Charges for Services										
Public Utilities	$ 4,044,255	$ 4,640,279	$ 4,602,908	$ 5,127,476	$ 5,761,503	$ 6,051,239	$ 6,964,645	$ 6,595,082	$ 6,644,883	$ 7,221,244
Operating Grants and Contributions	-	-	-	-	-	-	-	-	59,900	125,122
Capital Grants and Contributions	-	-	-	73,968	212,603	77,113	-	-	-	44,067
Total Business-Type Activities Program Revenues	$ 4,044,255	$ 4,640,279	$ 4,602,908	$ 5,201,444	$ 5,974,106	$ 6,128,352	$ 6,964,645	$ 6,595,082	$ 6,704,783	$ 7,390,433
Total Primary Government Program Revenues	**$ 11,218,391**	**$ 15,577,738**	**$ 12,650,112**	**$ 13,216,271**	**$ 14,097,676**	**$ 14,072,431**	**$ 15,147,257**	**$ 16,455,279**	**$ 30,866,205**	**$ 27,569,367**

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

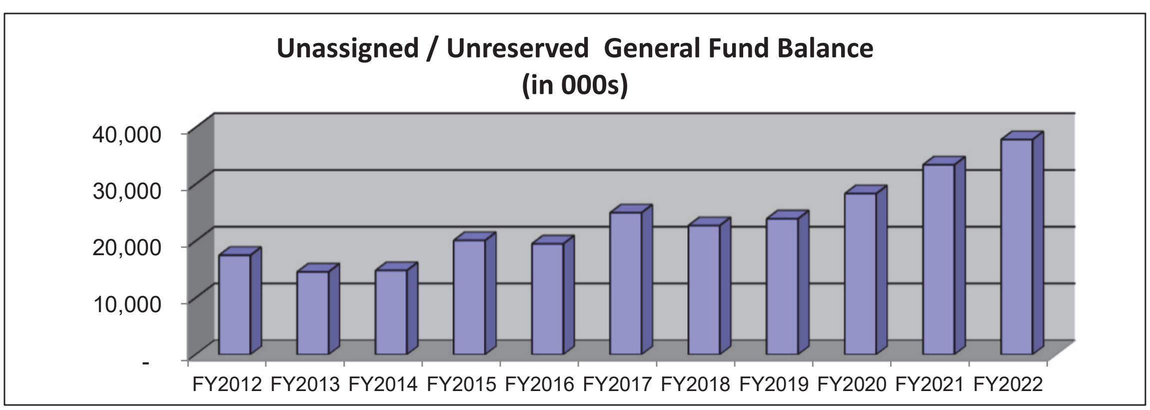
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues: (Continued)										
Net (Expense)/ Revenue										
Governmental Activities	$ (39,407,236)	$ (39,784,959)	$ (39,040,116)	$ (44,901,663)	$ (44,252,287)	$ (46,442,124)	$ (48,860,643)	$ (50,186,429)	$ (53,608,228)	$ (71,925,661)
Business-Type Activities	125,160	88,502	(446,994)	140,424	843,341	1,305,783	1,444,533	1,049,392	1,224,801	1,873,745
Total Primary Government Net Expense	**$ (39,282,076)**	**$ (39,696,457)**	**$ (39,487,110)**	**$ (44,761,239)**	**$ (43,408,946)**	**$ (45,136,341)**	**$ (47,416,110)**	**$ (49,137,037)**	**$ (52,383,427)**	**$ (70,051,916)**
General Revenues and Other Changes in Net Position										
Governmental Activities										
General Property Taxes	$ 28,383,780	$ 30,689,457	$ 31,796,896	$ 31,587,598	$ 35,621,127	$ 33,407,855	$ 35,778,138	$ 38,036,686	$ 41,180,429	$ 44,417,243
Other Local Taxes	6,867,373	6,868,405	7,455,217	8,016,257	8,276,384	8,385,405	9,364,697	9,744,408	11,623,834	12,085,233
Unrestricted Revenues from Use of Money and Property	238,946	197,888	200,428	350,693	644,235	579,573	1,463,094	1,401,916	322,634	(56,459)
Miscellaneous	330,799	315,552	373,723	209,866	849,983	234,044	54,847	57,119	295,188	567,584
Grants and contributions not restricted to specific programs			5,240,754	5,200,471	5,004,589	5,920,066	6,637,380	5,386,356	5,784,848	5,452,407
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
County Contribution to School Board, unrestricted	5,100,696	5,097,195	-	-	-	-	-	-	-	-
Transfers	(159,189)	(157,100)	(158,000)	(158,000)	(149,805)	(148,728)	1,372	(149,490)	264,532	405,590
Total Governmental Activities	$ 40,762,405	$ 43,011,397	$ 44,909,018	$ 45,206,885	$ 50,246,513	$ 48,378,215	$ 53,299,528	$ 54,476,995	$ 59,471,465	$ 62,871,598
Business-Type Activities										
Unrestricted Revenues from Use of Money and Property	$ 54,438	$ 60,330	$ 80,465	$ 79,578	$ 51,376	$ 60,324	$ 76,806	$ 72,955	$ 63,750	$ 74,440
Miscellaneous	49,073	-	56,952	237,745	66,991	22,943	68,378	40,109	48,053	91,916
Transfers	159,189	157,100	158,000	158,000	149,805	148,728	(1,372)	149,490	(264,532)	(405,590)
Total Business-Type Activities	$ 262,700	$ 217,430	$ 295,417	$ 475,323	$ 268,172	$ 231,995	$ 143,812	$ 262,554	$ (152,729)	$ (239,234)
Total Primary Government	**$ 41,025,105**	**$ 43,228,827**	**$ 45,204,435**	**$ 45,682,208**	**$ 50,514,685**	**$ 48,610,210**	**$ 53,443,340**	**$ 54,739,549**	**$ 59,318,736**	**$ 62,632,364**
Change in Net Position										
Governmental Activities	$ 1,355,169	$ 3,226,438	$ 5,868,902	$ 305,222	$ 5,994,226	$ 1,936,091	$ 4,438,885	$ 4,290,566	$ 5,863,237	$ (9,054,063)
Business-Type Activities	387,860	305,932	(151,577)	615,747	1,111,513	1,537,778	1,588,345	1,311,946	1,072,072	1,634,511
Total Primary Government Change in Net Position	**$ 1,743,029**	**$ 3,532,370**	**$ 5,717,325**	**$ 920,969**	**$ 7,105,739**	**$ 3,473,869**	**$ 6,027,230**	**$ 5,602,512**	**$ 6,935,309**	**$ (7,419,552)**

COUNTY OF PRINCE GEORGE, VIRGINIA

Fund Balance, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

General Fund	**2013**	**2014**	**2015**
Reserved	$ -	$ -	$ -
Unreserved, Designated for Revenue Maximization	-	-	-
Unreserved, Designated for Housing	-	-	-
Unreserved, Designated for Community Corrections	-	-	-
Unreserved	-	-	-
Restricted:			
Opioid settlement	-	-	-
Committed:			
Subsequent years expenditures	1,269,724	926,055	635,843
Assigned:			
Public safety	60,000	-	-
Parks and recreation	398,582	-	-
Unassigned	14,555,614	14,793,246	20,095,407
Total General Fund	$ 16,283,920	$ 15,719,301	$ 20,731,250
All Other Governmental Funds			
Unavailable revenue	$ -	$ -	$ -
Reserved for capital projects	-	-	-
Unreserved, reported in Debt Service Fund	-	-	-
Unreserved, reported in Special Revenue Funds	-	-	-
Restricted:			
Proffers	284,061	338,206	398,838
Debt service	-	-	-
Unspent bond proceeds - various projects	-		
Committed:			
Library	-	-	-
Crosspointe Center	953,060	4,185,139	-
Animal Shelter	146,840	51,256	-
Police Building	-	-	-
Human Services Building	515,801	42,423	-
Disoutanta Fire Station	-	172,061	-
Broadband Implementation	32,060	32,060	-
Fire EMS Apparatus	180,073	246,016	-
Enterprise Resource Software	591,607	121,120	-
Assigned:			
Other capital purposes	1,857,859	257,540	7,086,250
Special revenue	1,210,370	1,163,795	1,057,316
Total All Other Governmental Funds	$ 5,771,730	$ 6,609,616	$ 8,542,404
Total Governmental Funds	$ 22,055,650	$ 22,328,917	$ 29,273,654

The County implemented GASB 54, the new standard for fund balance reporting, in FY2011. Restatement of prior year balances is not feasible. Therefore, ten years of fund balance information in accordance with GASB 54 is not available, but will be accumulated over time.



2016	2017	2018	2019	2020	2021	2022
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,499,501	24,972,020	22,717,153	23,905,886	28,328,773	33,403,287	37,849,167
19,499,501	24,972,020	22,717,153	23,905,886	28,328,773	33,403,287	37,849,167
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
393,414	216,958	216,958	100,388	100,388	100,388	110,388
-	-	-	30,886	86,324	1,267,560	3,074,676
	9,979,185	17,060,327	25,217,106	25,638,848	50,135,577	27,315,192
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,252,010	519,034	3,422,042	184,035	(1,183,666)	(1,783,145)	(5,319,347)
748,968	1,062,500	1,179,488	3,022,787	3,981,975	3,988,493	4,485,525
$ 5,394,392	$ 11,777,677	$ 21,878,815	$ 28,555,202	$ 28,623,869	$ 53,708,873	$ 29,666,434
24,893,893	36,749,697	44,595,968	52,461,088	56,952,642	87,112,160	67,515,601

COUNTY OF PRINCE GEORGE, VIRGINIA

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

Revenues	**2013**	**2014**	**2015**	**2016**	**2017**
General Property Taxes	$ 28,076,404	$ 30,609,309	$ 30,767,843	$ 32,466,861	$ 34,360,764
Other Local Taxes	6,867,372	6,868,405	7,455,217	8,016,256	8,276,384
Permits, Privilege Fees, and Licenses	421,103	314,697	290,882	282,172	357,281
Fines and Forfeitures	719,967	525,325	351,183	294,009	393,147
Revenue from Use of Money and Property	238,946	197,888	200,428	350,693	644,235
Charges for Services	1,019,808	1,291,099	1,077,188	1,055,291	1,198,619
Miscellaneous	330,799	315,552	373,723	209,866	849,983
Recovered Costs	316,849	319,517	299,535	335,485	330,901
Intergovernmental Revenues:					
School Board contribution	-	-	-	-	-
Commonwealth	9,272,385	12,690,688	10,020,925	10,000,195	9,764,955
Federal	841,568	1,233,767	1,547,779	1,583,631	1,414,157
Total Revenues	**$ 48,105,201**	**$ 54,366,247**	**$ 52,384,703**	**$ 54,594,459**	**$ 57,590,426**
Expenditures					
General Government Administration	$ 4,546,495	$ 5,029,115	$ 5,220,634	$ 5,591,463	$ 5,871,259
Judicial Administration	2,122,535	2,191,059	2,331,562	2,356,890	2,456,473
Public Safety	12,048,224	14,786,501	15,516,848	16,774,879	13,918,541
Public Works	1,988,541	1,936,664	2,042,877	2,204,518	1,999,058
Health and Welfare	3,520,115	4,481,982	3,994,083	4,232,808	3,936,536
Education	13,292,762	14,701,665	11,622,198	19,238,023	13,819,701
Parks, Recreation, and Cultural	3,118,571	2,486,999	1,601,670	2,067,462	2,162,520
Community Development	616,973	4,142,473	1,220,391	1,824,860	3,334,150
Capital Projects	3,200,916	-	-	-	-
Debt Service:					
Bond issuance cost	-	-	-	207,910	102,691
Principal Retirement	5,136,233	5,215,325	4,875,241	5,726,512	6,586,754
Interest and Other Fiscal Charges	2,045,733	1,984,676	1,829,463	1,782,338	1,397,134
Total Expenditures	**$ 51,637,098**	**$ 56,956,457**	**$ 50,254,967**	**$ 62,007,663**	**$ 55,584,817**
Excess (deficiency) of revenues over (under) expenditures	**$ (3,531,897)**	**$ (2,590,210)**	**$ 2,129,736**	**$ (7,413,204)**	**$ 2,005,609**
Other Financing Sources (Uses)					
Transfers in	$ 8,358,994	$ 8,923,778	$ 10,452,421	$ 9,654,240	$ 9,118,575
Transfers (out)	(8,518,183)	(9,080,878)	(10,610,421)	(9,812,240)	(9,268,380)
Issuance of general obligation debt	-	3,200,000	4,973,000	5,369,000	10,000,000
Issuance of refunding debt	-	-	-	11,957,000	-
Premium on Bonds	-	-	-	-	-
Payments to bond escrow agent	-	-	-	(14,134,557)	-
Total Other Financing Sources (Uses)	**$ (159,189)**	**$ 3,042,900**	**$ 4,815,000**	**$ 3,033,443**	**$ 9,850,195**
Net Change in Fund Balances	**$ (3,691,086)**	**$ 452,690**	**$ 6,944,736**	**$ (4,379,761)**	**$ 11,855,804**
Debt Service as a Percentage of Noncapital Expenditures:					
Total debt service	$ 7,181,966	$ 7,200,001	$ 6,704,704	$ 7,508,850	$ 7,983,888
Total expenditures	$ 51,637,098	$ 56,956,457	$ 50,254,967	$ 62,007,663	$ 55,584,817
Capital outlay	(3,200,916)	-	-	(5,084,616)	(2,319,580)
Non-capital expenditures	$ 48,436,182	$ 56,956,457	$ 50,254,967	$ 56,923,047	$ 53,265,237
Debt service as a percentage of non-capital expenditures	14.8%	12.6%	13.3%	13.2%	15.0%

Table 4

	2018	2019	2020	2021	2022
	$ 33,397,818	$ 36,625,688	$ 37,915,650	$ 40,281,073	$ 43,769,979
	8,385,405	9,364,697	9,744,408	11,623,834	12,085,233
	375,326	431,514	626,370	611,329	721,955
	352,358	353,340	333,211	357,589	331,240
	579,573	1,463,094	1,401,916	322,634	(56,459)
	1,616,619	1,255,549	1,404,428	1,400,962	1,595,325
	234,045	54,847	57,119	295,188	170,953
	442,638	790,225	458,910	408,583	477,000
	-	1,583,633	-	-	-
	9,975,637	10,852,044	10,878,036	10,733,025	10,869,256
	1,544,205	1,927,544	2,004,508	8,640,554	3,728,951
	$ 56,903,624	**$ 64,702,175**	**$ 64,824,556**	**$ 74,674,771**	**$ 73,693,433**
	$ 5,566,656	$ 6,961,454	$ 5,863,361	$ 5,904,709	$ 6,455,094
	2,621,390	2,557,816	2,594,892	2,689,042	2,989,088
	15,610,443	20,241,635	21,029,638	23,727,544	27,179,985
	2,151,970	3,008,793	3,671,914	4,477,339	5,385,190
	4,217,359	5,310,978	5,330,814	6,117,146	5,558,021
	15,873,719	16,924,563	16,484,669	22,595,259	39,604,055
	2,446,516	1,751,473	2,015,358	1,941,431	2,086,881
	1,561,515	1,400,353	2,415,709	1,436,504	1,736,912
	-	-	-	-	-
	132,819	112,691	134,223	361,123	75,096
	6,772,154	6,693,435	6,499,269	2,848,245	4,689,165
	1,254,084	1,325,236	1,438,565	931,581	2,631,095
	$ 58,208,625	**$ 66,288,427**	**$ 67,478,412**	**$ 73,029,923**	**$ 98,390,582**
	$ (1,305,001)	**$ (1,586,252)**	**$ (2,653,856)**	**$ 1,644,848**	**$ (24,697,149)**
	$ 11,480,677	$ 8,749,002	$ 12,022,939	$ 11,763,969	$ 13,010,718
	(11,629,405)	(8,747,630)	(12,172,429)	(11,499,437)	(12,605,128)
	9,300,000	9,450,000	7,295,000	30,010,000	4,695,000
	-	-	-	35,085,000	-
	-	-	-	8,787,965	-
	-	-	-	(45,632,827)	-
	$ 9,151,272	**$ 9,451,372**	**$ 7,145,510**	**$ 28,514,670**	**$ 5,100,590**
	$ 7,846,271	**$ 7,865,120**	**$ 4,491,654**	**$ 30,159,518**	**$ (19,596,559)**
	$ 8,026,238	$ 8,018,671	$ 7,937,834	$ 3,779,826	$ 7,320,260
	$ 58,208,625	$ 66,288,427	$ 67,478,412	$ 73,029,923	$ 98,390,582
	(2,635,923)	(6,138,532)	(5,749,131)	(7,347,547)	(12,296,048)
	$ 55,572,702	$ 60,149,895	$ 61,729,281	$ 65,682,376	$ 86,094,534
	14.4%	13.3%	12.9%	5.8%	8.5%

COUNTY OF PRINCE GEORGE, VIRGINIA

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

Sources

		2013		2014		2015		2016
Real Property Taxes	$	19,721,432	$	20,296,880	$	20,510,801	$	21,251,324
Real & Personal Public Service Corporation Taxes		1,008,576		1,198,121		1,170,946		1,499,803
Personal Property Taxes		6,273,041		7,898,825		7,390,527		7,879,207
Machinery & Tools Taxes		596,734		858,035		1,170,874		1,058,499
Penalties & Interest		476,621		357,449		524,694		639,996
Total, General Property Taxes	$	28,076,404	$	30,609,309	$	30,767,843	$	32,328,829
Local Sales and Use Taxes	$	1,933,998	$	1,966,673	$	1,975,100	$	2,310,390
Consumer Utility Taxes		832,304		884,536		797,796		832,912
Business License		1,493,187		1,498,296		1,422,092		1,379,030
Motor Vehicle Licenses		802,468		828,701		938,297		978,819
Bank Stock Taxes		92,247		91,358		112,021		99,805
Recordation Taxes		287,472		269,505		321,579		395,807
Transient Occupancy Taxes		588,649		464,452		459,382		621,402
Taxicab licenses		-		-		-		5,839
Stormwater fees		-		-		-		-
E911 Taxes		110,988		120,810		161,764		126,500
Meals Taxes		837,049		867,539		998,751		951,344
Total, Other Local Taxes	$	6,978,361	$	6,991,869	$	7,186,782	$	7,701,847
Total General Governmental Tax Revenues	**$**	**35,054,765**	**$**	**37,601,179**	**$**	**37,954,624**	**$**	**40,030,677**

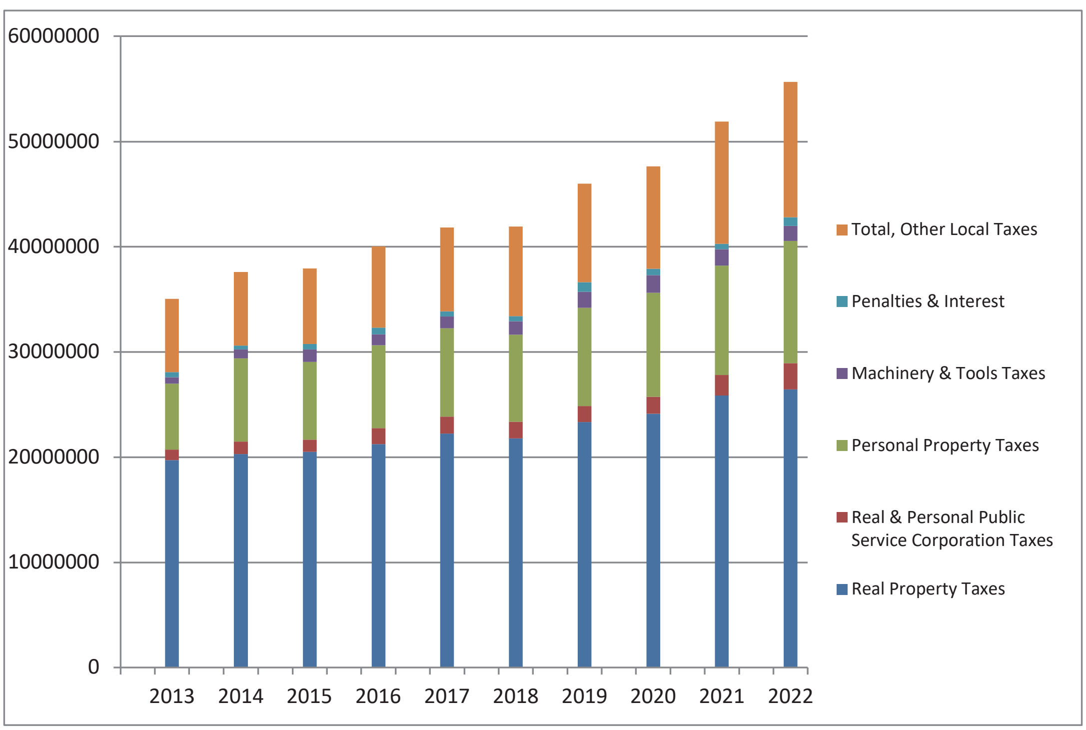


Table 5

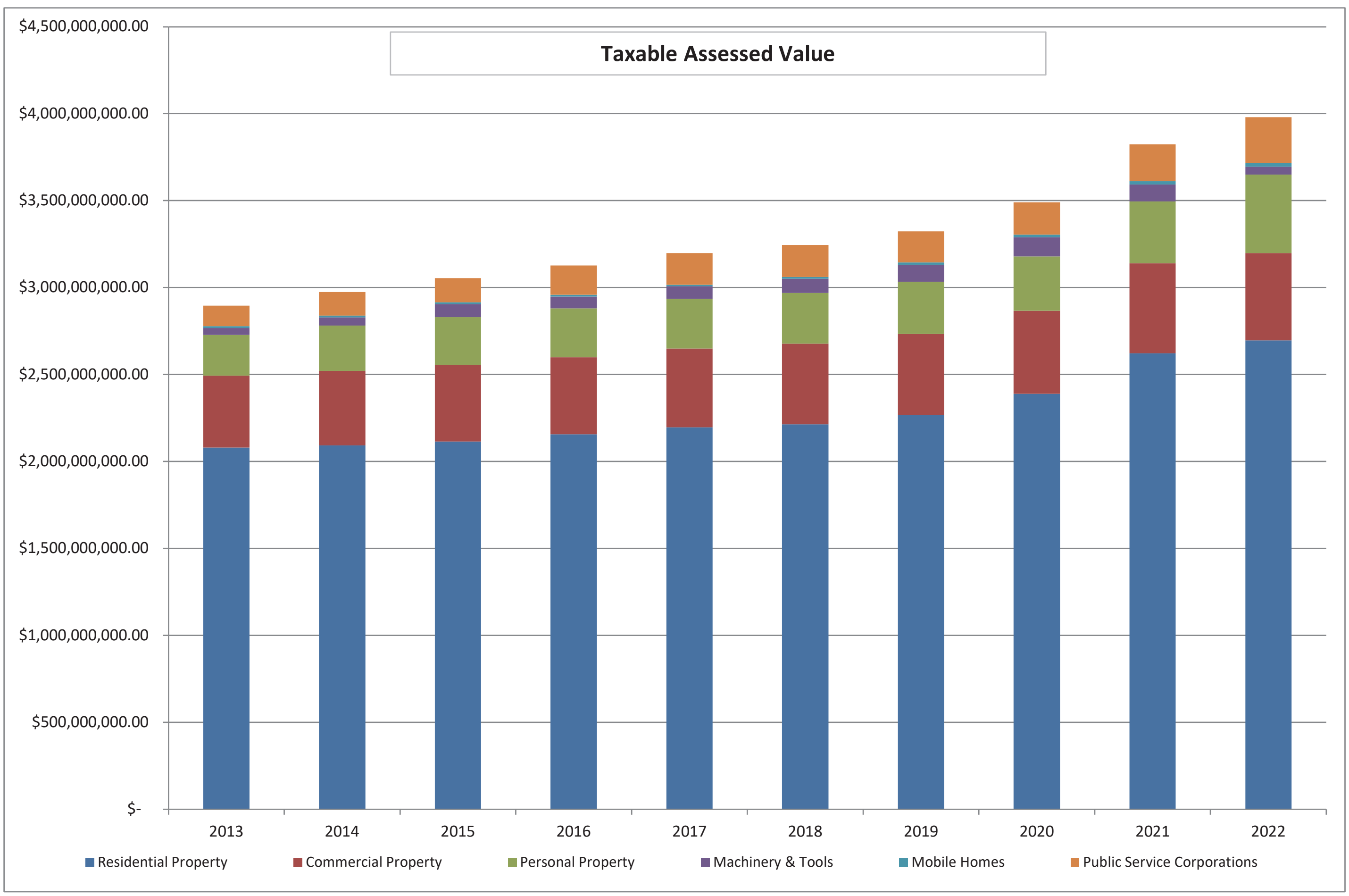
	2017	2018	2019	2020	2021	2022
	$ 22,243,059	$ 21,785,294	$ 23,348,429	$ 24,135,742	$ 25,869,550	$ 26,455,419
	1,615,253	1,595,329	1,521,388	1,607,959	1,937,754	2,493,795
	8,394,472	8,269,500	9,339,529	9,877,088	10,394,945	11,602,235
	1,125,641	1,284,009	1,509,900	1,679,036	1,555,686	1,438,697
	500,669	463,686	906,442	615,825	523,138	811,405
	$ 33,879,094	$ 33,397,818	$ 36,625,688	$ 37,915,650	$ 40,281,073	$ 42,801,551
	$ 2,399,805	$ 2,584,683	$ 2,719,468	$ 3,250,169	$ 4,309,564	$ 4,309,079
	848,090	863,427	871,175	905,824	890,750	897,231
	1,447,706	1,689,430	1,719,426	1,701,729	1,797,718	2,214,083
	1,030,584	1,000,920	1,104,815	1,088,786	1,159,158	1,194,770
	90,634	133,589	139,945	119,309	147,995	141,423
	295,864	358,400	397,765	438,652	541,506	709,361
	697,085	718,418	715,524	574,006	904,973	1,232,675
	5,409	6,175	-	-	-	-
	-	-	480,018	477,565	473,233	477,825
	129,740	134,495	-	-	-	-
	1,003,094	1,030,363	1,216,561	1,188,368	1,398,937	1,695,898
	$ 7,948,011	$ 8,519,900	$ 9,364,697	$ 9,744,408	$ 11,623,834	$ 12,872,345
	$ 41,827,105	**$ 41,917,718**	**$ 45,990,385**	**$ 47,660,058**	**$ 51,904,907**	**$ 55,673,896**

Assessed Value and Actual Value of Taxable Property and Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial/ Industrial Property	Real Estate Totals	Personal Property	Machinery & Tools	Mobile Homes	Public Service Corporations	Total Taxable Assessed Value	Total Direct Tax Rate
2013	2,079,596,500	413,491,500	2,493,088,000	235,156,981	39,313,969	10,046,854	118,764,823	2,896,370,627	1.06
2014	2,092,011,400	429,741,500	2,521,752,900	260,094,073	46,907,596	9,921,855	136,030,775	2,974,707,199	0.98
2015	2,115,180,600	441,582,500	2,556,763,100	273,519,664	75,173,013	9,503,122	139,887,074	3,054,845,973	1.03
2016	2,157,156,800	442,634,100	2,599,790,900	281,250,151	67,482,556	9,412,558	169,873,939	3,127,810,104	0.98
2017	2,196,323,900	453,600,600	2,649,924,500	285,241,908	72,237,652	9,186,316	180,951,314	3,197,541,690	0.91
2018	2,213,435,600	464,682,200	2,678,117,800	291,422,935	81,459,133	10,578,050	184,254,613	3,245,832,531	0.93
2019	2,268,457,200	463,799,400	2,732,256,600	300,352,848	98,733,497	13,420,534	178,573,794	3,323,337,273	0.94
2020	2,388,612,900	477,855,106	2,866,468,006	312,618,681	109,060,008	16,524,232	184,686,918	3,489,357,845	0.94
2021	2,622,012,800	516,961,100	3,138,973,900	355,732,828	98,332,333	19,448,407	211,557,195	3,824,044,663	0.94
2022	2,696,940,800	500,783,968	3,197,724,768	452,530,447	44,705,841	20,262,630	264,130,799	3,979,354,485	0.94

Notes: Property in the County is reassessed each year. Property is assessed at fair market value; therefore, the assessed values are equal to actual value. Tax rates are per $100 of assessed value.
Personal Property, Machinery & Tools, Mobile Homes and Public Service Corporations assessed values are provided by Calendar Year.

The County of Prince George does not have any overlapping property tax rates.



Principal Property Taxpayers
Current Year and Nine Years Prior

	2022			2013		
Taxpayer	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total Assessed Valuation**	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total Assessed Valuation**
Delhaize America Distributing LLC (Food Lion)	$ 57,641,073	1	1.45%	$ 44,020,377	2	1.43%
Rolls Royce Crosspointe LLC	43,432,539	2	1.09%	61,739,135	1	2.00%
Amazon.com Services LLC	39,137,086	3	0.98%	-	N/A	N/A
Independence Place Jefferson Park	37,980,000	4	0.95%	16,186,300	6	0.52%
Virginia Gateway Logistics	29,651,400	5	0.75%	-	N/A	N/A
Summit Investments II	29,603,300	6	0.74%	-	N/A	N/A
BPP Jefferson Pointe LLC	26,810,000	7	0.67%	11,340,500	8	0.37%
RP Quality Way LLC	25,532,700	8	0.64%	-	N/A	N/A
SCM Industries (Service Center Metals)	25,205,388	9	0.63%	-	N/A	N/A
Crossroads Holdings LLC	23,455,100	10	0.59%	17,492,600	5	0.57%
Ardena LR LLC (formerly Crossings Center LLP)	-	N/A	0.00%	13,554,700	7	0.44%
Ace Hardware Corp	-	N/A	0.00%	30,349,645	3	0.98%
Justice James C Companies INC	-	N/A	0.00%	17,563,200	4	0.57%
Standard Motor Products	-	N/A	0.00%	10,745,100	9	0.35%
RCC Crossings LLC	-	N/A	0.00%	10,438,200	10	0.34%

(1) Includes real property, personal property, and machinery and tools
MT & PP provided on calendar year basis

COUNTY OF PRINCE GEORGE, VIRGINIA **Table 8**

Property Tax Levies and Collections
Last Ten Fiscal Years

Real Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2022	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	19,936,703	19,124,392	95.93%	810,363	19,934,754	99.99%
2014	20,491,748	19,990,130	97.55%	497,264	20,487,394	99.98%
2015	20,555,563	20,167,652	98.11%	383,114	20,550,765	99.98%
2016	21,146,575	20,464,556	96.77%	676,948	21,141,504	99.98%
2017	22,726,252	22,135,095	97.40%	579,399	22,714,494	99.95%
2018	22,737,842	22,212,931	97.69%	503,537	22,716,467	99.91%
2019	23,209,467	22,509,212	96.98%	662,875	23,172,087	99.84%
2020	24,179,333	23,563,380	97.45%	537,223	24,100,603	99.67%
2021	26,354,643	25,566,776	97.01%	518,374	26,085,150	98.98%
2022	26,740,040	25,912,244	96.90%	-	25,912,244	96.90%

Personal Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2022	
		Amount	Percentage of Levy		Amount	Percentage of Levy
					-	
2013	7,343,951	6,196,235	84.37%	960,297	7,156,532	97.45%
2014	9,780,855	8,422,027	86.11%	1,162,621	9,584,648	97.99%
2015	9,226,196	7,538,334	81.71%	1,557,335	9,095,669	98.59%
2016	10,651,718	8,846,452	83.05%	1,657,796	10,504,248	98.62%
2017	12,279,120	9,906,413	80.68%	2,225,376	12,131,789	98.80%
2018	12,202,722	10,023,352	82.14%	2,010,268	12,033,619	98.61%
2019	12,310,293	10,191,612	82.79%	1,955,009	12,146,621	98.67%
2020	12,928,174	11,380,690	88.03%	1,339,823	12,720,513	98.39%
2021	14,537,111	12,128,609	83.43%	1,720,967	13,849,576	95.27%
2022	15,588,620	12,637,190	81.07%	-	12,637,190	81.07%

(1) - Collected in Subsequent Years amount includes amounts collected in future years. Amounts written off as uncollectible are not included.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities			
Fiscal Year	General Obligation Bonds/ Notes Supported by General Taxes	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans	General Obligation Bonds/ Notes	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2013	22,533,225	276,191	28,267,066	230,000	1,291,049	52,597,531	5.44%	1,424
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	50,331,145	5.21%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	50,267,924	5.45%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	49,904,475	5.40%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	53,069,475	5.72%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	55,346,075	5.48%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	57,847,396	5.43%	1,519
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	58,381,880	5.27%	1,522
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	83,432,400	6.59%	1,940
2022	44,064,580	7,471,081	30,010,000	-	3,059,733	84,605,394	6.28%	1,958

(1) Reference table 12

Ratios of General Bonded Debt by Type
Last Ten Fiscal Years

	General Bonded Debt Outstanding								
Fiscal Year	General Obligation	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans	Business-Type Activities	Less: Restricted Debt Service Net Position	Total	Percentage of Estimated Actual Value of Property	Per Capita
2012	25,027,000	297,437	30,815,770	345,000	1,491,730	-	57,976,937	2.02%	1,586
2013	22,533,225	276,191	28,267,066	230,000	1,291,049	-	52,597,531	1.82%	1,424
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	-	50,331,145	1.69%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	-	50,267,924	1.65%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	-	49,904,475	1.60%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	-	53,069,475	1.66%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	-	55,346,075	1.71%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	(30,868)	57,816,528	1.74%	1,518
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	(86,324)	58,295,556	1.67%	1,520
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	(1,267,560)	82,164,840	2.15%	1,910
2022	44,064,580	7,471,081	30,010,000	-	3,059,733	(3,074,676)	81,530,718	2.05%	1,887

The County of Prince George does not have any overlapping governmental or business activities debt.

COUNTY OF PRINCE GEORGE, VIRGINIA

Computation of Legal Debt Margin
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Net Assessed Value (real property)	$ 2,487,439,800	$ 2,493,088,000	$ 2,521,752,900	$ 2,556,763,100	$ 2,599,790,900
Debt Limit (10% of Real Property Assessed Value)	248,743,980	249,308,800	252,175,290	255,676,310	259,979,090
Debt Applicable to Limit	57,382,063	52,597,531	50,331,145	50,267,924	49,904,475
Legal Debt Margin	$ 191,361,917	$ 196,711,269	$ 201,844,145	$ 205,408,386	$ 210,074,615
Total net debt applicable to the limit as a percentage of debt limit	23.1%	21.1%	20.0%	19.7%	19.2%

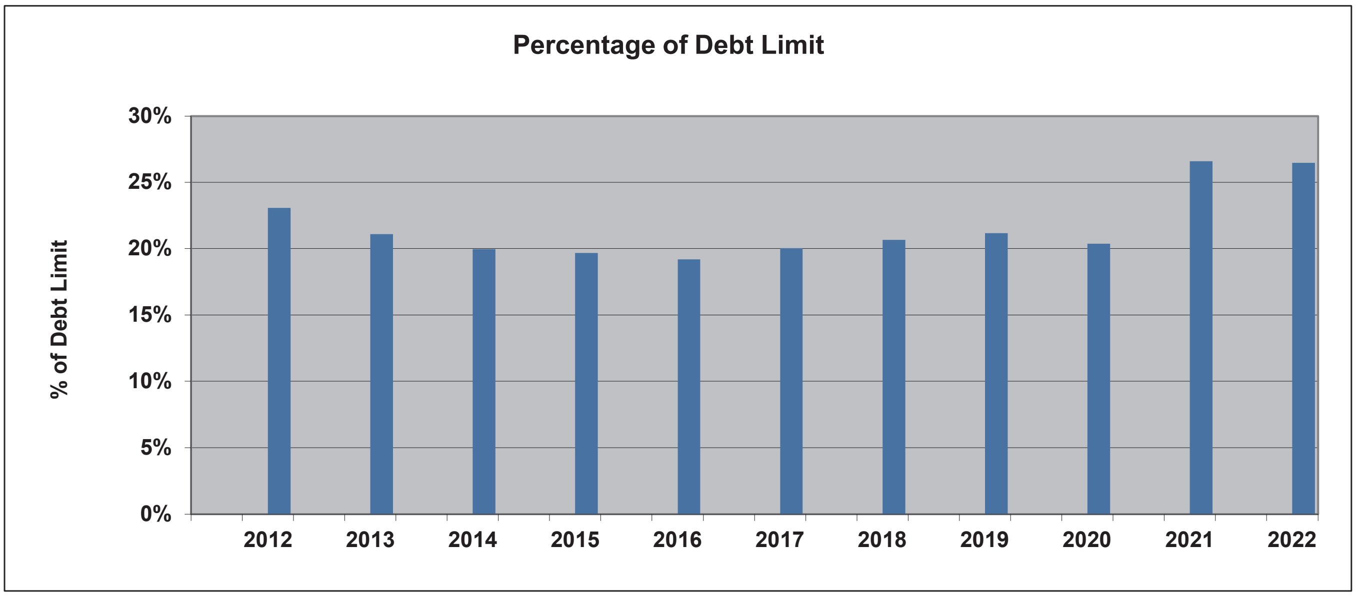


Table 11

	2017	2018	2019	2020	2021	2022
	$ 2,649,924,500	$ 2,678,117,800	$ 2,732,256,600	$ 2,866,468,006	$ 3,138,973,900	$ 3,197,724,768
	264,992,450	267,811,780	273,225,660	286,646,801	313,897,390	319,772,477
	53,069,475	55,346,075	57,847,396	58,381,880	83,432,400	84,605,394
	$ 211,922,975	$ 212,465,705	$ 215,378,264	$ 228,264,921	$ 230,464,990	$ 235,167,083
	20.0%	20.7%	21.2%	20.4%	26.6%	26.5%

Demographic and Economic Statistics
Last Ten Years

Year	Population		Student Enrollment (a)	Personal Income (f)	Per Capita Personal Income (d)	Median Household Income		Median Age		Average Unemployment Rate		Educational Attainment: Bachelor's Degree or Higher	
2012	36,941	(d)	6,302	946,428,420	25,620	62,924	(d)	38.6	(d)	6.5%	(d)	16.8%	(d)
2013	37,253	(d)	6,367	954,645,378	25,626	63,913	(d)	38.0	(d)	4.9%	(d)	17.0%	(d)
2014	37,333	(d)	6,335	912,194,522	24,434	63,074	(d)	38.0	(d)	5.5%	(d)	17.9%	(d)
2015	37,862	(d)	6,336	928,414,102	24,521	61,792	(d)	37.3	(c)	5.3%	(d)	18.5%	(d)
2016	37,845	(e)	6,333	927,997,245	24,521	63,320	(d)	37.3	(c)	4.8%	(e)	21.3%	(d)
2017	37,809	(e)	6,228	1,010,294,289	26,721	66,775	(d)	37.3	(c)	4.4%	(e)	22.1%	(d)
2018	38,082	(e)	6,236	1,065,153,540	27,970	68,461	(d)	37.3	(c)	3.6%	(e)	23.0%	(d)
2019	38,353	(d)	6,228	1,107,366,169	28,873	67,001	(d)	37.2	(c)	3.4%	(e)	24.0%	(d)
2020	43,010	(d)	5,960	1,265,354,200	29,420	71,912	(d)	37.2	(c)	6.5%	(e)	23.6%	(d)
2021	43,209	(c)	6,000	1,347,818,337	31,193	75,123	(d)	37.6	(c)	4.5%	(e)	23.4%	(d)

(a) September Enrollment - Virginia Department of Education; Calendar Year Basis
(b) Virginia Employment Commission- LAUS Unit and Bureau of Labor Statistics
(c) Weldon Cooper Center
(d) US Census Bureau
(e) USDA Economic Research Service
(f) Personal income estimated based upon the municpal population and per capita income

Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer	**Approximate Number of Employees**	**Percentage of Total Principal Employment**	**Rank**	**Approximate Number of Employees**	**Percentage of Total Average Employment**	**Rank**
U.S. Department of Defense	1000+	6.9%	1	1000+	7.1%	1
Prince George County Public Schools (formerly County of Prince George)	500-999	3.5%	2	1000+	7.1%	2
Delhaize America Distribution, LLC (Food Lion Distribution Center)	500-999	3.5%	3	500-999	3.6%	4
National Finance Center (formerly U.S. Department of Justice)	500-999	3.5%	4	500-999	3.6%	3
Perdue Farms Inc	250-499	1.7%	5	500-999	1.8%	9
Standard Motor Products Inc	250-499	1.7%	6	250-499	1.8%	6
County of Prince George (prior years included Prince George County Public Schools)	250-499	1.7%	7	1000+	7.1%	2
Army & Air Force Exchange (formerly U.S. Department of Army and Air Force)	250-499	1.7%	8	250-499	1.8%	8
Cantu Services Inc.	250-499	1.7%	9	N/A	N/A	-
Fort A.P. Hill (formerly U.S. Army Non-Appropriated Funds Division)	250-499	1.7%	10	250-499	1.8%	5
Riverside Regional Jail	100-249	0.7%	13	250-499	1.8%	7
Ace Hardware	N/A	N/A		100-249	0.7%	10
Total Employment	14,407					

Source: Virginia Employment Commission, Economic Information & Analytics,
Quarterly Census of Employment and Wages (QCEW), 1st Quarter (January, February, March) 2022.

County Government Employees
Last Nine Fiscal Years

Function/Program	Approved & Funded Full Time Equivalent (FTE) Positions as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government Administration										
Board of Supervisors	-	-	-	-	-	-	1	1	1	1
County Administration	5	5	4	4	4	4	4	4	4	4
Human Resources	3	3	3	3	3	3	3	3	3	3
County Attorney	2	2	2	2	2.50	2.50	2.50	2.50	2.50	2.50
Commissioner of the Revenue	6	6	6	6	6	6	6	6	6	6
Treasurer	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6
Real Estate Assessor	6	6	6	6	6	6	6	6	6	6
Finance	6	6	7	7	7	7	7	7	7	7
Information Technology	6	6	6	6	6	6	6	6	6	6
County Garage	4	4	4	4	4	4	4	5	5	6
Registrar	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Administration										
Circuit Court	1	1	1	1	1	1	1	1	1	1
Commonwealth's Attorney	6.50	6.50	6.50	6.50	6.50	6.50	6.50	7.50	7.50	7.50
Sheriff	10.50	10.50	10.50	10.50	10.50	10.50	10.50	11.50	11.50	11.50
Victim Witness	1	1	1	1	1	1	1	1	1	1
Clerk of Circuit Court	5	5	6	6	6	6	6	6	6	6
Drug Court	-	-	-	-	-	-	-	-	1	1
Public Safety										
Police	57	58	58	58	59	59.50	59.50	62.50	62.50	62.50
Fire & EMS	11	20	20	19	19	19	23	25	25	28
Fire & EMS (SAFER GRANT)	-	-	-	-	-	6	6	6	6	6
Emergency Management	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
VJCCCA	1	1	1	1	1	1	1	1	1	1
Community Corrections/ Pretrial	10.50	10.50	10.50	10.50	10.50	12	12	12	12	12
Community Development and Code Compliance	13.50	13.50	13.50	13.50	13.50	13.50	14	10	10	10
Animal Control	5.50	5.50	6.50	6.50	6.50	6.50	6	6	6	6
Emergency Communications (Dispatch) Center	14	14	14	14	14	17	17	17	17	17
Public Works										
General Properties	8	8	8	9	9	9	9	9	9	9
Refuse Disposal	0	0	0	0	0	0	0	0	0	0
Engineering/Utilities	12	13	13	14	14	14	14	14	15	15
Health and Welfare										
Social Services	20.50	22.50	22.50	24.50	23.50	24.50	25.50	26.50	26.50	28.50
Children's Services Act	0	0	0	0	0	0	0	0	0	0
Housing Assistance	0	0	0	0	0	0	0	0	0	0
Parks, Recreation & Cultural										
Parks and Recreation	7	7	7	7	7	7	7	7	7	7
Community Development										
Planning Department	0	0	0	0	0	0	0	3	4	4
Economic Development	2	2	2	2	2	2	2	2	2	2
GIS	0	0	0	0	0	0	0	0	0	0
Total	**233.00**	**246.50**	**248.50**	**251.50**	**252.00**	**264.00**	**270.00**	**278.00**	**281.00**	**286.50**

Source - Human Resources

Operating Indicators by Function/ Program
Last Nine Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government Administration										
Real Property Parcels	13,597	13,594	13,613	13,398	13,416	13,744	13,770	13,843	13,888	13,911
Public Safety										
Physical Arrests	503	632	543	555	684	703	693	768	630	648
Traffic Violations	7,200	7,522	4,943	4,447	5,463	5,533	5,493	5,883	6,512	6,612
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Personnel and Officers	57	58	58	58	58	69	65	66	65	60
Fire Protection										
EMS Service Calls	2,938	2,968	3,289	3,400	3,365	3,433	3,581	3,698	3,787	4,069
Fire Service Calls	1,440	1,339	1,495	1,431	1,028	1,115	950	2,027	940	962
Fire Stations	6	6	6	6	6	6	7	7	7	8
EMS Stations	1	1	1	1	1	1	1	1	1	0
Volunteer Fire and EMS Personnel	232	225	160	160	164	171	232	268	200	160
Professional Paramedic/Firefighter	7	16	16	16	166	23	62	60	45	40
Building Official										
Residential Permits	576	387	451	1,110	1,076	1,450	551	2,097	1,265	1,571
Commercial Building Permits	173	190	137	189	204	251	124	335	282	399
Commercial New-Building Permits	55	52	22	13	6	13	13	17	10	23
Single Family Resid. Building Permits	40	45	52	73	97	162	142	116	115	169
Public Works										
Miles of Water Line	75	75	82	83	87	88	87	87	87	91
Miles of Sewer Line	97	97	116	117	117	116	115	115	115	115
Utilities Customers	4,300	4,545	4,264	4,204	4,247	4,303	4,458	4,464	4,489	4,516
Health and Welfare										
Request for Services (Social Services)	1,261	1,486	1,515	1,718	1,503	1,470	1,503	1,149	878	1,288
Food Stamp Applications	1,140	1,063	1,787	2,070	1,241	1,047	1,150	1,278	1,398	1,528
Parks, Recreation & Cultural										
Youth League Participants	2,213	2,409	2,319	2,337	2,229	2,184	2,166	1,151	1,225	2,778
Community Development										
Employment	14,022 (a)	14,758 (a)	14,791 (a)	14,968 (a)	15,558 (a)	14,806 (a)	14,823 (a)	14,926 (a)	15,152 (a)	15,111 (a)
Component Unit - School Board										
Students Enrolled	6,302 (b)	6,367 (b)	6,335 (b)	6,336 (b)	6,333 (b)	6,228 (b)	6,236 (b)	6,228 (b)	5,960 (b)	6,000 (b)

Source - Various County Departments
(a) Virginia Employment Commission
https://datausa.io/profile/geo/prince-george-county-va#:~:text=From%202016%20to%202017%2C%20employment,employees%20to%2014.9k%20employees.
(b) September enrollment - Virginia Department of Education K-12; Fiscal Year basis

Capital Asset Statistics by Function
Last Nine Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government Administration										
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Administration Vehicles	9	9	9	8	6	5	5	5	5	5
Public Safety										
Police Department:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	72	76	66	73	73	67	75	77	77	79
Child Safety Seat Trailer	1	1	1	1	1	1	1	1	1	1
Electronic Sign Board	1	1	1	1	1	1	1	1	3	3
Public Safety Boat	1	1	1	1	1	1	1	1	1	1
Emergency Management:										
Buildings	1	1	1	1	1	1	1	1	1	1
Sheriff's Department:										
Vehicles	12	12	12	12	12	13	12	13	14	14
Fire Department:										
Vehicles & Apparatus	60	58	63	66	69	69	68	68	64	62
Electronic Sign Board									1	1
Animal Control:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	4	5	6	6	6	5	5	4	4	4
Horse Trailer	1	1	1	1	1	1	1	1	1	1
Community Corrections:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles		2	2	2	2	2	2	2	2	2
Courts:										
Buildings	1	1	1	1	1	1	1	1	1	1
Operations										
Garage:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	3	4	4	3	4	4	4	4	4	4
Refuse:										
Sites	1	1	1	1	1	1	1	1	1	1
Recycling Centers	2	2	2	2	2	2	2	2	2	2
Buildings and Grounds:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	9	7	7	7	9	8	8	8	7	7
Community Development										
Building Inspections:										
Vehicles	7	7	6	6	6	6	6	7	7	6
Culture and Recreation										
Parks and Recreation:										
Pier/Overlook/Nature Park	1	1	1	1	1	1	1	1	1	1
Playing Fields	7	7	7	7	7	7	7	7	7	7
Multi-Purpose Fields	2	3	3	3	3	3	3	3	8	8
Tennis Courts	3	3	3	3	3	3	3	3	3	3
Pavilions	3	3	3	3	3	3	3	3	3	3
Education Center / Central Wellness Center	-	1	1	1	1	1	1	1	1	1
Canoe Launch	-	1	1	1	1	1	1	1	1	1
Historical Society	1	1	1	1	1	1	1	1	1	1
Vehicles									9	9
Health & Welfare										
Social Services:										
Building	1	1	1	1	1	1	1	1	1	1
Food Bank	1	1	1	1	1	-	-	1	1	1
Vehicles	5	5	5	5	5	5	5	5	5	5
Component Unit - School Board										
Education:										
High Schools	1	1	1	1	1	1	1	1	1	1
Junior High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	5	5	5	5	5	5	5	5	5	5
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Education Center	1	-	-	-	-	-	-	-	-	-
School Buses - Active	75	76	76	74	60	56	60	60	63	61
School Buses - Spare	32	20	20	23	31	31	23	23	23	21

Source: Individual County Departments

ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants
CPAs | CONSULTANTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of Supervisors
County of Prince George
Prince George, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Prince George, Virginia's basic financial statements, and have issued our report thereon dated December 5, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Prince George, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Prince George, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Prince George, Virginia's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Prince George, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox, Associates

Charlottesville, Virginia
December 5, 2022

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

To the Honorable Members of the Board of Supervisors
County of Prince George
Prince George, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Prince George, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Prince George, Virginia's major federal programs for the year ended June 30, 2022. County of Prince George, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Prince George, Virginia's 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Prince George, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Prince George, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Prince George, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Prince George, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of County of Prince George, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Prince George, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox, Associates
Charlottesville, Virginia
December 5, 2022

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COUNTY OF PRINCE GEORGE, VIRGINIA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Guardianship Assistance	93.090	1110121 / 1110122	$ -	$ 254
Title IV-E Prevention Program	93.472	1140122	-	3,298
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121 / 0950122	-	16,240
Temporary Assistance for Needy Families (TANF)	93.558	0400121 / 0400122	-	164,245
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121 / 0500122	-	844
Low-Income Home Energy Assistance	93.568	0600421 / 0600422	-	27,277
Community-Based Child Abuse Prevention Grants	93.590	9560121	-	792
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760121 / 0760122	-	36,775
Adoption and Legal Guardianship Incentive Payments	93.603	1130119	-	201
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121 / 0900122	-	389
Foster Care - Title IV-E	93.658	1100121 / 1100122	-	170,291
Adoption Assistance	93.659	1120121 / 1120122	-	273,587
Social Services Block Grant	93.667	1000121 / 1000122	-	171,009
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121 / 9150122	-	9,224
Elder Abuse Prevention Interventions Program	93.747	Unknown	-	7,143
Children's Health Insurance Program (CHIP)	93.767	0540121 / 0540122	-	2,433
Medical Assistance Program (Medicaid Cluster)	93.778	1200121 / 1200122	-	250,324
Total Department of Health and Human Services			$ -	$ 1,134,326
Department of Homeland Security:				
Pass Through Payments:				
Department of Emergency Management:				
Emergency Food and Shelter National Board Program	97.024	Unknown	$ -	$ 12,919
Emergency Management Performance Grants	97.042	Unknown	-	57,384
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Unknown	-	162,484
Homeland Security Grant Program	97.067	Unknown	-	3,092
Total Department of Homeland Security			$ -	$ 235,879
Department of Agriculture:				
Pass Through Payments:				
Department of Education:				
School Breakfast Program (Child Nutrition Cluster)	10.553	405910	$ -	$ 1,205,682
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559	Unknown	$ -	$ 79,710
Department of Agriculture:				
Food Distribution (Child Nutrition Cluster)	10.555	Unknown	-	178,772
Department of Education:				
National School Lunch Program (Child Nutrition Cluster)	10.555	406230	-	3,065,267 3,065,267
Total Child Nutrition Cluster			$ -	$ 4,529,431
COVID-19 - Pandemic EBT Admin Costs	10.649	Unknown	-	3,063
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040122 / 0040121	-	471,674
Total Department of Agriculture			$ -	$ 5,004,168

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
Department of Labor:				
Pass Through Payments:				
Department of Education:				
WIOA Adult Program (WIOA Cluster)	17.258	LWA 5-20-02 & LWA 5-21-04	$ 607,714	$ 607,714
WIOA Youth Activities (WIOA Cluster)	17.259	LWA 5-20-02 & LWA 5-21-04	281,116	281,116
WIOA Dislocated Worker Formula Grants (WIOA Cluster)	17.278	LWA 5-20-02 & LWA 5-21-04	384,973	384,973
WIOA National Dislocated Worker Grants	17.277	AA-34799-20-55-A-51	23,582	23,582
Total Department of Labor			1,297,385	1,297,385
Department of Justice:				
Direct Payments:				
Bulletproof Vest Partnership Program	16.607	N/A	$ -	$ 5,697
Pass Through Payments:				
Department of Criminal Justice Services:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	Unknown	-	25,363
Crime Victim Assistance	16.575	18-Q3594VW15 / 19-R3594VW16 19-B4101VW16	-	70,965
Asset Forfeiture	16.000	N/A	-	47
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	6,080
Total Department of Justice			$ -	$ 108,152
Department of Transportation:				
Pass Through Payments:				
National Priority Safety Programs (Highway Safety Cluster)	20.616	Unknown	$ -	$ 20,271
Department of Education:				
Direct Payments:				
Impact Aid	84.041	N/A	$ -	$ 5,777,683
Pass Through Payments:				
Department of Education:				
Adult Education - Basic Grants to States	84.002	428010 / 611110	-	417,292
Title I Grants to Local Educational Agencies	84.010	429010	-	772,942
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	429480	-	47,342
Special Education - Grants to States (Special Education Cluster)	84.027	430710	-	1,109,918
Special Education - Preschool Grants (Special Education Cluster)	84.173	625210	-	31,913
Total Special Education Cluster (IDEA)			$ -	$ 1,141,831
Student Support and Academic Enrichment Program	84.424	Unknown	-	50,241
Higher Education Institutional Aid	84.031	Unknown	-	9,362
Career and Technical Education - Basic Grants to States	84.048	610950	-	81,960
Supporting Effective Instruction State Grants	84.367	614800	-	136,349
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER)	84.425D	Unknown	-	2,918,426
Total Department of Education			$ -	$ 11,353,428
Department of Defense:				
Direct Payments:				
ROTC Language and Culture Training Grants	12.357	N/A	$ -	$ 107,510
Competitive Grants: Promoting for K-12 Student Achievement at Military-Connected Schools	12.556	N/A	-	110,851
Total Department of Defense			$ -	$ 218,361
Department of Treasury:				
Pass through payments:				
Department of Education:				
COVID-19 - Coronavirus Relief Funds	21.019	N/A	$ -	$ 48,569
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	501,532
Total Department of Treasury			$ -	$ 550,101
Total Expenditures of Federal Awards			$ 1,297,385	$ 19,922,071

See accompanying notes to the schedule of expenditures of federal awards.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Prince George, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the reporting requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the County of Prince George, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Prince George, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation
Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - De Minimis Cost Rate
The County did not elect to use the 10-percent de minimis indirect cost rate under Uniform Guidance.

Note 5 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:		
Primary government:		
General Fund	$	2,006,539
ARPA Fund		424,980
Workforce Investment Board Fund		1,297,432
Water and Sewer Fund		125,122
Total primary government	$	3,854,073
Component Unit School Board - reference Exhibit 39		
School Operating Fund	$	11,119,916
School Cafeteria Fund		4,567,077
Adult Basic Education Fund		417,292
Total component unit School Board	$	16,104,285
Total federal expenditures per basic financial statements	$	19,958,358
Amounts required to reconcile federal revenues to expenditures:		
Less: Payment in lieu of taxes	$	(36,287)
Total federal expenditures per the Schedule of Expenditures of Federal Awards	$	19,922,071

Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
10.553	Child Nutrition Cluster
17.258/17.259/17.278	WIOA Cluster
84.010	Title I Grants to Local Educational Agencies
84.041	Impact Aid
84.425D	Elementary and Secondary School Emergency Relief (ESSER) Fund

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.

Section IV - Prior Year Findings

There are no findings from the prior year.