

COUNTY OF NOTTOWAY, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR
ENDED JUNE 30, 2022

County of Nottoway, Virginia

Annual Financial Report

For the Year Ended June 30, 2022

COUNTY OF NOTTOWAY, VIRGINIA

Board of Supervisors

Lynn K. Shekleton, Chair

Steve W. Bowen, Vice-Chair

John A. Roark

Helen M. Simmons

Sherman C. Vaughn

School Board

Shelli Hinton, Chair

Jamie Higgins, Vice-Chair

Jimmy Fowlkes

Clive Pettis, Sr.

Bill Outlaw

Board of Social Services

Barbara Briggins, Chairperson

Jacqueline Downs, Vice Chairperson

Ronald Scruggs

John A. Roark

Carrie M. Gravely

Other Officials

Philip S. T. Costin, County Administrator

Katy Tomer, Assistant County Administrator/Finance Director

Tameshia V. Grimes, Ph.D., Superintendent of Schools

Shannon Reed, Director of Social Services

Judge of the Circuit Court Honorable Paul W. Cella

Clerk of the Circuit Court Jane L. Brown

Commonwealth's Attorney Leanne Watrous

Treasurer Ellen F. Myatt

Sheriff Robert L. Jones

Commissioner of the Revenue Christy A. Hudson

COUNTY OF NOTTOWAY, VIRGINIA
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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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 Nottoway
Nottoway, Virginia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Nottoway, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Nottoway, Virginia, as of and for the year ended June 30, 2022, and the respective changes in financial position 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 Nottoway, Virginia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 24 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. 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 Nottoway, 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 Nottoway, 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 Nottoway, 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

Required Supplementary Information (Continued)

applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of County of Nottoway, 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 Nottoway, 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 Nottoway, Virginia's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "D. F. Clark", followed by a long horizontal line.

Richmond, Virginia
November 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

As management of the County of Nottoway, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,510,531 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources under expenditures and other financial uses of \$594,684 (Exhibit 5) after making contributions totaling \$5,283,665 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$22,710,252, a decrease of \$594,684 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,189,112 or 72% of total general fund expenditures and other uses.
- < The combined long-term obligations increased by \$1,451,402 during the current fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

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

Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner like a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, courts, police protection, sanitation, social services, education, cultural events, and recreation.

The Government-wide financial statements include not only the County of Nottoway, Virginia itself (known as the primary government), but also a legally separate school district for which the County of Nottoway, Virginia is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

Governmental funds - Governmental funds are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds - the General Fund, the Landfill Fund, and the LRA Land Sale Fund.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's custodial funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Custodial funds are used to provide accountability of client monies for which the County is custodian.

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

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and Industrial Development Authority. The School Board and Industrial Development Authority do not issue separate financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$34,510,531 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Nottoway, Virginia's Net Position

	Governmental Activities	
	2022	2021
Current and other assets	\$ 30,777,574	\$ 26,447,642
Capital assets	17,495,626	17,445,881
Total assets	\$ 48,273,200	\$ 43,893,523
Deferred outflows of resources	\$ 1,047,022	\$ 1,183,480
Current liabilities	\$ 3,158,831	\$ 1,361,719
Long-term liabilities outstanding	8,824,025	7,372,623
Total liabilities	\$ 11,982,856	\$ 8,734,342
Deferred inflows of resources	\$ 2,826,835	\$ 375,402
Net position:		
Net investment in capital assets	\$ 16,357,832	\$ 16,160,623
Restricted for net pension asset	4,285,279	1,231,388
Unrestricted	13,867,420	18,575,248
Total net position	\$ 34,510,531	\$ 35,967,259

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

During the current fiscal year, the County's net position decreased by \$1,456,728. The following table summarizes the County's Statement of Activities

County of Nottoway, Virginia's Changes in Net Position		
	Governmental Activities	
	2022	2021
Revenues:		
Program revenues:		
Charges for services	\$ 1,045,365	\$ 672,408
Operating grants and contributions	5,048,598	5,589,226
General revenues:		
General property taxes	7,916,780	7,761,041
Other local taxes	2,388,856	2,108,720
Grants and other contributions not restricted	1,463,753	1,444,154
Other general revenues	945,816	935,298
Total revenues	<u>\$ 18,809,168</u>	<u>\$ 18,510,847</u>
Expenses:		
General government administration	\$ 2,292,845	\$ 1,035,420
Judicial administration	1,020,834	944,915
Public safety	4,153,085	4,636,802
Public works	3,046,821	1,892,872
Health and welfare	2,751,565	2,880,258
Education	5,491,977	4,764,460
Parks, recreation, and cultural	372,497	410,145
Community development	1,090,512	1,490,862
Interest and other fiscal charges	45,760	55,112
Total expenses	<u>\$ 20,265,896</u>	<u>\$ 18,110,846</u>
Change in net position	\$ (1,456,728)	\$ 400,001
Net position, beginning	35,967,259	35,567,258
Net position, ending	<u>\$ 34,510,531</u>	<u>\$ 35,967,259</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the County's Funds

As noted earlier, the County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$22,710,252, a decrease of \$594,684 in comparison with the prior year. Approximately 58% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

General Fund Budgetary Highlights

During the year, revenues and other financing sources were less than budgetary estimates by \$2,071,393, and expenditures and other financing uses were less than budgetary estimates by \$4,730,336, resulting in a positive variance of \$2,658,943.

Capital Asset and Debt Administration

< **Capital assets** - The County's investment in capital and leased assets for its governmental operations as of June 30, 2022 amounted to \$17,495,626 (net of accumulated depreciation). This investment includes land, buildings and improvements, leased assets, and machinery and equipment.

Additional information on the County's capital assets can be found in note 5 of this report.

< **Long-term debt** - At the end of the current fiscal year, the County had total bonds and lease assets outstanding of \$1,100,121. Of this amount, \$1,045,858 comprises debt backed by the full faith and credit of the County.

During the current fiscal year, the County's total long-term obligations increased by \$1,451,402.

Additional information on the County's long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare to national indices.

All these factors were considered in preparing the County's budget for the 2023 fiscal year.

The fiscal year 2023 budget increased by approximately 14.54 percent. All tax rates remained the same for fiscal year 2023 except for personal property, which was reduced from 3.75% to 3.65%.

Requests for Information

This financial report is designed to provide a general overview of the County of Nottoway, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, 328 West Court House Road, Nottoway, Virginia 23955.

County of Nottoway, Virginia
Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Units School Board	IDA
ASSETS			
Cash and cash equivalents	\$ 23,602,771	\$ 6,261,056	\$ 1,972,012
Receivables (net of allowance for uncollectibles):			
Taxes receivable	628,099	-	-
Accounts receivable	78,203	-	-
Leases receivable	68,192	-	-
Interest receivable	67	-	-
Due from component units	1,403,701	-	-
Due from other governmental units	711,262	905,036	-
Prepaid items	-	292,061	-
Net pension asset	4,285,279	987,495	-
Other assets:			
Notes receivable	-	-	368,051
Capital assets (net of accumulated depreciation):			
Land	8,707,733	88,670	-
Buildings and improvements	5,698,825	-	-
Assets under lease	54,714	112,364	-
Machinery and equipment	1,072,525	2,350,237	-
Jointly owned assets	1,045,858	7,407,294	-
Construction in progress	915,971	-	-
Total assets	\$ 48,273,200	\$ 18,404,213	\$ 2,340,063
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	\$ 297,347	\$ 3,672,862	\$ -
OPEB related items	749,675	380,785	-
Total deferred outflows of resources	\$ 1,047,022	\$ 4,053,647	\$ -
LIABILITIES			
Accounts payable	\$ 176,694	\$ 220,106	\$ -
Accrued liabilities	-	594,186	-
Unearned revenue	2,958,637	-	-
Accrued interest payable	23,500	-	-
Due to primary government	-	1,327,323	76,378
Long-term liabilities:			
Due within one year	232,063	74,491	-
Due in more than one year	8,591,962	12,914,630	-
Total liabilities	\$ 11,982,856	\$ 15,130,736	\$ 76,378
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	\$ 36,727	\$ -	\$ -
Lease related items	64,970	-	-
Pension related items	2,383,987	9,110,503	-
OPEB related items	341,151	840,507	-
Total deferred inflows of resources	\$ 2,826,835	\$ 9,951,010	\$ -
NET POSITION			
Net investment in capital assets	\$ 16,357,832	\$ 9,845,735	\$ -
Restricted:			
Net pension asset	4,285,279	987,495	-
Unrestricted (deficit)	13,867,420	(13,457,116)	2,263,685
Total net position (deficit)	\$ 34,510,531	\$ (2,623,886)	\$ 2,263,685

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

County of Nottoway, Virginia
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Component Units</u>		
					<u>Primary Governmental Activities</u>	<u>School Board</u>	<u>IDA</u>
PRIMARY GOVERNMENT:							
Governmental activities:							
General government administration	\$ 2,292,845	\$ 545,006	\$ 859,094	\$ -	\$ (888,745)	\$ -	\$ -
Judicial administration	1,020,834	27,198	473,402	-	(520,234)	-	-
Public safety	4,153,085	225,606	1,454,723	-	(2,472,756)	-	-
Public works	3,046,821	792,386	7,981	-	(2,246,454)	-	-
Health and welfare	2,751,565	-	1,987,329	-	(764,236)	-	-
Education	5,491,977	-	-	-	(5,491,977)	-	-
Parks, recreation, and cultural	372,497	175	106,169	-	(266,153)	-	-
Community development	1,090,512	-	159,900	-	(930,612)	-	-
Interest on long-term debt	45,760	-	-	-	(45,760)	-	-
Total governmental activities	\$ 20,265,896	\$ 1,590,371	\$ 5,048,598	\$ -	\$ (13,626,927)	\$ -	\$ -
COMPONENT UNITS:							
School Board	\$ 25,313,274	\$ 60,324	\$ 22,651,880	\$ -	\$ -	(2,601,070)	\$ -
Industrial Development Authority	-	16,531	-	-	-	-	16,531
Total component units	\$ 25,313,274	\$ 76,855	\$ 22,651,880	\$ -	\$ -	(2,601,070)	\$ 16,531
General revenues:							
General property taxes					\$ 7,916,780	\$ -	\$ -
Local sales and use taxes					1,666,523	-	-
Consumer utility taxes					152,798	-	-
Business licenses					204,235	-	-
Motor vehicle licenses					204,740	-	-
Other local taxes					160,560	-	-
Unrestricted revenues from use of money					76,554	2,224	4,335
Miscellaneous					353,339	786,813	-
Grants and contributions not restricted to specific programs					1,434,670	-	-
Contribution from Nottoway County					-	5,339,383	-
Total general revenues					\$ 12,170,199	\$ 6,128,420	\$ 4,335
Change in net position					(1,456,728)	3,527,350	20,866
Net position (deficit) - beginning					35,967,259	(6,151,236)	2,242,819
Net position (deficit) - ending					\$ 34,510,531	\$ (2,623,886)	\$ 2,263,685

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

County of Nottoway, Virginia
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Landfill Fund	LRA Land Sale Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 18,059,687	\$ -	\$ 5,228,188	\$ 434,132	\$ 23,722,007
Receivables (net of allowance for uncollectibles):					
Taxes receivable	628,099	-	-	-	628,099
Accounts receivable	24,867	53,336	-	-	78,203
Leases receivable	68,192	-	-	-	68,192
Interest receivable	67	-	-	-	67
Due from component units	1,403,701	-	-	-	1,403,701
Due from other governmental units	658,713	29,777	-	22,772	711,262
Total assets	<u>\$ 20,843,326</u>	<u>\$ 83,113</u>	<u>\$ 5,228,188</u>	<u>\$ 456,904</u>	<u>\$ 26,611,531</u>
LIABILITIES					
Accounts payable	\$ 168,615	\$ 8,079	\$ -	\$ -	\$ 176,694
Unearned revenue	2,958,637	-	-	-	2,958,637
Reconciled overdraft payable	-	119,236	-	-	119,236
Total liabilities	<u>\$ 3,127,252</u>	<u>\$ 127,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,254,567</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 581,742	\$ -	\$ -	\$ -	\$ 581,742
Lease related items	64,970	-	-	-	64,970
Total deferred inflows of resources	<u>\$ 646,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,712</u>
FUND BALANCES					
Committed	\$ 3,880,250	\$ -	\$ 5,228,188	\$ 456,904	\$ 9,565,342
Unassigned (deficit)	13,189,112	(44,202)	-	-	13,144,910
Total fund balances (deficit)	<u>\$ 17,069,362</u>	<u>\$ (44,202)</u>	<u>\$ 5,228,188</u>	<u>\$ 456,904</u>	<u>\$ 22,710,252</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,843,326</u>	<u>\$ 83,113</u>	<u>\$ 5,228,188</u>	<u>\$ 456,904</u>	<u>\$ 26,611,531</u>

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

County of Nottoway, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
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	\$	22,710,252
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	\$ 29,990,631		
Accumulated depreciation	<u>(12,495,005)</u>		17,495,626

The net pension asset is not an available resource and, therefore, is not reported in the funds.		4,285,279
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		
Unavailable revenue - property taxes		545,015

Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 297,347	
OPEB related items	<u>749,675</u>	1,047,022

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:		
General obligation bonds	\$ (1,045,858)	
Premium on general obligation bond	(37,673)	
Lease liability	(54,263)	
Net OPEB liabilities	(1,265,983)	
Landfill closure liability	(6,125,678)	
Compensated absences	(294,570)	
Accrued interest payable	<u>(23,500)</u>	(8,847,525)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (2,383,987)	
OPEB related items	<u>(341,151)</u>	(2,725,138)

Net position of governmental activities		<u><u>\$ 34,510,531</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General <u>Fund</u>	Landfill <u>Fund</u>	LRA Land Sale <u>Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
REVENUES					
General property taxes	\$ 7,908,865	\$ -	\$ -	\$ -	\$ 7,908,865
Other local taxes	2,208,080	180,100	-	676	2,388,856
Permits, privilege fees, and regulatory licenses	207,992	-	-	-	207,992
Fines and forfeitures	15,127	-	-	-	15,127
Revenue from the use of money and property	621,560	-	-	-	621,560
Charges for services	29,860	792,386	-	-	822,246
Miscellaneous	349,687	2,956	-	696	353,339
Recovered costs	220,281	-	-	-	220,281
Intergovernmental:					
Commonwealth	4,393,062	186,153	-	307,059	4,886,274
Federal	1,596,994	-	-	-	1,596,994
Total revenues	<u>\$ 17,551,508</u>	<u>\$ 1,161,595</u>	<u>\$ -</u>	<u>\$ 308,431</u>	<u>\$ 19,021,534</u>
EXPENDITURES					
Current:					
General government administration	\$ 2,450,178	\$ -	\$ -	\$ -	\$ 2,450,178
Judicial administration	907,781	-	-	-	907,781
Public safety	4,130,857	-	-	133,177	4,264,034
Public works	1,173,533	1,053,117	-	-	2,226,650
Health and welfare	2,800,207	-	-	-	2,800,207
Education	5,296,527	-	-	-	5,296,527
Parks, recreation, and cultural	337,342	-	-	-	337,342
Community development	1,078,102	-	-	-	1,078,102
Debt service:					
Principal retirement	199,071	-	-	-	199,071
Interest and other fiscal charges	56,326	-	-	-	56,326
Total expenditures	<u>\$ 18,429,924</u>	<u>\$ 1,053,117</u>	<u>\$ -</u>	<u>\$ 133,177</u>	<u>\$ 19,616,218</u>
Net change in fund balances	\$ (878,416)	\$ 108,478	\$ -	\$ 175,254	\$ (594,684)
Fund balances (deficit) - beginning	17,947,778	(152,680)	5,228,188	281,650	23,304,936
Fund balances (deficit) - ending	<u>\$ 17,069,362</u>	<u>\$ (44,202)</u>	<u>\$ 5,228,188</u>	<u>\$ 456,904</u>	<u>\$ 22,710,252</u>

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

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

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

Net change in fund balances - total governmental funds	\$	(594,684)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The following is a summary of items supporting this adjustment:

Capital asset additions	\$ 877,128		
Depreciation expense	(729,194)		
Jointly owned asset allocation	<u>(55,718)</u>		92,216

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(100,357)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		7,915
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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. The following is a summary of items supporting this adjustment:

Principal retirement on general obligation bonds	\$ 195,448		
Principal retirement on lease liabilities	3,623		
Increase in landfill closure liability	<u>(1,384,873)</u>		(1,185,802)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ (35,589)		
Premium on general obligation bond	6,279		
Accrued interest payable	4,287		
Change in pension related items	419,291		
Change in OPEB related items	<u>(70,284)</u>		323,984

Change in net position of governmental activities		<u><u>\$ (1,456,728)</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Nottoway, Virginia
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2022

	<u>Custodial Fund</u>
	<u>Special Welfare</u>
ASSETS	
Cash and cash equivalents	\$ 2,526
Total assets	<u>\$ 2,526</u>
NET POSITION	
Restricted for individuals	\$ 2,526
Total net position	<u>\$ 2,526</u>

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

County of Nottoway, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2022

	<u>Custodial Fund</u> <u>Special Welfare</u>
ADDITIONS	
Contributions:	
Miscellaneous	\$ 3,871
Total additions	<u>\$ 3,871</u>
DEDUCTIONS	
Recipient payments	\$ 4,078
Total deductions	<u>\$ 4,078</u>
Net increase (decrease) in fiduciary net position	<u>\$ (207)</u>
Net position, beginning	<u>2,733</u>
Net position, ending	<u><u>\$ 2,526</u></u>

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022

Note 1—Summary of Significant Accounting Policies:

The County of Nottoway, 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 services; recreational activities; cultural events; education; and social services.

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

Financial Statement Presentation

Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all 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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position - The Statement of Net Position is designed to display financial position of the primary government (governmental activities) and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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

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

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

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

Discretely Presented Component Units. The School Board members are elected by the citizens of Nottoway 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 can approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022.

The Industrial Development Authority of Nottoway County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2022. The Industrial Development Authority of Nottoway County does not issue a separate financial report.

C. Other Related Organizations

Included in the County's Financial Report

None

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the way these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are 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 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 principle and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recorded only 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 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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Revenues from general purpose grants are recognized in the period to which the grant applies. All other revenue items are 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 based on funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. The County reports the General Fund as a major governmental fund.

The General Fund is the primary operating fund of the County. This fund is used to account for and report all financial 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 reporting purposes.

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the following funds: Landfill, E-911, LRA Land Sale, Forfeited Assets, and Dare. The Landfill and LRA Land Sale funds are reported as major funds.

2. Fiduciary Funds - (Trust and Custodial Funds) - account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds consist of the Special Welfare Fund.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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

3. Component Unit

The Nottoway County School Board has the following funds:

Governmental Fund:

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

Special Revenue Funds:

School Textbook Fund - This fund accounts for the revenues and expenditures for textbook purchases for the School Board. The School Textbook Fund is considered a major fund for financial reporting purposes.

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

School Activity Fund - This fund accounts the revenues and expenditures applicable to the activity funds for the individual schools. Revenues are derived primarily from fundraising and activity fees. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

E. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits, and short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

F. Investments

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

G. Receivables and Payables

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

G. Receivables and Payables (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to \$241,731 on June 30, 2022 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	December 5	December 5
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County and Component Unit School Board as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15-45
Motor vehicles	3-10
Equipment assets under lease	5
Equipment	2-15

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

I. 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 (leased equipment) 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 leased equipment 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 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 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).

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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a long-term obligation in the statement of net position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement.

K. Use of Estimates

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

L. Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called “fund balance”. County’s governmental funds report the following categories of fund balances, based on the nature of any limitations requiring the use of resources for specific purposes:

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund).
- Restricted fund balance - amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- Committed fund balance - amounts that can be used only for the specific purposes determined by the adoption of a resolution committing fund balance for a specified purpose by the Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the resolution remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 1—Summary of Significant Accounting Policies: Continued

L. Fund Balance (Continued)

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

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

	General Fund	Major Special Revenue Fund Landfill Fund	Major Special Revenue Fund LRA Land Sale Fund	Other Governmental Funds	Total
Fund Balances:					
Committed:					
Encumbrances and carry-over from prior year	\$ 3,880,250	\$ -	\$ -	\$ -	\$ 3,880,250
DARE	-	-	-	99	99
E-911	-	-	-	455,663	455,663
Forfeited assets	-	-	-	1,142	1,142
Local Reuse Authority land sale	-	-	5,228,188	-	5,228,188
Total Committed Fund Balance	\$ 3,880,250	\$ -	\$ 5,228,188	\$ 456,904	\$ 9,565,342
Unassigned (deficit)	\$ 13,189,112	\$ (44,202)	\$ -	\$ -	\$ 13,144,910
Total Fund Balances (deficit)	\$ 17,069,362	\$ (44,202)	\$ 5,228,188	\$ 456,904	\$ 22,710,252

M. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

M. Net Position (Continued)

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

N. 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 future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information, reference the related notes.

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

O. Long-term Obligations

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

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

P. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's and School Board's Retirement Plan and the additions to/deductions from the County's and School Board's Retirement Plan's fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

Q. Other Postemployment Benefits (OPEB)

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

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 or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Landfill Fund, LRA Land Sale Fund, E911 Fund and the DARE Fund of the primary government and the School Operating Fund, and School Cafeteria Fund of the School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units.
8. All budgetary data presented in the accompanying financial statements is the original budget at June 30. Several supplemental appropriations were necessary during the year and at year end because they were not included in the original budget.
9. Expenditures and Appropriations
Expenditures exceeded appropriations in the Landfill, and E-911 Funds on June 30, 2022.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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 more than the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial Institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard 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). The County had no investments on June 30, 2022.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 4—Due to/from Other Governments:

On June 30, 2022, the County has receivables from other governments as follows:

	Primary Government	Component Unit School Board	Component Unit Industrial Development Authority
Other Local Governments:			
County of Nottoway School Board	\$ 1,327,323	\$ -	\$ -
Nottoway County Industrial Development Authority	76,378	-	-
Commonwealth of Virginia:			
Local sales tax	248,027	-	-
Shared expenses - elected officials	134,961	-	-
Rolling stock tax	73,588	-	-
Social Services funds	23,735	-	-
State sales tax	-	503,394	-
Moped/ATV Sales Tax	2,440	-	-
Mobile home titling tax	300	-	-
Children's Services Act	106,047	-	-
Wireless grant	22,772	-	-
Communications tax	29,777	-	-
Federal Government:			
School fund grants	-	401,642	-
Homeland security	21,062	-	-
Social Services funds	48,553	-	-
Total due from other governments	\$ 2,114,963	\$ 905,036	\$ -

At June 30, 2022, amounts due to other local governments are as follows:

Other Local Governments:			
County of Nottoway	\$ -	\$ 1,327,323	\$ 76,378

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

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 Adjustments	Adjusted Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental activities:						
Capital assets not subject to depreciation:						
Land	\$ 8,808,090	\$ -	\$ 8,808,090	\$ -	\$ 100,357	\$ 8,707,733
Construction in progress	219,806	-	219,806	696,165	-	915,971
Total capital assets not subject to depreciation	\$ 9,027,896	\$ -	\$ 9,027,896	\$ 696,165	\$ 100,357	\$ 9,623,704
Capital assets subject to depreciation:						
Buildings and improvements	\$ 10,979,935	\$ -	\$ 10,979,935	\$ 8,000	\$ -	\$ 10,987,935
Machinery and equipment	5,066,296	-	5,066,296	172,963	-	5,239,259
Land under lease	-	57,886	57,886	-	-	57,886
Jointly owned assets	4,299,308	-	4,299,308	-	217,461	4,081,847
Total capital assets subject to depreciation	\$ 20,345,539	\$ 57,886	\$ 20,403,425	\$ 180,963	\$ 217,461	\$ 20,366,927
Accumulated Depreciation:						
Buildings and improvements	\$ 4,998,303	\$ -	\$ 4,998,303	\$ 290,807	\$ -	\$ 5,289,110
Machinery and equipment	3,871,251	-	3,871,251	295,483	-	4,166,734
Land under lease	-	-	-	3,172	-	3,172
Jointly owned assets	3,058,000	-	3,058,000	139,732	161,743	3,035,989
Total accumulated depreciation	\$ 11,927,554	\$ -	\$ 11,927,554	\$ 729,194	\$ 161,743	\$ 12,495,005
Total capital assets being depreciated, net	\$ 8,417,985	\$ 57,886	\$ 8,475,871	\$ (548,231)	\$ 55,718	\$ 7,871,922
Governmental activities capital assets, net	\$ 17,445,881	\$ 57,886	\$ 17,503,767	\$ 147,934	\$ 156,075	\$ 17,495,626

	Balance July 1, 2021	GASB 87 Adjustments	Adjusted Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Component Unit - School Board:						
Governmental activities:						
Capital assets not subject to depreciation:						
Land	\$ 88,670	\$ -	\$ 88,670	\$ -	\$ -	\$ 88,670
Total capital assets not subject to depreciation	\$ 88,670	\$ -	\$ 88,670	\$ -	\$ -	\$ 88,670
Capital assets subject to depreciation:						
Machinery and equipment	\$ 8,104,129	\$ -	\$ 8,104,129	\$ 813,164	\$ -	\$ 8,917,293
Equipment under lease	-	162,303	162,303	-	-	162,303
Jointly owned assets	28,692,239	-	28,692,239	-	(217,461)	28,909,700
Total capital assets subject to depreciation	\$ 36,796,368	\$ 162,303	\$ 36,958,671	\$ 813,164	\$ (217,461)	\$ 37,989,296
Accumulated Depreciation:						
Machinery and equipment	\$ 6,060,854	\$ -	\$ 6,060,854	\$ 506,202	\$ -	\$ 6,567,056
Equipment under lease	-	-	-	49,939	-	49,939
Jointly owned assets	20,408,153	-	20,408,153	932,510	(161,743)	21,502,406
Total accumulated depreciation	\$ 26,469,007	\$ -	\$ 26,469,007	\$ 1,488,651	\$ (161,743)	\$ 28,119,401
Total capital assets being depreciated, net	\$ 10,327,361	\$ 162,303	\$ 10,489,664	\$ (675,487)	\$ (55,718)	\$ 9,869,895
Governmental activities capital assets, net	\$ 10,416,031	\$ 162,303	\$ 10,578,334	\$ (675,487)	\$ (55,718)	\$ 9,958,565

The County has entered into a contract for building energy efficiency updates. The total contract is for \$1,295,500 with \$647,750 remaining at year-end.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:		
Governmental activities:		
General government administration	\$	26,287
Judicial administration		112,759
Public safety		112,073
Public works		186,337
Health and welfare		41,591
Education		139,732
Parks, recreation and cultural		90,057
Community development		20,358
		<hr/>
Total Primary Government	\$	729,194
		<hr/>
Component Unit School Board	\$	1,488,651
		<hr/>

Note 6—Interfund Transfers:

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

Fund	Transfers In	Transfers Out
Component Unit-School Board:		
School Operating Fund	\$ -	\$ 185,077
School Textbook Fund	185,077	-
Total	<hr/> \$ 185,077 <hr/>	<hr/> \$ 185,077 <hr/>

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 7—Long-Term Obligations:

Primary Government:

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

	Balance at July 1, 2021	GASB Adjustments	Adjusted Balance at July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Governmental Activities Obligations:							
Incurred by County:							
Compensated absences	\$ 258,981	\$ -	\$ 258,981	\$ 61,487	\$ 25,898	\$ 294,570	\$ 29,457
Net OPEB liabilities	1,087,579	-	1,087,579	1,038,835	860,431	1,265,983	-
Landfill closure liability	4,740,805	-	4,740,805	1,384,873	-	6,125,678	-
Lease liability	-	57,886	57,886	-	3,623	54,263	2,572
Total incurred by County	\$ 6,087,365	\$ 57,886	\$ 6,145,251	\$ 2,485,195	\$ 889,952	\$ 7,740,494	\$ 32,029
Incurred by School Board:							
Direct borrowings and placements:							
General obligation bonds	\$ 1,241,306	\$ -	\$ 1,241,306	\$ -	\$ 195,448	\$ 1,045,858	\$ 200,034
Add issuance premium	43,952	-	43,952	-	6,279	37,673	-
Total incurred by School Board	\$ 1,285,258	\$ -	\$ 1,285,258	\$ -	\$ 201,727	\$ 1,083,531	\$ 200,034
Total Governmental Activities Obligations	\$ 7,372,623	\$ 57,886	\$ 7,430,509	\$ 2,485,195	\$ 1,091,679	\$ 8,824,025	\$ 232,063

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

Year Ending June 30	Direct Borrowing and Direct Placements		Year Ending June 30	County Obligations	
	School Obligations			Lease Liability	
	General			Principal	Interest
	Obligation Bonds				
	Principal	Interest			
2023	\$ 200,034	\$ 46,831	2023	\$ 2,572	\$ 1,428
2024	204,988	37,347	2024	2,640	1,360
2025	210,683	27,121	2025	2,709	1,291
2026	139,109	18,391	2026	2,781	1,219
2027	143,311	11,189	2027	2,854	1,146
2028	147,733	3,767	2028-2032	15,436	4,564
			2033-2037	17,576	2,424
			2038-2040	7,695	305
Total	\$ 1,045,858	\$ 144,646	Total	\$ 54,263	\$ 13,737

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations are as follows:

	Interest Rates	Date Issued	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Compensated absences (payable from the General Fund)					\$ 294,570	\$ 29,457
Net OPEB liabilities (payable from the General Fund)					\$ 1,265,983	\$ -
Landfill closure and post-closure					\$ 6,125,678	\$ -
Lease liability - land for solid waste	2.60%	07/01/21	09/01/39	\$ 54,263	\$ 54,263	\$ 2,572
Total long-term obligations incurred by the County					\$ 7,740,494	\$ 32,029
Direct borrowings and placements:						
General Obligation Bonds:						
General Obligation Bond outstanding \$221,079	5.10% - 5.60%	11/10/04	01/15/25	\$ 1,204,354	\$ 221,079	\$ 71,848
General Obligation Bond outstanding \$824,779 plus unamortized premium of \$37,673	5.10%	11/01/07	07/15/27	\$ 2,449,690	862,452	128,186
Total General Obligation Bonds					\$ 1,083,531	\$ 200,034
Total Direct Borrowings and Placements					\$ 1,083,531	\$ 200,034
Total long-term obligations incurred by the County					\$ 7,740,494	\$ 32,029
Total long-term obligations incurred by School Board, payable from the General Fund					\$ 1,083,531	\$ 200,034
Total long-term obligations - governmental activities					\$ 8,824,025	\$ 232,063

Component Unit - School Board:

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

	Balance at July 1, 2021	GASB 87 Adjustments	Adjusted Balance at July 1, 2021	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2022	Amounts Due Within One Year
Governmental Obligations :							
Incurred by School Board:							
Compensated absences	\$ 271,065	\$ -	\$ 271,065	\$ 2,611	\$ 27,107	\$ 246,569	\$ 24,657
Net pension liability	19,151,616	-	19,151,616	4,406,934	13,719,600	9,838,950	-
Net OPEB liabilities	3,243,175	-	3,243,175	621,363	1,073,766	2,790,772	-
Lease liabilities	-	162,303	162,303	-	49,473	112,830	49,834
Total Governmental Obligations	\$ 22,665,856	\$ 162,303	\$ 22,828,159	\$ 5,030,908	\$ 14,869,946	\$ 12,989,121	\$ 74,491

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 7—Long-Term Obligations: (Continued)

Component Unit - School Board: (Continued)

Details of long-term obligations are as follows:

	Interest Rate	Date Issued	Final Maturity Date	Installment Amount	Frequency	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Net pension liability							\$ 9,838,950	\$ -
Net OPEB liabilities							\$ 2,790,772	\$ -
Compensated absences (Payable from the School Fund)							\$ 246,569	\$ 24,657
Lease liabilities - copiers	1.00%	7/1/2021	9/30/2024	\$ 4,228	monthly	\$ 162,303	\$ 112,830	\$ 49,834
Total governmental obligations -Component Unit School Board							\$ 12,989,121	\$ 74,491

Year Ending June 30	Component Unit School Board	
	Lease Liability	
	Principal	Interest
2023	\$ 49,834	\$ 900
2024	50,334	400
2025	12,662	21
Total	\$ 112,830	\$ 1,321

Note 8—Leases Receivable:

The County leases several properties to tenants under lease contracts. In fiscal year 2022, the County recognized principal and interest revenue in the amount of \$2,403 and \$886, respectively. The following is a summary of lessor activity of the County for the year ended June 30, 2022:

	Beginning Balance	Adjustments (1)	Beginning Balance, as adjusted	Increases/ Issuances	Decreases/ Retirements	Ending Balance	Interest Revenue
Leases receivable	\$ -	\$ 64,278	\$ 64,278	\$ 29,775	\$ 25,861	\$ 68,192	\$ 886

(1) Beginning balance was adjusted due to the implementation of GASB Statement No. 87.

Details of leases receivable:

Lease Description	Begin Date	End Date	Payment Frequency	Ending Balance	Amount Due In One Year
Post Office - Building	2021	2027	Monthly	\$ 32,113	\$ 6,224
208 10th Street, Pickett Park - Building	2021	2023	Monthly	1,920	1,920
401 Circle West, Pickett Park - Building	2021	2024	Monthly	14,251	7,090
2349 Military Road, Pickett Park - Building	2021	2023	Monthly	19,908	16,911
				\$ 68,192	\$ 32,145

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 8—Leases Receivable: (Continued)

Expected future payments at June 30, 2022 are follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 32,145	\$ 660	\$ 32,805
2024	16,480	400	16,880
2025	6,421	259	6,680
2026	6,522	158	6,680
2027	6,624	56	6,680
Total	<u>\$ 68,192</u>	<u>\$ 1,533</u>	<u>\$ 69,725</u>

Note 9—Unearned and Deferred/Unavailable Revenue:

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

	Government- wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 545,015
Prepaid property taxes due in December but paid in advance by taxpayers	<u>36,727</u>	<u>36,727</u>
Total	<u>\$ 36,727</u>	<u>\$ 581,742</u>

Note 10—Contingent Liabilities:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 10—Contingent Liabilities: (Continued)

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

Note 11—Litigation:

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

Note 12—Risk Management:

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

The County and the School Board are members of the Virginia Risk Sharing Association (VRSA) for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

Note 13—Pension Plans:

Plan Description

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

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.
- 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 equal 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Average Final Compensation and Service Retirement Multiplier

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

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

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

Employees Covered by Benefit Terms

As of the June 30, 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	59	36
Inactive members:		
Vested inactive members	20	1
Non-vested inactive members	33	4
Inactive members active elsewhere in VRS	53	14
Total inactive members	106	19
Active members	76	30
Total covered employees	241	85

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 1.02% 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 \$19,243 and \$19,942 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Contributions (Continued)

The Component Unit School Board’s contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 2.40% 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 \$14,813 and \$14,833 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Asset

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

Mortality rates: (Continued)

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

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

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

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Discount Rate (Continued)

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 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 (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 16,480,443	\$ 17,711,831	\$ (1,231,388)
Changes for the year:			
Service cost	\$ 310,741	\$ -	\$ 310,741
Interest	1,068,692	-	1,068,692
Differences between expected and actual experience	44,040	-	44,040
Assumption changes	451,333	-	451,333
Contributions - employer	-	13,829	(13,829)
Contributions - employee	-	171,007	(171,007)
Net investment income	-	4,756,066	(4,756,066)
Benefit payments, including refunds			
Refunds of employee contributions	(1,295,929)	(1,295,929)	-
Administrative expenses	-	(12,643)	12,643
Other changes	-	438	(438)
Net changes	\$ 578,877	\$ 3,632,768	\$ (3,053,891)
Balances at June 30, 2021	\$ 17,059,320	\$ 21,344,599	\$ (4,285,279)

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (Nonprofessional)		
	Increase (Decrease)		
	Total	Plan	Net
	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 6,373,298	\$ 6,188,119	\$ 185,179
Changes for the year:			
Service cost	\$ 73,323	\$ -	\$ 73,323
Interest	418,980	-	418,980
Differences between expected and actual experience	(201,506)	-	(201,506)
Assumption changes	250,593	-	250,593
Contributions - employer	-	15,327	(15,327)
Contributions - employee	-	41,990	(41,990)
Net investment income	-	1,660,877	(1,660,877)
Benefit payments, including refunds			
Refunds of employee contributions	(332,382)	(332,382)	-
Administrative expenses	-	(4,285)	4,285
Other changes	-	155	(155)
Net changes	\$ 209,008	\$ 1,381,682	\$ (1,172,674)
Balances at June 30, 2021	\$ 6,582,306	\$ 7,569,801	\$ (987,495)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
County's			
Net Pension Liability (Asset)	\$ (2,187,521)	\$ (4,285,279)	\$ (6,026,361)
Component Unit School Board (nonprofessional)'s			
Net Pension Liability (Asset)	\$ (209,260)	\$ (987,495)	\$ (1,640,482)

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

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 (\$406,161) and (\$138,333) respectively. On 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	\$ 24,724	\$ 20,177	\$ 10,502	\$ 113,895
Changes of assumptions	253,380	-	141,640	-
Net difference between projected and actual earnings on pension plan investments	-	2,363,810	-	819,229
Employer contributions subsequent to the measurement date	19,243	-	14,813	-
Total	\$ 297,347	\$ 2,383,987	\$ 166,955	\$ 933,124

\$19,243 and \$14,813 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	\$ (356,853)	\$ (159,331)
2024	(478,969)	(180,397)
2025	(550,377)	(190,732)
2026	(719,684)	(250,522)
2027	-	-
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 Annual Report may be downloaded from the VRS website at <http://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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

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 \$1,782,149 and \$1,793,025 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.

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 \$9,838,950 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. On June 30, 2021, the school division's proportion was 0.12674% as compared to 0.013030% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of (\$290,700). 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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)**Component Unit School Board (professional) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	-	\$ 838,021
Change in assumptions	1,723,758	-
Net difference between projected and actual earnings on pension plan investments	-	6,200,243
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,139,115
Employer contributions subsequent to the measurement date	<u>1,782,149</u>	<u>-</u>
Total	<u>\$ 3,505,907</u>	<u>\$ 8,177,379</u>

\$1,782,149 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:

<u>Year ended June 30</u>	
2023	\$ (1,661,339)
2024	(1,475,190)
2025	(1,467,737)
2026	(1,850,091)
2027	736

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 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 expenses, including inflation

Mortality rates:

- Pre-Retirement:
 - Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
- Post-Retirement:
 - Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
- Post-Disablement:
 - Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
- Beneficiaries and Survivors:
 - Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
- Mortality Improvement:
 - Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (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)	\$	<u>7,763,263</u>
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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 13—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset) \$	18,988,640 \$	9,838,950 \$	2,312,107

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 Annual Report may be downloaded from the VRS website at <http://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

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension (Asset)	Net Pension Liability
VRS Pension Plans:								
Primary Government	\$ 297,347	\$ 2,383,987	\$ (4,285,279)	\$ (406,161)	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	166,955	933,124	(987,495)	-
School Board Professional	-	-	-	-	3,505,907	8,177,379	-	9,838,950
Totals	\$ 297,347	\$ 2,383,987	\$ (4,285,279)	\$ (406,161)	\$ 3,672,862	\$ 9,110,503	\$ (987,495)	\$ 9,838,950

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

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 County were \$21,638 and \$20,024 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$59,943 and \$60,229 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the GLI Plan from the Component Unit School Board nonprofessional group were \$4,938 and \$4,929 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

On June 30, 2022, the County reported a liability of \$209,103 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$628,939 and \$51,461, respectively, 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 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. On June 30, 2021, the County's proportion was 0.01796% as compared to 0.01760% at June 30, 2020. On June 30, 2021, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05402% and 0.00442%, respectively as compared to 0.05200% and 0.00450% respectively at June 30, 2020.

For the year ended June 30, 2022, the County recognized GLI OPEB expense of \$7,160. For the year ended June 30, 2022, the Component Unit School Board professional group recognized GLI OPEB expense of \$6,648. For the year ended June 30, 2022, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of (\$26). 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.

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

	Primary Government		Component School Board (Professional)		Component School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,849	\$ 1,593	\$ 71,733	\$ 4,792	\$ 5,869	\$ 392
Net difference between projected and actual earnings on GLI OPEB plan investments	-	49,908	-	150,114	-	12,283
Changes of assumptions	11,528	28,610	34,673	86,052	2,837	7,041
Changes in proportionate share	4,433	8,628	-	63,939	-	6,545
Employer contributions subsequent to the measurement date	21,638	-	59,943	-	4,938	-
Total	\$ 61,448	\$ 88,739	\$ 166,349	\$ 304,897	\$ 13,644	\$ 26,261

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Plan OPEB (Continued)**

\$21,638, \$59,943, and \$4,938, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 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:

		Primary	Unit School	Component Unit
		Government	Board	School Board
		<u>Government</u>	<u>(Professional)</u>	<u>(Nonprofessional)</u>
Year Ended				
June 30				
2023	\$	(11,708) \$	(50,103) \$	(4,669)
2024		(9,388)	(43,123)	(4,098)
2025		(9,284)	(38,776)	(3,383)
2026		(16,192)	(54,239)	(4,403)
2027		(2,357)	(12,250)	(1,002)
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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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 are as follows:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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 July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

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

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,577,346
Plan Fiduciary Net Position		2,413,074
GLI Net OPEB Liability (Asset)	\$	<u>1,164,272</u>
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.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	5.00%	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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 14—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	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the GLI Plan				
Net OPEB Liability	\$	305,507	\$ 209,103	\$ 131,253
Component School Board (Professional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	918,903	\$ 628,939	\$ 394,780
Component School Board (Nonprofessional)'s proportionate share of the GLI Plan				
Net OPEB Liability	\$	75,186	\$ 51,461	\$ 32,301

Group Life Insurance 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 <http://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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15—Health Insurance Credit (HIC) Plan (OPEB 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 HIC OPEB plan:

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>18</u>
Total inactive members	18
Active members	<u>30</u>
Total covered employees	<u>48</u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The School Board's contractually required employer contribution rate for the year ended June 30, 2022 was 0.83% 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 School Board to the HIC Plan were \$7,590 and \$7,576 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 School Board's 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.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

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%
Investment rate of return	6.75%, net of investment expenses, including inflation

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

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

Actuarial Assumptions (Continued)

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

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

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

Long-Term Expected Rate of Return

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

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 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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15—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	\$ 111,701	\$ -	\$ 111,701
Changes for the year:			
Service cost	\$ 1,018	\$ -	\$ 1,018
Interest	7,540	-	7,540
Assumption changes	3,813	-	3,813
Contributions - employer	-	7,576	(7,576)
Net investment income	-	943	(943)
Administrative expenses	-	(33)	33
Net changes	\$ 12,371	\$ 8,486	\$ 3,885
Balances at June 30, 2021	\$ 124,072	\$ 8,486	\$ 115,586

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School Board's Net HIC OPEB Liability	\$ 127,611	\$ 115,586	\$ 105,241

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 15—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB**

For the year ended June 30, 2022, the School Board recognized HIC Plan OPEB expense of \$9,128. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to the School Board's HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on HIC OPEB plan investments	\$ -	\$ 550
Change in assumptions	2,883	-
Employer contributions subsequent to the measurement date	\$ <u>7,590</u>	\$ <u>-</u>
Total	<u>\$ 10,473</u>	<u>\$ 550</u>

\$7,590 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 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:

<u>Year Ended June 30</u>	
2023	\$ 792
2024	792
2025	792
2026	(43)
2027	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan 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 <http://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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 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, 2017. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$134,265 and \$134,650 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

On June 30, 2022, the school division reported a liability of \$1,615,115 for its proportionate share of the VRS Teacher Employee Health Insurance Credit Program Net OPEB Liability. The Net VRS Teacher Employee HIC Plan 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 Plan 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 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 Health Insurance Credit Program was 0.12583% as compared to 0.12940% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC OPEB expense of \$97,630. Since there was a change in proportionate share between measurement dates, a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 28,184
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	21,276
Changes of assumptions	43,660	6,491
Change in proportionate share	-	147,826
Employer contributions subsequent to the measurement date	134,265	-
Total	\$ 177,925	\$ 203,777

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Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$134,265 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:

<u>Year Ended June 30</u>	
2023	\$ (35,884)
2024	(36,125)
2025	(34,783)
2026	(29,956)
2027	(14,816)
Thereafter	(8,553)

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

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

The actuarial assumptions used in the June 30, 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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability

The net OPEB liability (NOL) for the Teacher Employee HIC Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 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)	\$	<u>1,283,569</u>
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.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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%.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 16—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan				
Net HIC OPEB Liability	\$	1,818,172	\$ 1,615,115	\$ 1,443,281

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 <http://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.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 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 LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing, multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the LODA Program. As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: \$100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; \$25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional \$20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. The health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2022 was \$722.55 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were \$42,089 and \$32,996 for the years ended June 30, 2022 and June 30, 2021, respectively.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program: (Continued)**LODA OPEB Liabilities, LODA OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA OPEB**

On June 30, 2022, the entity reported a liability of \$1,056,880 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2021 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2021 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. On June 30, 2021, the entity's proportion was 0.23970% as compared to 0.18960% on June 30, 2020.

For the year ended June 30, 2022, the entity recognized LODA OPEB expense of \$126,584. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2022, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,115	\$ 160,021
Net difference between projected and actual earnings on LODA OPEB program investments	-	6,120
Changes of assumptions	292,474	50,555
Change in proportionate	265,549	35,716
Employer contributions subsequent to the measurement date	42,089	-
Total	<u>\$ 688,227</u>	<u>\$ 252,412</u>

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program: (Continued)

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

\$42,089 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity’s contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA 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 LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 53,541
2024	53,822
2025	53,905
2026	53,993
2027	53,390
Thereafter	125,075

Actuarial Assumptions

The total LODA 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:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2029
Ages 65 and older	Fiscal year ended 2024
Investment rate of return	2.16%, including inflation

* Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Non-Largest Ten Locality Employers with Public Safety 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. Changes to the actuarial assumptions as a result of the experience study 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

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program 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 LODA Program is as follows (amounts expressed in thousands):

	<u>LODA Program</u>
Total LODA OPEB Liability	\$ 448,542
Plan Fiduciary Net Position	7,553
LODA Net OPEB Liability (Asset)	<u><u>\$ 440,989</u></u>
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.68%

The total LODA 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 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.

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.16% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.16% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2021.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.16%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they 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 participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

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COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 17—Line of Duty Act (LODA) Program: (Continued)***Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate***

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.16%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	Discount Rate		
	1% Decrease (1.16%)	Current (2.16%)	1% Increase (3.16%)
County's proportionate share of the LODA			
Net OPEB Liability	\$ 1,215,800	\$ 1,056,880	\$ 930,605

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the Line of Duty Act Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	Health Care Trend Rates		
	1% Decrease (6.00% decreasing to 3.75%)	Current (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
County's proportionate share of the LODA			
Net OPEB Liability	\$ 867,197	\$ 1,056,880	\$ 1,300,093

LODA OPEB Fiduciary Net Position

Detailed information about the Line of Duty Act Program 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 <http://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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan):

School Board

Plan Description

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

Benefits Provided

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board with 20 years of service and years of participation in the school's health plan are eligible to receive postemployment health care benefits. Retirees and spouses that became eligible for Medicare are no longer eligible to participate in the Mathews County Public School's retiree medical plan. Retirees are responsible for 100% of the premiums.

Plan Membership

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

	Component Unit School Board
Total active employees with coverage	161
Total active employees without coverage	126
Total retirees with coverage	5
Total	292

Contributions

The School 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 \$29,137.

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 July 1, 2022.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Actuarial Assumptions

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

Inflation	4.09%
Salary Increases	2.50% per annum
Discount Rate	4.09% per annum
Investment Rate of Return	N/A

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

Pre-Retirement: Pub-2010 Headcount-Weighted Teachers Employee Rates projected generationally; 110% of rates for males; with 75% of improvement scale MP2021.

Post-Retirement: Pub-2010 Headcount- Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females; with 75% of improvement scale MP2021.

Post-Disablement: Pub-2010 Headcount-Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females with 75% of improvement scale MP2021.

These mortality assumptions were chosen to match the mortality assumptions used in the June 30, 2021 Annual Financial Statement for the Virginia Retirement System.

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the S&P 500 Municipal Bond Index as of June 30, 2022.

Changes in Total OPEB Liability

	Component Unit School Board Total OPEB Liability
Balances at June 30, 2021	\$ 447,135
Changes for the year:	
Service cost	51,191
Interest	12,480
Difference between expected and actual experience	14,873
Changes of assumptions	(116,871)
Benefit payments	(29,137)
Net changes	\$ (67,464)
Balances at June 30, 2022	\$ 379,671

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

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

The following amounts present the total OPEB liability of the 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 (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	Rate		
	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)

Component Unit School Board:

Total OPEB liability	\$	406,363	\$	379,671	\$	354,190
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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 (5.00% decreasing to 4.50% over 10 years) or one percentage point higher (7.00% decreasing to 6.50% over 10 years) than the current healthcare cost trend rates:

	Rates		
	Healthcare Cost		
	1% Decrease (5% decreasing to 4.5%)	Trend (6% decreasing to 5.5%)	1% Increase (7% decreasing to 6.5%)

Component Unit School Board:

Total OPEB liability	\$	337,476	\$	379,671	\$	428,919
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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 (\$22,538). Additional disclosures on changes in net OPEB liability, related ratios, and employer contributions can be found in the required supplementary information following the notes to the financial statements. At June 30 2022, the employer reported deferred outflows of resources and deferred inflows of resources in relation to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,394	\$ 116,656
Changes of assumptions	-	188,366
Total	\$ 12,394	\$ 305,022

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 18—Medical and Dental Pay-As-You-Go (OPEB Plan): (Continued)

School Board: (Continued)

Amounts reported as deferred outflows (inflows) of resources related to OPEBs will be recognized in OPEB expense as follows:

	Year Ended June 30	Component Unit School Board
2023	\$	(86,209)
2024		(86,209)
2025		(86,212)
2026		(17,000)
2027		(16,998)
Thereafter		-

Note 19—Summary of Other Postemployment Benefit Plans:

Primary Government and Component Unit School Board

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liabilities	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Program (Note 14):								
County	\$ 61,448	\$ 88,739	\$ 209,103	\$ 7,160	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	13,644	26,261	51,461	(26)
School Board Professional	-	-	-	-	166,349	304,897	628,939	6,648
School Board Health Insurance Credit Program (Note 15)	-	-	-	-	10,473	550	115,586	9,128
Teacher Health Insurance Credit Program (Note 16)	-	-	-	-	177,925	203,777	1,615,115	97,630
Line of Duty Act Program (Note 17)	688,227	252,412	1,056,880	126,584	-	-	-	-
School Stand-Alone Plan (Note 18)	-	-	-	-	12,394	305,022	379,671	(22,538)
Totals	\$ 749,675	\$ 341,151	\$ 1,265,983	\$ 133,744	\$ 380,785	\$ 840,507	\$ 2,790,772	\$ 90,842

Note 20—Surety Bonds:

	Amount
Commonwealth of Virginia, Department of General Services, Division of Risk Management-Surety	
Jane L. Brown, Clerk of the Circuit Court	\$ 500,000
Ellen F. Myatt, Treasurer	400,000
Christy A. Hudson, Commissioner of the Revenue	3,000
Robert L. Jones, Sheriff	30,000
State Farm Insurance - Surety	
Lynn K. Shekleton, Chair	2,500
Steve W. Bowen, Vice-Chair	2,500
Sherman C. Vaughn, Supervisor	2,500
Helen M. Simmons, Supervisor	2,500
John A. Roark, Supervisor	2,500
Philip S. T. Costin, County Administrator	5,000

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 20–Surety Bonds: (Continued)

	<u>Amount</u>
Utica Mutual Insurance - Surety	
Clerk of the School Board	15,000
Deputy Clerk of School Board	15,000
Payroll Clerk	15,000
Great American Insurance Company - Surety	
All Social Services Employees - Blanket Bond	100,000

Note 21–Jointly Governed Organizations:

The County in conjunction with other localities, has created the Piedmont Regional Jail, the Piedmont Juvenile Detention Center, the Amelia-Nottoway Vocational Center and the Crossroads Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdiction. During the year, the County contributed \$62,939 to the operations of the Crossroads Community Services Board.

Note 22–Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$6,125,678 reported as landfill closure and postclosure care liability at June 30, 2022, represents the cumulative amount reported based on the use of 84% of the estimated capacity of the landfill with the total amount of \$6,971,722 to be recognized over the landfill's remaining life. These amounts are based on what it would cost to perform all closure and postclosure care in 2022. Actual cost may be higher due to inflation, changes in the technology, or changes in regulation. The County intends to fund these costs from tipping fee revenues and from any funds accumulated for this purpose in the Landfill Fund.

The County has demonstrated financial assurance requirements for closure, post-closure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 23–Notes Receivable:

On May 15, 2001, the Industrial Development Authority entered into a purchase agreement with Colonial Forest Products to sell a shell building. The agreement called for monthly installments of principal and interest of \$7,567 for 20 years to be received by the Industrial Development Authority. The interest rate is 5.5%, and the total amount financed was \$1,100,000. During FY 2022, the balance of the purchase receivable was paid in full in the amount of \$77,914.

On August 30, 2013, the Industrial Development Authority entered into a purchase agreement with Trout River Plant. The agreement called for monthly installments of principal and interest of \$5,084 for 15 years to be received by the Industrial Development Authority. The total amount financed is \$700,000. On June 30, 2022, the balance of the purchase receivable was \$368,051.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements As of June 30, 2022 (Continued)

Note 24—Adoption of Accounting Principles and Restatement of Net Position:

The County implemented provisions of Governmental Accounting Standards Board Statement No. 87, *Leases* 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. 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:

Primary Government:

	Governmental Activities	General Fund
Lessee activity:		
Lease assets	\$ 57,886	\$ -
Lease liabilities	\$ 57,886	\$ -
Lessor activity:		
Leases receivable	\$ 64,278	\$ 64,278
Deferred inflows of resources - leases	\$ 64,278	\$ 64,278

Component Unit - School Board:

	School Board
Lessee activity:	
Lease assets	\$ 162,303
Lease liabilities	\$ 162,803

Note 25-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.

COUNTY OF NOTTOWAY, VIRGINIA

Notes to Financial Statements
As of June 30, 2022 (Continued)

Note 25-Upcoming Pronouncements: (Continued)

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

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

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

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

Note 26-COVID-19 Pandemic Funding and Subsequent Events:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, COVID-19 impacted various parts of its 2022 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the County is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2023.

ARPA Funding

On March 11, 2022, the American Rescue Plan (ARPA) Act of 2022 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2022 and the balance delivered approximately 12 months later.

As of June 30, 2022, the County has received their full amount of \$2,958,637 of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. At June 30, 2022, all \$2,958,637 was reported as unearned revenue and will be recognized in the years expended.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated \$30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2021 and added \$81.9 billion to the ESF. In March 2022, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than \$170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

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

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
General property taxes	\$ 8,049,656	\$ 8,049,656	\$ 7,908,865	\$ (140,791)
Other local taxes	1,974,500	1,974,500	2,208,080	233,580
Permits, privilege fees, and regulatory licenses	106,585	124,644	207,992	83,348
Fines and forfeitures	15,000	15,000	15,127	127
Revenue from the use of money and property	913,249	913,249	621,560	(291,689)
Charges for services	46,192	46,192	29,860	(16,332)
Miscellaneous	396,000	568,365	349,687	(218,678)
Recovered costs	281,900	281,900	220,281	(61,619)
Intergovernmental:				
Commonwealth	5,467,542	6,151,053	4,393,062	(1,757,991)
Federal	-	1,498,342	1,596,994	98,652
Total revenues	\$ 17,250,624	\$ 19,622,901	\$ 17,551,508	\$ (2,071,393)
EXPENDITURES				
Current:				
General government administration	\$ 1,712,251	\$ 4,569,435	\$ 2,450,178	\$ 2,119,257
Judicial administration	951,532	1,025,620	907,781	117,839
Public safety	4,372,713	5,214,704	4,130,857	1,083,847
Public works	1,906,014	2,115,823	1,173,533	942,290
Health and welfare	3,137,190	3,247,058	2,800,207	446,851
Education	5,118,894	5,118,894	5,296,527	(177,633)
Parks, recreation, and cultural	301,723	340,542	337,342	3,200
Community development	778,207	1,276,787	1,078,102	198,685
Debt service:				
Principal retirement	195,448	195,448	199,071	(3,623)
Interest and other fiscal charges	55,949	55,949	56,326	(377)
Total expenditures	\$ 18,529,921	\$ 23,160,260	\$ 18,429,924	\$ 4,730,336
Excess (deficiency) of revenues over (under) expenditures	\$ (1,279,297)	\$ (3,537,359)	\$ (878,416)	\$ 2,658,943
Net change in fund balances	\$ (1,279,297)	\$ (3,537,359)	\$ (878,416)	\$ 2,658,943
Fund balances - beginning balance	1,279,297	3,537,359	17,947,778	14,410,419
Fund balances - ending	\$ -	\$ -	\$ 17,069,362	\$ 17,069,362

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

	Landfill Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other local taxes	\$ 178,500	\$ 178,500	\$ 180,100	\$ 1,600
Charges for services	514,000	514,000	792,386	278,386
Miscellaneous	-	-	2,956	2,956
Intergovernmental:				
Commonwealth	215,000	215,000	186,153	(28,847)
Total revenues	<u>\$ 907,500</u>	<u>\$ 907,500</u>	<u>\$ 1,161,595</u>	<u>\$ 254,095</u>
EXPENDITURES				
Current:				
Public works	\$ 907,500	\$ 906,141	\$ 1,053,117	\$ (146,976)
Total expenditures	<u>\$ 907,500</u>	<u>\$ 906,141</u>	<u>\$ 1,053,117</u>	<u>\$ (146,976)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 1,359	\$ 108,478	\$ 107,119
Net change in fund balances	\$ -	\$ 1,359	\$ 108,478	\$ 107,119
Fund balances (deficit) - beginning balance	-	(1,359)	(152,680)	(151,321)
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (44,202)</u>	<u>\$ (44,202)</u>

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

	LRA Land Sale Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning balance	-	-	5,228,188	5,228,188
Fund balances - ending	\$ -	\$ -	\$ 5,228,188	\$ 5,228,188

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019
Total pension liability			
Service cost	\$ 310,741	\$ 306,582	\$ 319,547
Interest	1,068,692	1,058,565	1,046,566
Differences between expected and actual experience	44,040	(100,885)	(195,804)
Changes of assumptions	451,333	-	428,306
Benefit payments	(1,295,929)	(932,516)	(801,712)
Net change in total pension liability	\$ 578,877	\$ 331,746	\$ 796,903
Total pension liability - beginning	16,480,443	16,148,697	15,351,794
Total pension liability - ending (a)	\$ 17,059,320	\$ 16,480,443	\$ 16,148,697
Plan fiduciary net position			
Contributions - employer	\$ 13,829	\$ 25,227	\$ 25,696
Contributions - employee	171,007	165,877	166,243
Net investment income	4,756,066	350,762	1,156,056
Benefit payments	(1,295,929)	(932,516)	(801,712)
Administrator charges	(12,643)	(12,072)	(11,887)
Other	438	(399)	(723)
Net change in plan fiduciary net position	\$ 3,632,768	\$ (403,121)	\$ 533,673
Plan fiduciary net position - beginning	17,711,831	18,114,952	17,581,279
Plan fiduciary net position - ending (b)	\$ 21,344,599	\$ 17,711,831	\$ 18,114,952
County's net pension liability (asset) - ending (a) - (b)	\$ (4,285,279)	\$ (1,231,388)	\$ (1,966,255)
Plan fiduciary net position as a percentage of the total pension liability	125.12%	107.47%	112.18%
Covered payroll	\$ 3,690,150	\$ 3,566,769	\$ 3,530,871
County's net pension liability (asset) as a percentage of covered payroll	-116.13%	-34.52%	-55.69%

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

Exhibit 12

2018	2017	2016	2015	2014
\$ 292,563	\$ 313,968	\$ 294,153	\$ 298,465	\$ 281,373
1,025,368	1,024,181	1,001,985	1,004,479	951,942
(294,236)	(569,715)	(317,448)	(710,757)	-
-	(141,997)	-	-	-
(640,030)	(578,927)	(744,286)	(511,345)	(454,219)
\$ 383,665	\$ 47,510	\$ 234,404	\$ 80,842	\$ 779,096
14,968,129	14,920,619	14,686,215	14,605,373	13,826,277
\$ 15,351,794	\$ 14,968,129	\$ 14,920,619	\$ 14,686,215	\$ 14,605,373
\$ 58,707	\$ 59,339	\$ 206,557	\$ 209,913	\$ 240,675
166,195	161,154	158,802	161,754	160,078
1,230,211	1,847,888	258,106	680,665	2,040,771
(640,030)	(578,927)	(744,286)	(511,345)	(454,219)
(10,754)	(10,797)	(9,732)	(9,323)	(10,945)
(1,091)	(1,640)	(112)	(143)	108
\$ 803,238	\$ 1,477,017	\$ (130,665)	\$ 531,521	\$ 1,976,468
16,778,041	15,301,024	15,431,689	14,900,168	12,923,700
\$ 17,581,279	\$ 16,778,041	\$ 15,301,024	\$ 15,431,689	\$ 14,900,168
\$ (2,229,485)	\$ (1,809,912)	\$ (380,405)	\$ (745,474)	\$ (294,795)
114.52%	112.09%	102.55%	105.08%	102.02%
\$ 3,507,488	\$ 3,357,499	\$ 3,270,921	\$ 3,298,543	\$ 3,211,013
-63.56%	-53.91%	-11.63%	-22.60%	-9.18%

County of Nottoway, Virginia

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019
Total pension liability			
Service cost	\$ 73,323	\$ 79,684	\$ 75,790
Interest	418,980	402,742	400,261
Differences between expected and actual experience	(201,506)	78,252	(92,892)
Changes of assumptions	250,593	-	157,717
Benefit payments	(332,382)	(307,853)	(276,832)
Net change in total pension liability	\$ 209,008	\$ 252,825	\$ 264,044
Total pension liability - beginning	6,373,298	6,120,473	5,856,429
Total pension liability - ending (a)	\$ 6,582,306	\$ 6,373,298	\$ 6,120,473
Plan fiduciary net position			
Contributions - employer	\$ 15,327	\$ 13,955	\$ 14,788
Contributions - employee	41,990	43,309	42,612
Net investment income	1,660,877	119,302	402,668
Benefit payments	(332,382)	(307,853)	(276,832)
Administrator charges	(4,285)	(4,218)	(4,127)
Other	155	(140)	(252)
Net change in plan fiduciary net position	\$ 1,381,682	\$ (135,645)	\$ 178,857
Plan fiduciary net position - beginning	6,188,119	6,323,764	6,144,907
Plan fiduciary net position - ending (b)	\$ 7,569,801	\$ 6,188,119	\$ 6,323,764
School Division's net pension liability (asset) - ending (a) - (b)	\$ (987,495)	\$ 185,179	\$ (203,291)
Plan fiduciary net position as a percentage of the total pension liability	115.00%	97.09%	103.32%
Covered payroll	\$ 912,743	\$ 929,141	\$ 902,367
School Division's net pension liability as a percentage of covered payroll	-108.19%	19.93%	-22.53%

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

Exhibit 13

<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
\$	82,194	\$	83,092	\$	98,522	\$	105,472	\$	107,776
	391,078		411,351		398,827		397,914		378,446
	(2,381)		(405,417)		(58,959)		(231,118)		-
	-		(55,603)						-
	(402,568)		(243,521)		(275,438)		(243,013)		(173,181)
\$	<u>68,323</u>	\$	<u>(210,098)</u>	\$	<u>162,952</u>	\$	<u>29,255</u>	\$	<u>313,041</u>
	5,788,106		5,998,204		5,835,252		5,805,997		5,492,956
\$	<u><u>5,856,429</u></u>	\$	<u><u>5,788,106</u></u>	\$	<u><u>5,998,204</u></u>	\$	<u><u>5,835,252</u></u>	\$	<u><u>5,805,997</u></u>
\$	50,613	\$	55,195	\$	76,827	\$	85,134	\$	97,577
	43,250		46,424		44,242		49,309		57,300
	432,669		664,164		93,374		246,344		743,198
	(402,568)		(243,521)		(275,438)		(243,013)		(173,181)
	(3,912)		(3,896)		(3,503)		(3,430)		(3,985)
	(381)		(589)		(40)		(54)		39
\$	<u>119,671</u>	\$	<u>517,777</u>	\$	<u>(64,538)</u>	\$	<u>134,290</u>	\$	<u>720,948</u>
	6,025,236		5,507,459		5,571,997		5,437,707		4,716,759
\$	<u><u>6,144,907</u></u>	\$	<u><u>6,025,236</u></u>	\$	<u><u>5,507,459</u></u>	\$	<u><u>5,571,997</u></u>	\$	<u><u>5,437,707</u></u>
\$	(288,478)	\$	(237,130)	\$	490,745	\$	263,255	\$	368,290
	104.93%		104.10%		91.82%		95.49%		93.66%
\$	911,302	\$	969,477	\$	918,183	\$	1,009,199	\$	1,148,431
	-31.66%		-24.46%		53.45%		26.09%		32.07%

County of Nottoway, Virginia

Schedule of Employer's Share of Net Pension Liability (Asset) VRS Teacher Retirement Plan
Pension Plans

For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.12674%	0.13030%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,838,950	\$ 18,966,437
Employer's Covered Payroll	11,128,081	11,343,771
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	88.42%	167.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.13272%	0.13957%	0.14409%	0.14417%	0.14656%	0.14748%
\$	17,466,706	\$ 16,414,000	\$ 17,720,000	\$ 20,204,000	\$ 18,446,000	\$ 17,822,000
	11,109,027	11,428,307	11,409,651	10,656,586	10,934,055	10,831,896
	157.23%	143.63%	155.31%	189.59%	168.70%	164.53%
	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

County of Nottoway, Virginia

Schedule of Employer Contributions

Pension Plans

For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
(1)	(2)	(3)	(4)	(5)	
Primary Government					
2022	\$ 19,243	\$ 19,243	\$ -	4,007,096	0.48%
2021	19,942	19,942	-	3,690,150	0.54%
2020	21,577	21,577	-	3,566,769	0.60%
2019	25,065	25,065	-	3,530,871	0.71%
2018	58,675	58,675	-	3,507,488	1.67%
2017	67,821	67,821	-	3,357,499	2.02%
2016	211,302	211,302	-	3,270,921	6.46%
2015	213,086	213,086	-	3,298,543	6.46%
2014	241,147	241,147	-	3,211,013	7.51%
2013	228,542	228,542	-	3,043,168	7.51%
Component Unit School Board (nonprofessional)					
2022	\$ 14,813	\$ 14,813	\$ -	914,503	1.62%
2021	14,833	14,833	-	912,743	1.63%
2020	13,532	13,532	-	929,141	1.46%
2019	14,260	14,260	-	902,367	1.58%
2018	50,613	50,613	-	911,302	5.55%
2017	57,781	57,781	-	969,477	5.96%
2016	78,505	78,505	-	918,183	8.55%
2015	86,287	86,287	-	1,009,199	8.55%
2014	97,732	97,732	-	1,148,431	8.51%
2013	97,628	97,628	-	1,147,220	8.51%
Component Unit School Board (professional)					
2022	\$ 1,782,149	\$ 1,782,149	\$ -	11,096,278	16.06%
2021	1,793,025	1,793,025	-	11,128,081	16.11%
2020	1,731,912	1,731,912	-	11,343,771	15.27%
2019	1,709,337	1,709,337	-	11,109,027	15.39%
2018	1,686,356	1,686,356	-	11,428,307	14.76%
2017	1,658,194	1,658,194	-	11,409,651	14.53%
2016	1,545,205	1,545,205	-	10,656,586	14.50%
2015	1,585,438	1,585,438	-	10,934,055	14.50%
2014	1,262,999	1,262,999	-	10,831,896	11.66%
2013	1,270,428	1,270,428	-	10,895,610	11.66%

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

County of Nottoway, Virginia

Notes to Required Supplementary Information

Pension Plans

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:

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 County's Share of Net OPEB Liability

Group Life Insurance (GLI) Plan

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	0.01796% \$	209,103 \$	3,708,082	5.64%	67.45%
2020	0.01760%	293,715	3,622,748	8.11%	52.64%
2019	0.01821%	296,325	3,568,736	8.30%	52.00%
2018	0.01849%	281,000	3,515,613	7.99%	51.22%
2017	0.01828%	275,000	3,372,357	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2021	0.00442% \$	51,461 \$	912,743	5.64%	67.45%
2020	0.00450%	75,431	929,141	8.12%	52.64%
2019	0.00460%	74,854	902,367	8.30%	52.00%
2018	0.00482%	73,000	915,978	7.97%	51.22%
2017	0.00525%	79,000	969,477	8.15%	48.86%
Component Unit School Board (professional):					
2021	0.05402% \$	628,939 \$	11,153,579	5.64%	67.45%
2020	0.05200%	920,864	11,355,290	8.11%	52.64%
2019	0.05644%	918,429	11,063,129	8.30%	52.00%
2018	0.05898%	895,000	11,215,533	7.98%	51.22%
2017	0.06141%	924,000	11,328,465	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) Plan

For the 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)
Primary Government					
2022	\$ 21,638	\$ 21,638	\$ -	\$ 4,007,096	0.54%
2021	20,024	20,024	-	3,708,082	0.54%
2020	18,838	18,838	-	3,622,748	0.52%
2019	18,557	18,557	-	3,568,736	0.52%
2018	18,281	18,281	-	3,515,613	0.52%
2017	17,536	17,536	-	3,372,357	0.52%
2016	15,710	15,710	-	3,273,001	0.48%
2015	15,833	15,833	-	3,298,543	0.48%
2014	15,413	15,413	-	3,211,013	0.48%
2013	14,654	14,654	-	3,052,850	0.48%
Component Unit School Board (nonprofessional)					
2022	\$ 4,938	\$ 4,938	\$ -	\$ 914,503	0.54%
2021	4,929	4,929	-	912,743	0.54%
2020	4,832	4,832	-	929,141	0.52%
2019	4,692	4,692	-	902,367	0.52%
2018	4,763	4,763	-	915,978	0.52%
2017	5,041	5,041	-	969,477	0.52%
2016	4,429	4,429	-	922,759	0.48%
2015	4,911	4,911	-	1,023,122	0.48%
2014	5,512	5,512	-	1,148,431	0.48%
2013	5,524	5,524	-	1,150,839	0.48%
Component Unit School Board (professional)					
2022	\$ 59,943	\$ 59,943	\$ -	\$ 11,100,575	0.54%
2021	60,229	60,229	-	11,153,579	0.54%
2020	59,048	59,048	-	11,355,290	0.52%
2019	57,528	57,528	-	11,063,129	0.52%
2018	58,321	58,321	-	11,215,533	0.52%
2017	58,908	58,908	-	11,328,465	0.52%
2016	52,810	52,810	-	11,002,059	0.48%
2015	52,434	52,434	-	10,923,794	0.48%
2014	52,045	52,045	-	10,842,711	0.48%
2013	52,241	52,241	-	10,883,562	0.48%

County of Nottoway, Virginia

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

County of Nottoway, Virginia

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios

Health Insurance Credit (HIC) Plan

For the Measurement Dates of June 30, 2020 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability		
Service cost	\$ 1,018	\$ -
Interest	7,540	-
Changes in benefit terms	-	111,701
Changes of assumptions	3,813	-
Net change in total HIC OPEB liability	<u>\$ 12,371</u>	<u>\$ 111,701</u>
Total HIC OPEB Liability - beginning	111,701	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 124,072</u></u>	<u><u>\$ 111,701</u></u>
 Plan fiduciary net position		
Contributions - employer	\$ 7,576	\$ -
Net investment income	943	-
Administrator charges	(33)	-
Net change in plan fiduciary net position	<u>\$ 8,486</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ 8,486</u></u>	<u><u>\$ -</u></u>
 School Board's net HIC OPEB liability - ending (a) - (b)	 \$ 115,586	 \$ 111,701
 Plan fiduciary net position as a percentage of the total HIC OPEB liability	 93.16%	 100.00%
 Covered payroll	 \$ 912,743	 \$ -
 School Board's net HIC OPEB liability as a percentage of covered payroll	 12.66%	 0.00%

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

County of Nottoway, Virginia

Schedule of Employer Contributions

Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2021 through June 30, 2022

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contribution Deficiency (Excess)		
	(1)	(2)	(3)	(4)	(5)
2022	\$ 7,590	\$ 7,590	\$ -	\$ 914,503	0.83%
2021	7,576	7,576	-	912,743	0.83%

Schedule is intended to show information for 10 years. The school board enrolled in non-professional HIC coverage in 2021. Additional years will be included as they become available.

County of Nottoway, Virginia

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 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

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

County of Nottoway, Virginia

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

Date	Employer's Proportion of the Net HIC OPEB Liability (Asset)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability
(1)	(2)	(3)	(4)	(5)	(6)
2021	0.12583%	\$ 1,615,115	\$ 11,128,081	14.51%	13.15%
2020	0.12940%	1,688,044	11,343,771	14.88%	9.95%
2019	0.13161%	1,722,903	11,039,238	15.61%	8.97%
2018	0.13868%	1,761,000	11,215,959	15.70%	8.08%
2017	0.14331%	1,818,000	11,310,137	16.07%	7.04%

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

County of Nottoway, Virginia

Schedule of Employer Contributions

Teacher Employee Health Insurance Credit (HIC) Plan

For the Years Ended June 30, 2013 through June 30, 2022

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
	(1)	(2)	(3)	(4)	(5)
2022	\$ 134,265	\$ 134,265	\$ -	\$ 11,096,278	1.21%
2021	134,650	134,650	-	11,128,081	1.21%
2020	136,125	136,125	-	11,343,771	1.20%
2019	132,471	132,471	-	11,039,238	1.20%
2018	137,956	137,956	-	11,215,959	1.23%
2017	125,543	125,543	-	11,310,137	1.11%
2016	116,517	116,517	-	10,992,178	1.06%
2015	115,499	115,499	-	10,896,110	1.06%
2014	119,717	119,717	-	10,785,295	1.11%
2013	120,627	120,627	-	10,867,305	1.11%

County of Nottoway, Virginia

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

County of Nottoway, Virginia

Schedule of Employer's Share of Net LODA OPEB Liability

Line of Duty Act (LODA) Program

For the Measurement Dates of June 30, 2017 through June 30, 2021

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (3)	Covered- Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2021	0.23970%	\$ 1,056,880	N/A	N/A	1.68%
2020	0.18960%	793,864	N/A	N/A	1.02%
2019	0.20377%	731,098	N/A	N/A	0.79%
2018	0.16114%	505,000	N/A	N/A	0.60%
2017	0.15256%	401,000	N/A	N/A	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan.

Schedule is intended to show information for 10 years. Since 2017 is the first year for this presentation, one one year of data is available. However, additional years will be added as they become available.

County of Nottoway, Virginia

Schedule of Employer Contributions

Line of Duty Act (LODA) Program

For the Years Ended June 30, 2016 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered- Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2022	\$ 42,089	\$ 42,089	\$ -	N/A	N/A
2021	32,996	32,996	-	N/A	N/A
2020	25,761	25,761	-	N/A	N/A
2019	27,349	27,349	-	N/A	N/A
2018	17,163	17,163	-	N/A	N/A
2017	16,454	16,454	-	N/A	N/A
2016	14,268	14,268	-	N/A	N/A

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. However, additional years will be added as they become available.

County of Nottoway, Virginia

Notes to Required Supplementary Information

Line of Duty Act (LODA) Program

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 results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety 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

County of Nottoway, Virginia

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

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 51,191	\$ 49,865	\$ 48,649	\$ 74,394	\$ 70,851
Interest	12,480	11,586	21,233	23,153	21,465
Changes of assumptions	(116,871)	-	(181,946)	-	-
Differences between expected and actual experience	14,873	-	(233,311)	-	-
Benefit payments	(29,137)	(18,514)	(18,062)	(41,583)	(38,503)
Net change in total OPEB liability	\$ (67,464)	\$ 42,937	\$ (363,437)	\$ 55,964	\$ 53,813
Total OPEB liability - beginning	447,135	404,198	767,635	711,671	657,858
Total OPEB liability - ending	\$ 379,671	\$ 447,135	\$ 404,198	\$ 767,635	\$ 711,671
 Covered payroll	 \$ 7,740,280	 \$ N/A	 \$ N/A	 \$ N/A	 \$ N/A
 School's total OPEB liability (asset) as a percentage of covered payroll	 4.91%	 N/A	 N/A	 N/A	 N/A

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

County of Nottoway, Virginia

Notes to Required Supplementary Information - Component Unit School Board

For the Year Ended June 30, 2022

Valuation Date: 6/30/2022

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
Discount Rate	4.09% per year as of June 30, 2022
Healthcare Trend Rate	6.0% grading to 5.5% uniformly over 2 years and following the Getzen model thereafter.

County of Nottoway, Virginia
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	<u>E-911 Fund</u>	<u>Dare Fund</u>	<u>Forfeited Assets Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 432,891	\$ 99	\$ 1,142	\$ 434,132
Due from other governmental units	22,772	-	-	22,772
Total assets	<u>\$ 455,663</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 456,904</u>
FUND BALANCES				
Fund balances:				
Committed	\$ 455,663	\$ 99	\$ 1,142	\$ 456,904
Total fund balances	<u>\$ 455,663</u>	<u>\$ 99</u>	<u>\$ 1,142</u>	<u>\$ 456,904</u>

County of Nottoway, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	<u>E-911 Fund</u>	<u>Dare Fund</u>	<u>Forfeited Assets Fund</u>	<u>Total</u>
REVENUES				
Other local taxes	\$ 676	\$ -	\$ -	\$ 676
Miscellaneous	-	-	696	696
Intergovernmental:				
Commonwealth	307,059	-	-	307,059
Total revenues	<u>\$ 307,735</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 308,431</u>
EXPENDITURES				
Current:				
Public safety	\$ 133,177	\$ -	\$ -	\$ 133,177
Total expenditures	<u>\$ 133,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 174,558</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 175,254</u>
Net change in fund balances	\$ 174,558	\$ -	\$ 696	\$ 175,254
Fund balances - beginning	281,105	99	446	281,650
Fund balances - ending	<u><u>\$ 455,663</u></u>	<u><u>\$ 99</u></u>	<u><u>\$ 1,142</u></u>	<u><u>\$ 456,904</u></u>

County of Nottoway, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2022

	E-911 Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Other local taxes	\$ 500	\$ 500	\$ 676	\$ 176
Miscellaneous	-	-	-	-
Intergovernmental:				
Commonwealth	116,560	124,060	307,059	182,999
Total revenues	\$ 117,060	\$ 124,560	\$ 307,735	\$ 183,175
EXPENDITURES				
Current:				
Public safety	\$ 117,060	\$ 130,976	\$ 133,177	\$ (2,201)
Total expenditures	\$ 117,060	\$ 130,976	\$ 133,177	\$ (2,201)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (6,416)	\$ 174,558	\$ 180,974
Net change in fund balances	\$ -	\$ (6,416)	\$ 174,558	\$ 180,974
Fund balances - beginning	-	6,416	281,105	274,689
Fund balances - ending	\$ -	\$ -	\$ 455,663	\$ 455,663

Dare Fund					Forfeited Asset Fund				
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	
Original	Final				Original	Final			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	696	696	696
-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696	\$ 696	\$ 696
\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696	\$ 696	\$ 696
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696	\$ 696	\$ 696
-	-	99	99	99	-	-	446	446	446
\$ -	\$ -	\$ 99	\$ 99	\$ 99	\$ -	\$ -	\$ 1,142	\$ 1,142	\$ 1,142

County of Nottoway, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2022

	School Operating Fund	Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,406,087	\$ 2,044,438	\$ 522,530	\$ 288,001	\$ 6,261,056
Due from other governmental units	905,036	-	-	-	905,036
Prepaid items	292,061	-	-	-	292,061
Total assets	<u>\$ 4,603,184</u>	<u>\$ 2,044,438</u>	<u>\$ 522,530</u>	<u>\$ 288,001</u>	<u>\$ 7,458,153</u>
LIABILITIES					
Accounts payable	\$ 220,106	\$ -	\$ -	\$ -	\$ 220,106
Accrued liabilities	575,233	-	18,953	-	594,186
Due to Nottoway County	1,327,323	-	-	-	1,327,323
Total liabilities	<u>\$ 2,122,662</u>	<u>\$ -</u>	<u>\$ 18,953</u>	<u>\$ -</u>	<u>\$ 2,141,615</u>
FUND BALANCES					
Nonspendable	\$ 292,061	\$ -	\$ -	\$ -	\$ 292,061
Committed	2,129,579	2,044,438	503,577	288,001	4,965,595
Unassigned	58,882	-	-	-	58,882
Total fund balances	<u>\$ 2,480,522</u>	<u>\$ 2,044,438</u>	<u>\$ 503,577</u>	<u>\$ 288,001</u>	<u>\$ 5,316,538</u>
Total liabilities and fund balances	<u>\$ 4,603,184</u>	<u>\$ 2,044,438</u>	<u>\$ 522,530</u>	<u>\$ 288,001</u>	<u>\$ 7,458,153</u>

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

Total fund balances per above 5,316,538

The net pension asset is not an available resource and, therefore, is not reported in the funds. 987,495

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Capital assets, cost	38,077,966	
Accumulated depreciation	(28,119,401)	9,958,565

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

Pension related items	3,672,862	
OPEB related items	380,785	4,053,647

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	(246,569)	
Lease liabilities	(112,830)	
Net pension liabilities	(9,838,950)	
Net OPEB liabilities	(2,790,772)	(12,989,121)

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

Pension related items	(9,110,503)	
OPEB related items	(840,507)	(9,951,010)

Net position of governmental activities		(2,623,886)
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County of Nottoway, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2022

	School Operating Fund	Textbook Fund	School Cafeteria Fund	School Activity Fund	Total Governmental Funds
REVENUES					
Revenue from the use of money and property	\$ -	\$ -	\$ 2,224	\$ -	\$ 2,224
Charges for services	-	-	60,324	-	60,324
Miscellaneous	396,234	186	12,086	378,307	786,813
Recovered costs	1,378	-	-	-	1,378
Intergovernmental:					
Local government	5,283,665	-	-	-	5,283,665
Commonwealth	16,529,179	-	9,752	-	16,538,931
Federal	4,813,398	-	1,221,803	-	6,035,201
Total revenues	\$ 27,023,854	\$ 186	\$ 1,306,189	\$ 378,307	\$ 28,708,536
EXPENDITURES					
Current:					
Education	\$ 24,995,765	\$ 23,596	\$ 1,159,294	\$ 438,234	\$ 26,616,889
Capital projects	419,195	-	-	-	419,195
Debt service:					
Principal retirement	49,473	-	-	-	49,473
Interest and other fiscal charges	1,261	-	-	-	1,261
Total expenditures	\$ 25,465,694	\$ 23,596	\$ 1,159,294	\$ 438,234	\$ 27,086,818
Excess (deficiency) of revenues over (under) expenditures	\$ 1,558,160	\$ (23,410)	\$ 146,895	\$ (59,927)	\$ 1,621,718
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 185,077	\$ -	\$ -	\$ 185,077
Transfers out	(185,077)	-	-	-	(185,077)
Total other financing sources (uses)	\$ (185,077)	\$ 185,077	\$ -	\$ -	\$ -
Net change in fund balances	\$ 1,373,083	\$ 161,667	\$ 146,895	\$ (59,927)	\$ 1,621,718
Fund balances - beginning	1,107,439	1,882,771	356,682	347,928	3,694,820
Fund balances - ending	\$ 2,480,522	\$ 2,044,438	\$ 503,577	\$ 288,001	\$ 5,316,538

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 \$ 1,621,718

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 depreciation expense exceeded capital outlays in the current period.

Capital asset additions	\$ 813,164	
Depreciation expense	(1,488,651)	
Jointly owned asset allocation	55,718	(619,769)

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. The following is a summary of items supporting this adjustment:

Principal retirement on lease liabilities 49,473

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds. 77,748

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.

Change in pension related items	\$ 2,228,272	
Change in OPEB related items	145,412	
Compensated absences	24,496	2,398,180

Change in net position of governmental activities \$ 3,527,350

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Charges for services	3,000	3,000	-	(3,000)
Miscellaneous	329,892	722,466	396,234	(326,232)
Recovered costs	-	-	1,378	1,378
Intergovernmental:				
Local government	4,807,518	5,387,518	5,283,665	(103,853)
Commonwealth	16,305,661	16,902,628	16,529,179	(373,449)
Federal	2,915,783	14,882,787	4,813,398	(10,069,389)
Total revenues	\$ 24,364,854	\$ 37,901,399	\$ 27,023,854	\$ (10,877,545)
EXPENDITURES				
Current:				
Education	\$ 23,889,385	\$ 38,073,426	\$ 24,995,765	\$ 13,077,661
Capital projects	338,354	798,298	419,195	379,103
Debt service:				
Principal retirement	-	-	49,473	(49,473)
Interest and other fiscal charges	-	-	1,261	(1,261)
Total expenditures	\$ 24,227,739	\$ 38,871,724	\$ 25,465,694	\$ 13,406,030
Excess (deficiency) of revenues over (under) expenditures	\$ 137,115	\$ (970,325)	\$ 1,558,160	\$ 2,528,485
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(137,115)	(137,115)	(185,077)	(47,962)
Total other financing sources (uses)	\$ (137,115)	\$ (137,115)	\$ (185,077)	\$ (47,962)
Net change in fund balances	\$ -	\$ (1,107,440)	\$ 1,373,083	\$ 2,480,523
Fund balances - beginning	-	1,107,440	1,107,439	(1)
Fund balances - ending	\$ -	\$ -	\$ 2,480,522	\$ 2,480,522

Textbook Fund				School Cafeteria Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget	Budgeted Amounts		Actual	Variance with Final Budget
Original	Final		Positive (Negative)	Original	Final		Positive (Negative)	Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 2,224	\$ (776)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	163,200	163,200	60,324	(102,876)	-	-	-	-
-	-	186	186	45,000	45,000	12,086	(32,914)	-	-	378,307	378,307
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	15,838	18,901	9,752	(9,149)	-	-	-	-
-	-	-	-	871,200	1,020,292	1,221,803	201,511	-	-	-	-
\$ -	\$ -	\$ 186	\$ 186	\$ 1,098,238	\$ 1,250,393	\$ 1,306,189	\$ 55,796	\$ -	\$ -	\$ 378,307	\$ 378,307
\$ -	\$ -	\$ 23,596	\$ (23,596)	\$ 1,189,381	\$ 1,597,944	\$ 1,159,294	\$ 438,650	\$ -	\$ -	\$ 438,234	\$ (438,234)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 23,596	\$ (23,596)	\$ 1,189,381	\$ 1,597,944	\$ 1,159,294	\$ 438,650	\$ -	\$ -	\$ 438,234	\$ (438,234)
\$ -	\$ -	\$ (23,410)	\$ (23,410)	\$ (91,143)	\$ (347,551)	\$ 146,895	\$ 494,446	\$ -	\$ -	\$ (59,927)	\$ (59,927)
\$ -	\$ -	\$ 185,077	\$ 185,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 185,077	\$ 185,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 161,667	\$ 161,667	\$ (91,143)	\$ (347,551)	\$ 146,895	\$ 494,446	\$ -	\$ -	\$ (59,927)	\$ (59,927)
-	-	1,882,771	1,882,771	91,143	347,551	356,682	9,131	-	-	347,928	347,928
\$ -	\$ -	\$ 2,044,438	\$ 2,044,438	\$ -	\$ -	\$ 503,577	\$ 503,577	\$ -	\$ -	\$ 288,001	\$ 288,001

County of Nottoway, Virginia
Statement of Net Position
Discretely Presented Component Unit - Industrial Development Authority
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,972,012
Notes receivable - current portion	73,064
Total current assets	<u>\$ 2,045,076</u>

Noncurrent assets:

Notes receivable - net of current portion	\$ 294,987
Total noncurrent assets	<u>\$ 294,987</u>
Total assets	<u>\$ 2,340,063</u>

LIABILITIES

Current liabilities:

Due to Nottoway County	\$ 76,378
Total current liabilities	<u>\$ 76,378</u>
Total liabilities	<u>\$ 76,378</u>

NET POSITION

Unrestricted	\$ 2,263,685
Total net position	<u><u>\$ 2,263,685</u></u>

County of Nottoway, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2022

OPERATING REVENUES

Charges for services:

Rents

\$ 16,531

Total operating revenues

\$ 16,531

Operating income (loss)

\$ 16,531

NONOPERATING REVENUES (EXPENSES)

Investment income

\$ 4,335

Total nonoperating revenues (expenses)

\$ 4,335

Change in net position

\$ 20,866

Net position - beginning

2,242,819

Net position - ending

\$ 2,263,685

County of Nottoway, Virginia
Statement of Cash Flows
Discretely Presented Component Unit - Industrial Development Authority
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 140,963
Net cash provided by (used for) operating activities	<u>\$ 140,963</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	\$ 4,335
Net cash provided by (used for) investing activities	<u>\$ 4,335</u>

Net increase (decrease) in cash and cash equivalents \$ 145,298

Cash and cash equivalents - beginning 1,826,714
Cash and cash equivalents - ending \$ 1,972,012

**Reconciliation of operating income (loss) to net cash
provided by (used for) operating activities:**

Operating income (loss)	\$ 16,531
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in notes receivable	\$ 124,432
Total adjustments	<u>\$ 124,432</u>
Net cash provided by (used for) operating activities	<u><u>\$ 140,963</u></u>

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

Schedule 1
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 4,621,931	\$ 4,621,931	\$ 4,601,563	\$ (20,368)
Real and personal public service corporation taxes	640,000	640,000	546,189	(93,811)
Personal property taxes	2,390,964	2,390,964	2,418,305	27,341
Mobile home taxes	10,996	10,996	9,432	(1,564)
Machinery and tools taxes	132,765	132,765	168,015	35,250
Penalties	178,000	178,000	103,311	(74,689)
Interest	75,000	75,000	62,050	(12,950)
Total general property taxes	\$ 8,049,656	\$ 8,049,656	\$ 7,908,865	\$ (140,791)
Other local taxes:				
Local sales and use taxes	\$ 1,500,000	\$ 1,500,000	\$ 1,666,523	\$ 166,523
Business license taxes	183,500	183,500	204,235	20,735
Motor vehicle licenses	210,000	210,000	204,740	(5,260)
Taxes on recordation and wills	80,000	80,000	127,219	47,219
Hotel and motel room taxes	1,000	1,000	5,363	4,363
Total other local taxes	\$ 1,974,500	\$ 1,974,500	\$ 2,208,080	\$ 233,580
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 6,585	\$ 8,535	\$ 11,401	\$ 2,866
Permits and other licenses	100,000	116,109	196,591	80,482
Total permits, privilege fees, and regulatory licenses	\$ 106,585	\$ 124,644	\$ 207,992	\$ 83,348
Fines and forfeitures:				
Court fines and forfeitures	\$ 15,000	\$ 15,000	\$ 15,127	\$ 127
Total fines and forfeitures	\$ 15,000	\$ 15,000	\$ 15,127	\$ 127
Revenue from use of money and property:				
Revenue from use of money	\$ 360,000	\$ 360,000	\$ 76,554	\$ (283,446)
Revenue from use of property	553,249	553,249	545,006	(8,243)
Total revenue from use of money and property	\$ 913,249	\$ 913,249	\$ 621,560	\$ (291,689)
Charges for services:				
Charges for law enforcement and traffic control	\$ 1,042	\$ 1,042	\$ 1,042	\$ -
Charges for court costs	7,000	7,000	4,725	(2,275)
Charges for courthouse security	35,000	35,000	19,347	(15,653)
Charges for Commonwealth's Attorney	1,000	1,000	1,734	734
Charges for law library	1,000	1,000	1,392	392
Charges for other protection	1,000	1,000	1,445	445
Charges for sale of historical material	150	150	175	25
Total charges for services	\$ 46,192	\$ 46,192	\$ 29,860	\$ (16,332)

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 396,000	\$ 568,365	\$ 349,687	\$ (218,678)
Total miscellaneous	\$ 396,000	\$ 568,365	\$ 349,687	\$ (218,678)
Recovered costs:				
Dispatching - Towns	\$ 43,400	\$ 43,400	\$ 32,102	\$ (11,298)
Library contribution	3,500	3,500	2,500	(1,000)
Cost allocation plan	235,000	235,000	185,679	(49,321)
Total recovered costs	\$ 281,900	\$ 281,900	\$ 220,281	\$ (61,619)
 Total revenue from local sources	 \$ 11,783,082	 \$ 11,973,506	 \$ 11,561,452	 \$ (412,054)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	\$ 76,500	\$ 76,500	\$ 73,588	\$ (2,912)
Mobile home titling tax	15,000	15,000	17,368	2,368
Tax on Deeds	16,000	16,000	31,290	15,290
Moped ATV sales tax	8,000	8,000	10,110	2,110
Game of skill tax	25,000	25,000	4,320	(20,680)
Personal property tax relief funds	1,049,790	1,049,790	1,049,790	-
Total noncategorical aid	\$ 1,190,290	\$ 1,190,290	\$ 1,186,466	\$ (3,824)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 237,279	\$ 237,279	\$ 236,010	\$ (1,269)
Sheriff	901,539	945,226	904,968	(40,258)
Commissioner of revenue	81,516	81,516	91,971	10,455
Treasurer	92,655	92,655	92,662	7
Registrar/electoral board	42,500	42,500	60,015	17,515
Clerk of the Circuit Court	189,080	223,204	227,099	3,895
Total shared expenses	\$ 1,544,569	\$ 1,622,380	\$ 1,612,725	\$ (9,655)

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
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For the Year Ended June 30, 2022

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid:				
Public assistance and welfare administration	\$ 1,650,000	\$ 1,650,000	\$ 513,326	\$ (1,136,674)
Children's services act	622,200	737,068	604,958	(132,110)
Litter control grant	6,000	6,000	7,981	1,981
Virginia center for rehabilitation	215,939	215,939	200,929	(15,010)
Victim witness grant	62,693	62,693	10,293	(52,400)
Library grant	63,667	86,618	77,085	(9,533)
VJCCCS grant	19,400	19,400	19,399	(1)
E911 services board grant	-	3,000	-	(3,000)
School resource officer	92,784	92,784	-	(92,784)
Tobacco commission	-	464,881	159,900	(304,981)
Total other categorical aid	<u>\$ 2,732,683</u>	<u>\$ 3,338,383</u>	<u>\$ 1,593,871</u>	<u>\$ (1,744,512)</u>
Total categorical aid	<u>\$ 4,277,252</u>	<u>\$ 4,960,763</u>	<u>\$ 3,206,596</u>	<u>\$ (1,754,167)</u>
Total revenue from the Commonwealth	<u>\$ 5,467,542</u>	<u>\$ 6,151,053</u>	<u>\$ 4,393,062</u>	<u>\$ (1,757,991)</u>
Revenue from the federal government:				
Noncategorical aid:				
COVID-19 - Coronavirus relief	\$ -	\$ 3,813	\$ 667,681	\$ 663,868
COVID-19 - American rescue plan act	-	1,479,319	-	(1,479,319)
Total noncategorical aid	<u>\$ -</u>	<u>\$ 1,483,132</u>	<u>\$ 667,681</u>	<u>\$ (815,451)</u>
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 822,788	\$ 822,788
Children's services act	-	-	46,257	46,257
Victim witness	-	-	28,898	28,898
Emergency management preparation	-	-	21,062	21,062
Ground transportation safety	-	13,200	10,308	(2,892)
Byrne justice assistance	-	2,010	-	(2,010)
Total categorical aid	<u>\$ -</u>	<u>\$ 15,210</u>	<u>\$ 929,313</u>	<u>\$ 914,103</u>
Total revenue from the federal government	<u>\$ -</u>	<u>\$ 1,498,342</u>	<u>\$ 1,596,994</u>	<u>\$ 98,652</u>
Total General Fund	<u>\$ 17,250,624</u>	<u>\$ 19,622,901</u>	<u>\$ 17,551,508</u>	<u>\$ (2,071,393)</u>

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Funds:				
Landfill Fund:				
Revenue from local sources:				
Other local taxes:				
Consumer utility tax	\$ 150,500	\$ 150,500	\$ 152,798	\$ 2,298
Consumption tax	28,000	28,000	27,302	(698)
Total other local taxes	<u>\$ 178,500</u>	<u>\$ 178,500</u>	<u>\$ 180,100</u>	<u>\$ 1,600</u>
Charges for services:				
Landfill use fees	\$ 514,000	\$ 514,000	\$ 792,386	\$ 278,386
Total charges for services	<u>\$ 514,000</u>	<u>\$ 514,000</u>	<u>\$ 792,386</u>	<u>\$ 278,386</u>
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 2,956	\$ 2,956
Total revenue from local sources	<u>\$ 692,500</u>	<u>\$ 692,500</u>	<u>\$ 975,442</u>	<u>\$ 282,942</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications tax	\$ 215,000	\$ 215,000	\$ 186,153	\$ (28,847)
Total noncategorical aid	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 186,153</u>	<u>\$ (28,847)</u>
Total revenue from the Commonwealth	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 186,153</u>	<u>\$ (28,847)</u>
Total Landfill Fund	<u>\$ 907,500</u>	<u>\$ 907,500</u>	<u>\$ 1,161,595</u>	<u>\$ 254,095</u>
E-911 Fund:				
Revenue from local sources:				
Other local taxes:				
E-911 taxes	\$ 500	\$ 500	\$ 676	\$ 176
Total other local taxes	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 676</u>	<u>\$ 176</u>
Total revenue from local sources	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 676</u>	<u>\$ 176</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Communications Tax	\$ 66,310	\$ 66,310	\$ 62,051	\$ (4,259)
Total noncategorical aid	<u>\$ 66,310</u>	<u>\$ 66,310</u>	<u>\$ 62,051</u>	<u>\$ (4,259)</u>
Categorical aid:				
Wireless grant funds	\$ 50,250	\$ 57,750	\$ 84,507	\$ 26,757
PSAP grant	-	-	160,501	160,501
Total categorical aid	<u>\$ 50,250</u>	<u>\$ 57,750</u>	<u>\$ 245,008</u>	<u>\$ 187,258</u>
Total revenue from the Commonwealth	<u>\$ 116,560</u>	<u>\$ 124,060</u>	<u>\$ 307,059</u>	<u>\$ 182,999</u>
Total E-911 Fund	<u>\$ 117,060</u>	<u>\$ 124,560</u>	<u>\$ 307,735</u>	<u>\$ 183,175</u>
Forfeited Asset Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 696	\$ 696
Total miscellaneous	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 696</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 696</u>
Total Forfeited Asset Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ 696</u>
Total Primary Government	<u>\$ 18,275,184</u>	<u>\$ 20,654,961</u>	<u>\$ 19,021,534</u>	<u>\$ (1,633,427)</u>

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total revenue from use of money and property	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Charges for services:				
Charges for education	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Total charges for services	\$ 3,000	\$ 3,000	\$ -	\$ (3,000)
Miscellaneous:				
Other miscellaneous	\$ 329,892	\$ 722,466	\$ 396,234	\$ (326,232)
Total miscellaneous	\$ 329,892	\$ 722,466	\$ 396,234	\$ (326,232)
Recovered costs:				
Other recovered costs	\$ -	\$ -	\$ 1,378	\$ 1,378
Total recovered costs	\$ -	\$ -	\$ 1,378	\$ 1,378
Total revenue from local sources	\$ 335,892	\$ 728,466	\$ 397,612	\$ (330,854)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Nottoway, Virginia	\$ 4,807,518	\$ 5,387,518	\$ 5,283,665	\$ (103,853)
Total revenues from local governments	\$ 4,807,518	\$ 5,387,518	\$ 5,283,665	\$ (103,853)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,311,937	\$ 2,475,379	\$ 3,094,709	\$ 619,330
Basic school aid	7,109,384	7,072,724	6,448,998	(623,726)
Remedial education	376,872	376,872	364,619	(12,253)
Regular foster care	2,096	2,096	4,339	2,243
Gifted and talented	69,840	69,840	67,569	(2,271)
Preschool and 4 year old at risk	284,767	284,767	289,017	4,250
Special education	857,845	857,845	829,959	(27,886)
Project Graduation	5,101	5,101	5,500	399
Vocational education	246,919	246,919	193,595	(53,324)
Textbook payments	141,617	141,617	137,013	(4,604)
Social security and retirement fringe benefits	1,479,815	1,479,815	1,431,705	(48,110)
GED payments	8,386	8,386	8,233	(153)
State lottery payments	876,241	895,255	518,120	(377,135)
Early reading intervention	76,321	76,321	142,115	65,794
Homebound education	4,258	4,258	23	(4,235)
Remedial summer	37,926	37,926	59,310	21,384
At risk payments	1,085,184	1,095,560	1,059,243	(36,317)
VPSA technology funds	232,000	303,600	251,008	(52,592)
Primary class size	518,992	518,992	526,754	7,762
Standards of Learning algebra readiness	45,257	42,256	42,399	143

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
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For the Year Ended June 30, 2022

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Middle school corps	\$ 5,000	\$ 5,000	\$ 4,995	\$ (5)
English as a second language	83,933	83,933	81,809	(2,124)
Compensation supplement	165,078	480,260	464,674	(15,586)
Mentor teacher program	900	900	3,954	3,054
School construction	174,855	174,855	-	(174,855)
GO TEC	-	-	1,296	1,296
Other grants	105,137	162,151	498,223	336,072
Total categorical aid	<u>\$ 16,305,661</u>	<u>\$ 16,902,628</u>	<u>\$ 16,529,179</u>	<u>\$ (373,449)</u>
Total revenue from the Commonwealth	<u>\$ 16,305,661</u>	<u>\$ 16,902,628</u>	<u>\$ 16,529,179</u>	<u>\$ (373,449)</u>
Revenue from the federal government:				
Categorical aid:				
Rural education	\$ 39,578	\$ 51,374	\$ 44,892	\$ (6,482)
Title I	1,100,843	1,279,092	1,051,240	(227,852)
Title II, Part A	129,143	129,143	92,796	(36,347)
Title III, Part A	-	-	5,430	5,430
Title VI-B, special education flow-through	855,460	977,224	499,149	(478,075)
Vocational education	67,624	67,624	56,648	(10,976)
Preschool special education	16,336	25,239	30,376	5,137
Sliver grant	9,480	9,480	-	(9,480)
School improvement	-	74,773	-	(74,773)
21st century grant	509,650	510,393	422,029	(88,364)
ESSER - U	-	483,042	516,141	33,099
ESSER - C	-	-	108,692	108,692
ESSER - D	-	10,856,841	1,814,696	(9,042,145)
Leasing of land - PILT	20,854	81,603	60,749	(20,854)
ROTC	56,820	56,820	28,912	(27,908)
ESEA Title IV	93,995	141,020	-	(141,020)
School reform grant	-	-	73,248	73,248
Other federal	-	123,119	-	(123,119)
Project Hope grant	16,000	16,000	8,400	(7,600)
Total categorical aid	<u>\$ 2,915,783</u>	<u>\$ 14,882,787</u>	<u>\$ 4,813,398</u>	<u>\$ (10,069,389)</u>
Total revenue from the federal government	<u>\$ 2,915,783</u>	<u>\$ 14,882,787</u>	<u>\$ 4,813,398</u>	<u>\$ (10,069,389)</u>
Total School Operating Fund	<u>\$ 24,364,854</u>	<u>\$ 37,901,399</u>	<u>\$ 27,023,854</u>	<u>\$ (10,877,545)</u>

County of Nottoway, Virginia
Schedule of Revenues - Budget and Actual
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds:				
School Cafeteria Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 3,000	\$ 3,000	\$ 2,224	\$ (776)
Charges for services:				
Cafeteria sales	\$ 163,200	\$ 163,200	\$ 60,324	\$ (102,876)
Miscellaneous:				
Other miscellaneous	\$ 45,000	\$ 45,000	\$ 12,086	\$ (32,914)
Total revenue from local sources	\$ 211,200	\$ 211,200	\$ 74,634	\$ (136,566)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 15,838	\$ 18,901	\$ 9,752	\$ (9,149)
Total categorical aid	\$ 15,838	\$ 18,901	\$ 9,752	\$ (9,149)
Total revenue from the Commonwealth	\$ 15,838	\$ 18,901	\$ 9,752	\$ (9,149)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 871,200	\$ 921,200	\$ 1,122,711	\$ 201,511
Commodities	-	99,092	99,092	-
Total revenue from the federal government	\$ 871,200	\$ 1,020,292	\$ 1,221,803	\$ 201,511
Total School Cafeteria Fund	\$ 1,098,238	\$ 1,250,393	\$ 1,306,189	\$ 55,796
School Textbook Fund:				
Revenue from local sources:				
Miscellaneous revenue				
Miscellaneous	\$ -	\$ -	\$ 186	\$ 186
Total miscellaneous	\$ -	\$ -	\$ 186	\$ 186
Total School Textbook Fund	\$ -	\$ -	\$ 186	\$ 186
School Activity Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 378,307	\$ 378,307
Total miscellaneous	\$ -	\$ -	\$ 378,307	\$ 378,307
Total School Activity Fund	\$ -	\$ -	\$ 378,307	\$ 378,307
Total Discretely Presented Component Unit - School Board	\$ 25,463,092	\$ 39,151,792	\$ 28,708,536	\$ (10,443,256)

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 335,650	\$ 456,381	\$ 325,305	\$ 131,076
Total legislative	\$ 335,650	\$ 456,381	\$ 325,305	\$ 131,076
General and financial administration:				
County administrator	\$ 494,706	\$ 577,475	\$ 482,794	\$ 94,681
Legal services	58,619	58,619	202,267	(143,648)
Commissioner of revenue	210,707	210,707	205,141	5,566
Treasurer	255,403	269,663	241,263	28,400
Data processing	77,522	81,396	64,938	16,458
Other general and financial administration	45,000	2,652,185	655,830	1,996,355
Total general and financial administration	\$ 1,141,957	\$ 3,850,045	\$ 1,852,233	\$ 1,997,812
Board of elections:				
Electoral board and officials	\$ 234,644	\$ 263,009	\$ 272,640	\$ (9,631)
Total board of elections	\$ 234,644	\$ 263,009	\$ 272,640	\$ (9,631)
Total general government administration	\$ 1,712,251	\$ 4,569,435	\$ 2,450,178	\$ 2,119,257
Judicial administration:				
Courts:				
Circuit court	\$ 14,940	\$ 14,940	\$ 15,878	\$ (938)
General district court	9,435	9,935	7,834	2,101
Commissioner of accounts	100	100	-	100
Magistrate	100	100	-	100
Juvenile and domestic relations district court	22,550	23,378	23,218	160
Clerk of the circuit court	255,196	319,141	305,081	14,060
Jurors and witnesses	9,412	9,412	2,010	7,402
Sheriff	184,648	183,213	182,000	1,213
Law library	874	8,349	883	7,466
Total courts	\$ 497,255	\$ 568,568	\$ 536,904	\$ 31,664
Commonwealth's attorney:				
Commonwealth's attorney	\$ 454,277	\$ 457,052	\$ 370,877	\$ 86,175
Total commonwealth's attorney	\$ 454,277	\$ 457,052	\$ 370,877	\$ 86,175
Total judicial administration	\$ 951,532	\$ 1,025,620	\$ 907,781	\$ 117,839

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,356,251	\$ 1,521,529	\$ 1,420,739	\$ 100,790
Central dispatching	506,585	548,109	499,805	48,304
School resource officer	135,203	135,554	125,793	9,761
Total law enforcement and traffic control	<u>\$ 1,998,039</u>	<u>\$ 2,205,192</u>	<u>\$ 2,046,337</u>	<u>\$ 158,855</u>
Fire and rescue services:				
Volunteer fire department	\$ 335,000	\$ 383,346	\$ 413,030	\$ (29,684)
Rescue service	225,300	227,972	229,271	(1,299)
State forestry service	12,529	12,529	12,529	-
Office of emergency services	27,989	27,989	70,089	(42,100)
Total fire and rescue services	<u>\$ 600,818</u>	<u>\$ 651,836</u>	<u>\$ 724,919</u>	<u>\$ (73,083)</u>
Correction and detention:				
Detention home	\$ 60,000	\$ 59,172	\$ 13,460	\$ 45,712
Piedmont regional jail	1,232,482	1,737,631	1,056,184	681,447
Total correction and detention	<u>\$ 1,292,482</u>	<u>\$ 1,796,803</u>	<u>\$ 1,069,644</u>	<u>\$ 727,159</u>
Inspections:				
Building	\$ 91,181	\$ 137,252	\$ 139,952	\$ (2,700)
Total inspections	<u>\$ 91,181</u>	<u>\$ 137,252</u>	<u>\$ 139,952</u>	<u>\$ (2,700)</u>
Other protection:				
Animal control	\$ 389,993	\$ 423,421	\$ 149,805	\$ 273,616
Medical examiner	200	200	200	-
Total other protection	<u>\$ 390,193</u>	<u>\$ 423,621</u>	<u>\$ 150,005</u>	<u>\$ 273,616</u>
Total public safety	<u>\$ 4,372,713</u>	<u>\$ 5,214,704</u>	<u>\$ 4,130,857</u>	<u>\$ 1,083,847</u>
Public works:				
Sanitation and waste removal:				
Litter control	\$ 6,000	\$ 7,981	\$ 7,175	\$ 806
Total sanitation and waste removal	<u>\$ 6,000</u>	<u>\$ 7,981</u>	<u>\$ 7,175</u>	<u>\$ 806</u>
Maintenance of general buildings and grounds:				
General properties	\$ 1,900,014	\$ 2,107,842	\$ 1,166,358	\$ 941,484
Total maintenance of general buildings and grounds	<u>\$ 1,900,014</u>	<u>\$ 2,107,842</u>	<u>\$ 1,166,358</u>	<u>\$ 941,484</u>
Total public works	<u>\$ 1,906,014</u>	<u>\$ 2,115,823</u>	<u>\$ 1,173,533</u>	<u>\$ 942,290</u>

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare:				
Health:				
Supplement of local health department	\$ 112,183	\$ 112,183	\$ 101,743	\$ 10,440
Total health	\$ 112,183	\$ 112,183	\$ 101,743	\$ 10,440
Mental health and mental retardation:				
Community services board	\$ 62,939	\$ 62,939	\$ 62,939	\$ -
Total mental health and mental retardation	\$ 62,939	\$ 62,939	\$ 62,939	\$ -
Welfare:				
Public assistance and welfare administration	\$ 2,075,867	\$ 2,075,867	\$ 1,617,858	\$ 458,009
Southside center for violence prevention	7,300	7,300	7,300	-
Comprehensive Services Act	878,901	988,769	1,010,367	(21,598)
Total welfare	\$ 2,962,068	\$ 3,071,936	\$ 2,635,525	\$ 436,411
Total health and welfare	\$ 3,137,190	\$ 3,247,058	\$ 2,800,207	\$ 446,851
Education:				
Other instructional costs:				
Contribution to community colleges	\$ 6,484	\$ 6,484	\$ 12,862	\$ (6,378)
Contribution to County School Board	5,112,410	5,112,410	5,283,665	(171,255)
Total education	\$ 5,118,894	\$ 5,118,894	\$ 5,296,527	\$ (177,633)
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation	\$ 35,500	\$ 35,500	\$ 35,500	\$ -
Total parks and recreation	\$ 35,500	\$ 35,500	\$ 35,500	\$ -
Library:				
Library administration	\$ 266,223	\$ 305,042	\$ 301,842	\$ 3,200
Total library	\$ 266,223	\$ 305,042	\$ 301,842	\$ 3,200
Total parks, recreation, and cultural	\$ 301,723	\$ 340,542	\$ 337,342	\$ 3,200
Community development:				
Planning and community development:				
Economic development	\$ 7,938	\$ 469,082	\$ 309,942	\$ 159,140
Planning commission	53,210	54,960	75,007	(20,047)
Zoning board	2,750	2,756	3,667	(911)
Total planning and community development	\$ 63,898	\$ 526,798	\$ 388,616	\$ 138,182
Environmental management:				
Soil and water conservation district	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Total environmental management	\$ 8,500	\$ 8,500	\$ 8,500	\$ -

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 52,420	\$ 52,420	\$ 31,370	\$ 21,050
Total cooperative extension program	\$ 52,420	\$ 52,420	\$ 31,370	\$ 21,050
Other community development:				
Ft. Pickett local reuse authority	\$ 412,939	\$ 425,619	\$ 399,665	\$ 25,954
Community development block grant	3,600	3,600	282	3,318
Small business incubator	13,700	12,200	10,214	1,986
Lodge at Ft. Pickett	223,150	247,650	239,455	8,195
Total other community development	\$ 653,389	\$ 689,069	\$ 649,616	\$ 39,453
Total community development	\$ 778,207	\$ 1,276,787	\$ 1,078,102	\$ 198,685
Debt service:				
Principal retirement	\$ 195,448	\$ 195,448	\$ 199,071	\$ (3,623)
Interest and other fiscal charges	55,949	55,949	56,326	(377)
Total debt service	\$ 251,397	\$ 251,397	\$ 255,397	\$ (4,000)
Total General Fund	\$ 18,529,921	\$ 23,160,260	\$ 18,429,924	\$ 4,730,336
Special Revenue Funds:				
Landfill Fund:				
Public works:				
Sanitation and waste removal:				
Landfill	\$ 907,500	\$ 906,141	\$ 1,053,117	\$ (146,976)
Total Landfill Fund	\$ 907,500	\$ 906,141	\$ 1,053,117	\$ (146,976)
E-911 Fund:				
Public safety:				
Law enforcement and traffic control:				
Emergency 911 services	\$ 117,060	\$ 130,976	\$ 133,177	\$ (2,201)
Total E-911 Fund	\$ 117,060	\$ 130,976	\$ 133,177	\$ (2,201)
Total Primary Government	\$ 19,554,481	\$ 24,197,377	\$ 19,616,218	\$ 4,581,159

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Instruction costs:				
Elementary and secondary schools	\$ 17,791,696	\$ 26,222,091	\$ 17,892,462	\$ 8,329,629
Total instruction costs	\$ 17,791,696	\$ 26,222,091	\$ 17,892,462	\$ 8,329,629
Operating costs:				
Administration, attendance and health services	\$ 2,001,829	\$ 3,109,884	\$ 2,477,781	\$ 632,103
Pupil transportation	1,569,656	2,039,250	1,484,850	554,400
Operation and maintenance of school plant	2,526,204	6,702,201	3,140,672	3,561,529
Total operating costs	\$ 6,097,689	\$ 11,851,335	\$ 7,103,303	\$ 4,748,032
Total education	\$ 23,889,385	\$ 38,073,426	\$ 24,995,765	\$ 13,077,661
Capital projects:				
School capital projects	\$ 338,354	\$ 798,298	\$ 419,195	\$ 379,103
Total capital projects	\$ 338,354	\$ 798,298	\$ 419,195	\$ 379,103
Debt service:				
Principal retirement	\$ -	\$ -	\$ 49,473	\$ (49,473)
Interest and other fiscal charges	-	-	1,261	(1,261)
Total debt service	-	-	\$ 50,734	\$ (50,734)
Total School Operating Fund	\$ 24,227,739	\$ 38,871,724	\$ 25,465,694	\$ 13,406,030
Special Revenue Funds:				
School Textbook Fund:				
Education:				
Instruction:				
Elementary and secondary schools	\$ -	\$ -	\$ 23,596	\$ (23,596)
Total School Textbook Fund	\$ -	\$ -	\$ 23,596	\$ (23,596)
School Cafeteria Fund:				
Education:				
School food services:				
Administration of school food program	\$ 1,189,381	\$ 1,498,852	\$ 1,060,202	\$ 438,650
Commodities	-	99,092	99,092	-
Total School Cafeteria Fund	\$ 1,189,381	\$ 1,597,944	\$ 1,159,294	\$ 438,650

County of Nottoway, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022

<u>Fund, Function, Activity and Element</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
Special Revenue Funds: (Continued)				
School Activity Fund:				
Education:				
Instructional services:				
School activity accounts	\$ -	\$ -	\$ 438,234	\$ (438,234)
Total instructional services	\$ -	\$ -	\$ 438,234	\$ (438,234)
Total education	\$ -	\$ -	\$ 438,234	\$ (438,234)
Total School Activity Fund	\$ -	\$ -	\$ 438,234	\$ (438,234)
Total Discretely Presented Component Unit - School Board	\$ 25,417,120	\$ 40,469,668	\$ 27,086,818	\$ 13,382,850

Table 1

County of Nottoway, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Total
2013	\$ 1,137,841	\$ 760,916	\$ 2,508,940	\$ 613,101	\$ 2,623,446	\$ 4,526,212	\$ 339,258	\$ 1,457,207	\$ 211,077	\$ 14,177,998
2014	1,161,580	766,111	2,788,375	1,776,879	2,440,221	5,262,880	358,507	774,358	161,935	15,490,846
2015	1,232,743	753,595	2,589,898	1,543,166	2,263,211	4,834,848	361,174	771,383	131,132	14,481,150
2016	936,027	768,920	2,530,134	1,074,068	1,996,214	5,231,092	338,200	608,120	130,484	13,613,259
2017	1,631,110	816,258	2,517,124	1,046,610	2,188,527	4,704,799	357,724	659,625	110,433	14,032,210
2018	1,159,579	755,430	2,527,622	1,697,197	2,306,603	5,589,509	326,545	993,620	97,538	15,453,643
2019	971,169	758,707	2,779,286	2,625,662	2,572,616	5,378,240	329,198	948,845	79,856	16,443,579
2020	1,181,734	869,583	3,189,310	1,604,449	2,713,014	4,986,918	364,639	779,363	64,558	15,753,568
2021	1,035,420	944,915	4,636,802	1,892,872	2,880,258	4,764,460	410,145	1,490,862	55,112	18,110,846
2022	2,292,845	1,020,834	4,153,085	3,046,821	2,751,565	5,491,977	372,497	1,090,512	45,760	20,265,896

Table 2

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

Fiscal Year	PROGRAM REVENUES				GENERAL REVENUES						
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Gain/ (Loss) on Disposal of Capital Assets	Total
2013	\$ 475,600	\$ 4,026,666	\$ -	\$ -	\$ 6,034,409	\$ 1,555,276	\$ 716,771	\$ 112,145	\$ 1,538,961	\$ 56,853	\$ 14,516,681
2014	477,320	3,489,580	-	-	6,666,598	1,586,886	727,700	81,512	1,440,129	-	14,469,725
2015	583,206	3,125,217	-	-	6,653,238	1,556,878	711,772	68,162	1,625,711	(3,756,634)	10,567,550
2016	523,796	3,188,576	-	-	6,833,044	1,612,326	629,974	74,480	1,511,423	-	14,373,619
2017	560,025	3,374,947	-	-	6,918,150	1,703,463	640,964	205,802	1,508,408	-	14,911,759
2018	651,315	3,617,923	280,000	-	7,415,503	1,673,112	705,220	112,929	1,424,397	-	15,880,399
2019	702,511	3,727,846	-	-	7,364,578	1,941,382	878,172	431,237	1,578,472	-	16,624,198
2020	740,213	3,827,260	-	-	7,728,549	1,985,544	949,264	133,715	1,491,597	-	16,856,142
2021	672,408	5,589,226	-	-	7,761,041	2,108,720	668,351	266,947	1,444,154	-	18,510,847
2022	1,590,371	5,048,598	-	-	7,916,780	2,388,856	76,554	353,339	1,434,670	-	18,809,168

Table 3

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

Fiscal Year	General Government				Parks, Recreation, and Cultural				Total	
	Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education (2)	Community Development	Debt Service		
2013	\$ 1,104,664	\$ 650,265	\$ 2,285,758	\$ 1,030,169	\$ 2,646,524	\$ 22,049,473	\$ 246,125	\$ 660,920	\$ 540,574	\$ 31,214,472
2014	1,136,864	667,960	2,683,293	1,146,247	2,368,329	21,925,848	276,770	758,808	924,557	31,888,676
2015	1,340,100	675,769	2,560,867	1,104,173	2,285,888	21,667,654	277,835	976,404	888,881	31,777,571
2016	1,204,371	726,542	2,617,795	1,270,202	2,153,350	22,071,187	264,371	690,964	932,866	31,931,648
2017	1,332,833	749,325	2,547,557	954,865	2,189,144	23,113,450	275,677	802,912	624,071	32,589,834
2018	1,495,583	731,994	2,709,387	1,435,031	2,399,535	21,888,576	270,303	996,084	638,142	32,564,635
2019	1,287,921	752,658	2,977,257	3,275,820	2,661,704	22,695,512	280,906	960,520	429,504	35,321,802
2020	1,392,864	798,503	3,234,902	1,580,621	2,691,624	23,276,816	274,609	774,396	421,870	34,446,205
2021	1,547,222	820,113	4,914,831	1,713,490	2,816,464	24,738,510	314,395	1,463,869	414,195	38,743,089
2022	2,450,178	907,781	4,264,034	2,226,650	2,800,207	26,680,485	337,342	1,078,102	255,397	41,000,176

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 4

County of Nottoway, Virginia
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the					Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
					Use of Money and Property	Charges for Services							
2013	\$ 6,054,653	\$ 1,555,276	\$ 79,368	\$ 7,972	\$ 720,347	\$ 617,069	\$ 362,340	\$ 17,747	\$ 22,796,756	\$ 32,211,528			
2014	6,735,452	1,586,886	83,156	5,574	730,188	592,821	274,961	421,890	21,881,997	32,312,925			
2015	6,611,983	1,556,878	87,022	3,848	715,020	689,876	242,480	131,576	21,934,976	31,973,659			
2016	6,641,274	1,612,326	70,251	4,007	631,785	655,673	172,295	375,401	22,190,197	32,353,209			
2017	6,806,196	1,703,463	75,720	10,984	642,575	682,891	273,178	216,534	22,917,302	33,328,843			
2018	7,403,795	1,673,112	110,295	11,291	707,712	734,810	194,142	203,498	23,229,771	34,268,426			
2019	7,747,405	1,941,382	104,183	14,301	886,934	798,217	499,307	249,109	23,692,236	35,933,074			
2020	7,672,218	1,985,544	112,580	12,578	958,656	712,428	203,420	363,383	24,114,357	36,135,164			
2021	7,801,081	2,108,720	116,092	5,637	671,272	554,516	629,538	213,553	26,966,625	39,067,034			
2022	7,908,865	2,388,856	207,992	15,127	623,784	882,570	1,140,152	221,659	29,057,400	42,446,405			

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit - School Board.

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit - School Board.

Table 5

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

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax (1,2) Collections	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of	
						Total Tax Collections	to Tax Levy		Total Tax Collections	to Tax Levy
2013	\$ 7,029,394	\$ 6,659,268	94.73%	\$ 260,350	\$ 6,919,618	98.44%	\$ 775,779	11.04%		
2014	7,697,598	7,201,515	93.56%	327,871	7,529,386	97.81%	716,349	9.31%		
2015	7,662,773	7,292,723	95.17%	250,767	7,543,490	98.44%	747,240	9.75%		
2016	7,827,966	7,306,097	93.33%	289,698	7,595,795	97.03%	844,418	10.79%		
2017	7,793,788	7,311,127	93.81%	303,828	7,614,955	97.71%	837,051	10.74%		
2018	8,272,472	7,758,973	93.79%	475,727	8,234,700	99.54%	954,993	11.54%		
2019	8,622,445	8,057,921	93.45%	492,584	8,550,505	99.17%	748,907	8.69%		
2020	8,677,024	8,179,818	94.27%	314,255	8,494,073	97.89%	881,691	10.16%		
2021	8,799,657	8,302,069	94.35%	334,893	8,636,962	98.15%	759,819	8.63%		
2022	9,195,953	8,565,100	93.14%	228,194	8,793,294	95.62%	790,754	8.60%		

(1) Exclusive of penalties and interest. Includes personal property tax relief funds.

(2) Does not include land redemptions.

Table 6

County of Nottoway, Virginia
Assessed Value of Taxable Property (in thousands)
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Service (2)	Total
2013	\$ 945,617	\$ 72,954	\$ 13,089	\$ 77,364	\$ 1,109,024
2014	878,681	77,330	14,849	84,102	1,054,962
2015	878,668	80,115	10,050	90,207	1,059,040
2016	892,421	90,649	9,280	90,207	1,082,557
2017	814,187	83,507	9,661	113,068	1,020,423
2018	916,201	85,174	6,548	101,546	1,109,469
2019	942,863	88,760	8,466	118,048	1,158,137
2020	946,223	91,671	9,094	119,080	1,166,068
2021	954,193	95,132	10,867	104,350	1,164,541
2022	968,562	101,176	12,563	102,139	1,184,441

(1) Real estate is assessed at 100% of fair market value.

(2) Assessed values are established by the State Corporation Commission.

Table 7

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

Fiscal Year	Real Estate	Personal Property	Machinery and Tools	Public Utility	
				Real Estate	Personal Property
2013	\$ 0.44	\$ 3.50	\$ 1.35	\$ 0.44	\$ 3.50
2014	0.47	3.75	1.35	0.47	3.75
2015	0.47	3.75	1.35	0.47	3.75
2016	0.47	3.75	1.35	0.47	3.75
2017	0.47	3.75	1.35	0.47	3.75
2018	0.50	3.75	1.35	0.50	3.75
2019	0.48	3.75	1.35	0.48	3.75
2020	0.48	3.75	1.35	0.48	3.75
2021	0.48	3.75	1.35	0.48	3.75
2022	0.48	3.75	1.35	0.48	3.75

(1) Per \$100 of assessed value.

Table 8

County of Nottoway, Virginia
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2013	15,853	\$ 1,109,024	\$ 5,301,684	\$ 5,301,684	0.48%	\$ 334
2014	15,853	1,054,962	4,609,783	4,609,783	0.44%	291
2015	15,853	1,059,040	4,609,783	4,609,783	0.44%	291
2016	15,853	1,082,557	3,214,548	3,214,548	0.30%	203
2017	15,853	1,020,423	2,760,811	2,760,811	0.27%	174
2018	15,853	1,109,469	2,327,709	2,327,709	0.21%	147
2019	15,853	1,158,137	1,985,013	1,985,013	0.17%	125
2020	15,413	1,166,068	1,637,482	1,637,482	0.14%	106
2021	15,413	1,164,541	1,285,258	1,285,258	0.11%	83
2022	15,604	1,184,441	1,083,531	1,083,531	0.09%	69

(1) Weldon Cooper Center for Public Service - University of Virginia

(2) From Table 6

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans.

Excludes revenue bonds, lease liabilities, notes payable, landfill closure liability and compensated absences.



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**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 Nottoway
Nottoway, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of County of Nottoway, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise County of Nottoway, Virginia's basic financial statements, and have issued our report thereon dated November 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Nottoway, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Nottoway, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Nottoway, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Nottoway, 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.

A handwritten signature in black ink, appearing to read "D. F. Cox", followed by a horizontal line.

Richmond, Virginia
November 30, 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 Nottoway
Nottoway, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Nottoway, Virginia's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of County of Nottoway, Virginia's major federal programs for the year ended June 30, 2022. County of Nottoway, 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 Nottoway, Virginia 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 November 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 Nottoway, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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 Nottoway, 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.

A handwritten signature in black ink, appearing to read "D. F. Clark", followed by a long horizontal line.

Richmond, Virginia
November 30, 2022

County of Nottoway, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Virginia's Department of Social Services:				
Temporary Assistance for Needy Families	93.558	0400121/0400122	\$ 139,072	\$ -
Guardianship Assistance	93.090	1110121/1110122	139	-
Title IV-E Prevention Services	93.472	1140122	1,699	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122	3,127	-
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121/0500122	648	-
Low Income Home Energy Assistance	93.568	0600421/0600422	24,741	-
Community Based Child Abuse Prevention	93.590	9560121	970	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121/0900122	335	-
Foster Care - Title IV-E	93.658	1100121/1100122	106,244	-
Adoption Assistance	93.659	1130121/1130122	15,031	-
Social Services Block Grant	93.667	1000121/1000122	176,805	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122	2,253	-
Adult Protective Services CRRSA	93.747	8000221	400	-
Children's Health Insurance Program	93.767	0540121/0540122	1,299	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122	125,583	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	30,654	-
Total Department of Health and Human Services			\$ 629,000	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Virginia Department of Agriculture:				
Food Distribution--School	10.555	17901-45707	\$ 99,092	\$ -
Virginia Department of Education:				
National School Lunch Program	10.555	17901-40623	805,819	-
Total AL# 10.555			\$ 904,911	\$ -
School Breakfast Program	10.553	17901-40591	\$ 297,082	\$ -
Summer Food Service Program for Children	10.559	10559-301-10	\$ 16,748	\$ -
Total Child Nutrition Cluster			\$ 1,218,741	\$ -
Virginia Department of Agriculture:				
COVID-19 Pandemic EBT Administrative Costs	10.649	10649-301-10	\$ 3,063	\$ -
Virginia Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010121/0010122	\$ 240,043	\$ -
Total Department of Agriculture			\$ 1,461,847	\$ -
Department of Homeland Security:				
Pass Through Payments:				
Virginia Department of Emergency Management:				
State Homeland Security Program (SHSP)	97.067	unavailable	\$ 21,062	\$ -
U.S Election Assistance Commission:				
Pass Through Payments:				
Virginia Department of Elections:				
COVID-19 - HAVA Election Security Grants	90.404	unavailable	\$ 381	\$ -
Department of Justice:				
Pass Through Payments:				
Virginia Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	39001-76000	\$ 28,898	\$ -
Total Department of Justice			\$ 28,898	\$ -

County of Nottoway, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures Passed Through to Subrecipients
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts:				
COVID-19 - Coronavirus Relief Fund	21.019	10110-728021	\$ 614,065	\$ 377,920
Virginia Department of Accounts:				
Compensation Board:				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds - Sheriff pay	21.027	VA0113	45,213	-
Library of Virginia:				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027	VA0113	8,022	-
Total AL# 21.027			53,235	-
Total Department of Treasury			\$ 667,300	\$ 377,920
Department of Transportation:				
Pass Through Payments:				
Virginia Department of Motor Vehicles:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	605007-53000	\$ 10,308	\$ -
Department of the Defense:				
Direct Payments:				
JROTC	12.357	N/A	\$ 28,912	\$ -
Total Department of Defense			\$ 28,912	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	17901-42901	\$ 1,051,240	\$ -
Special Education Cluster:				
Special Education - Grants to States	84.027	17901-43071	499,149	-
Special Education - Preschool Grants	84.173	17901-62521	30,376	-
Total Special Education Cluster			\$ 529,525	\$ -
Career and Technical Education - Basic Grants to States	84.048	17901-61095	56,648	-
Twenty-First Century Community Learning Centers	84.287	17901-60565	422,029	-
English Language Acquisition State Grants	84.365	17901-60512	5,431	-
Education for Homeless Children and Youth	84.196	unavailable	8,400	-
Rural Education	84.358	17901-43481	44,892	-
Supporting Effective Instruction State Grants	84.367	17901-61480	92,796	-
Student Support and Academic Enrichment Program	84.424	S424A180048	73,248	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	10110-728021	108,692	-
COVID-19 - American Rescue PlanElementary and Secondary School Emergency Relief ARP (ESSER) Fund	84.425U	84425-197-10	516,141	-
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	84425-197-10	1,814,696	-
Total AL# 84.425			2,439,529	-
Total Department of Education			\$ 4,723,738	\$ -
Total Expenditures of Federal Awards			\$ 7,571,446	\$ 377,920

See accompanying notes to schedule of expenditures of federal awards.

County of Nottoway, Virginia

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of County of Nottoway, 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 requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of County of Nottoway, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of County of Nottoway, 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.

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

Note 3 - Food Donation

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

Note 4 - Loan Balances

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

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	\$ 1,596,994
Total primary government	\$ 1,596,994

Component Unit School Board:

School Operating Fund	\$ 4,813,398
School Cafeteria Fund	1,221,803
Total component unit school board	\$ 6,035,201

Total federal expenditures per basic financial statements \$ 7,632,195

Less: Payment in Lieu of Taxes 60,749

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 7,571,446

County of Nottoway, Virginia
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? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes ✓ no

Significant deficiency(ies) identified? _____ yes ✓ none reported

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

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

Identification of major programs:

Assistance Listing Number(s)

21.019

84.425

Name of Federal Program or Cluster

Coronavirus Relief Fund

Education Stabilization Fund (ESF)

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes ✓ no

Section II-Financial Statement Findings

None

Section III-Federal Award Findings and Questioned Costs

None

County of Nottoway, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II-Financial Statement Findings

None

County of Nottoway, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2022

Section III-Status of Prior Year Findings

2021-001

Condition:	The financial statements did not contain all necessary adjustments to reconcile to the County's internal documents to comply with generally accepted accounting principles (GAAP).
Recommendation:	Procedures should be implemented providing for the posting of all year-end adjusting entries to allow for reconciliation between the audited financial statements and the County's general ledger reports. In order to take the next step in addressing this issue, the County should consider employing a governmental accounting consultant, that is independent of the County's Auditor, to assist with the preparation of year end working trial balances.
Current Status:	The County corrected finding 2021-001 for the year ended June 30, 2022.