

COUNTY OF  
PRINCE GEORGE, VIRGINIA



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



**COUNTY OF PRINCE GEORGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**Prepared By:**

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Prince George County Finance Department



**COUNTY OF PRINCE GEORGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Title Page	i
Table of Contents	iii-vi
Principal Officials	vii
Organizational Chart	ix
Certificate of Achievement	xi
Letter of Transmittal	xiii-xvi
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	5-13
<b><u>Basic Financial Statements</u></b>	
<b>Government-wide Financial Statements:</b>	
Exhibit 1      Statement of Net Position	19
Exhibit 2      Statement of Activities	20-21
<b>Fund Financial Statements:</b>	
Exhibit 3      Balance Sheet—Governmental Funds	24
Exhibit 4      Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	25
Exhibit 5      Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	26
Exhibit 6      Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Exhibit 7      Statement of Net Position—Proprietary Funds	28
Exhibit 8      Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds	29
Exhibit 9      Statement of Cash Flows—Proprietary Funds	30
Exhibit 10     Statement of Net Position—Fiduciary Funds	31
Exhibit 11     Statement of Changes in Fiduciary Net Position	32
<b>Notes to Financial Statements</b>	<b>33-106</b>

**COUNTY OF PRINCE GEORGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

		<u>Page</u>
<b>FINANCIAL SECTION: (CONTINUED)</b>		
<b><u>Required Supplementary Information:</u></b>		
Exhibit 12	Schedule of Revenues, Expenditures and Changes in Fund Balances–Budget and Actual–General Fund	109-112
Exhibit 13	Schedule of Changes in Net Pension Liability and Related Ratios–Primary Government–Pension Plans	113-114
Exhibit 14	Schedule of Changes in Net Pension Liability and Related Ratios–Component Unit School Board (nonprofessional) –Pension Plans	115-116
Exhibit 15	Schedule of Employer’s Share of Net Pension Liability VRS Teacher Retirement Plan–Pension Plans	117-118
Exhibit 16	Schedule of Employer Contributions–Pension Plans	119
Exhibit 17	Notes to Required Supplementary Information–Pension Plans	120
Exhibit 18	Schedule of Changes in Net Pension Liability and Related Ratios–Pension Trust Fund	121
Exhibit 19	Schedule of Employer Contributions–Pension Trust Fund	122
Exhibit 20	Schedule of School Board's Share of Net OPEB Liability–Teacher Employee Health Insurance Credit (HIC) Program	123
Exhibit 21	Schedule of Employer Contributions–Teacher Employee Health Insurance Credit (HIC) Program	124
Exhibit 22	Notes to Required Supplementary Information–Teacher Employee Health Insurance Credit (HIC) Program	125
Exhibit 23	Schedule of County and School Board's Share of Net OPEB Liability–Group Life Insurance Program	126
Exhibit 24	Schedule of Employer Contributions—Group Life Insurance Program	127
Exhibit 25	Notes to Required Supplementary Information–Group Life Insurance Program	128
Exhibit 26	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios–Primary Government	129
Exhibit 27	Notes to Required Supplementary Information–County OPEB	130
Exhibit 28	Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios–Component Unit - School Board	131
Exhibit 29	Notes to Required Supplementary Information–School Board OPEB	132

**COUNTY OF PRINCE GEORGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

	<u>Page</u>
<b>FINANCIAL SECTION: (CONTINUED)</b>	
<b><u>Other Supplementary Information:</u></b>	
Exhibit 30      Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Capital Projects Fund	134-135
Exhibit 31      Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Debt Service Fund	136
Exhibit 32      Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—County Cares CRF Fund	137
Exhibit 33      Combining Balance Sheet—Nonmajor Governmental Funds	138
Exhibit 34      Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds	139
Exhibit 35      Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual—Nonmajor Governmental Funds	140-142
Exhibit 36      Combining Statement of Fiduciary Net Position—Custodial Funds	143
Exhibit 37      Combining Statement of Changes in Fiduciary Net Position—Custodial Funds	144
<b>Discretely Presented Component Unit—School Board:</b>	
Exhibit 38      Combining Balance Sheet—Governmental Funds	147
Exhibit 39      Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds	148
Exhibit 40      Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—School Operating Fund	149
Exhibit 41      Schedule of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual—Nonmajor Special Revenue Funds	150-151
<b>STATISTICAL SECTION:</b>	
<b><u>Statistical Tables:</u></b>	
Table 1      Net Position by Component	154-155
Table 2      Changes in Net Position	156-157

**COUNTY OF PRINCE GEORGE, VIRGINIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

	<b>Page</b>
<b>STATISTICAL SECTION: (CONTINUED)</b>	
<b><u>Statistical Tables: (Continued)</u></b>	
Table 3 Fund Balance Governmental Funds	158-159
Table 4 Changes in Fund Balances—Governmental Funds	160-161
Table 5 General Governmental Tax Revenues by Source	162-163
Table 6 Assessed Value and Actual Value of Taxable Property and Tax Rates	165
Table 7 Principal Property Taxpayers	166
Table 8 Property Tax Levies and Collections	167
Table 9 Ratios of Outstanding Debt by Type	168
Table 10 Ratios of General Bonded Debt by Type	169
Table 11 Computation of Legal Debt Margin	170-171
Table 12 Demographic and Economic Statistics	172
Table 13 Principal Employers	173
Table 14 County Government Employees	174
Table 15 Operating Indicators by Function/Program	175
Table 16 Capital Asset Statistics by Function	176
<b>COMPLIANCE SECTION:</b>	
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 <i>Government Auditing Standards</i>	177-178
Independent Auditors’ Report on Compliance For Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	179-180
Schedule of Expenditures of Federal Awards	181-182
Notes to Schedule of Expenditures of Federal Awards	183
Schedule of Findings and Questioned Costs	184



**COUNTY OF PRINCE GEORGE, VIRGINIA**

**PRINCIPAL OFFICIALS ON JUNE 30, 2021**

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**Board of Supervisors**

Floyd M. Brown, Jr., Chairperson  
Marlene J. Waymack, Vice-Chairperson

Alan R. Carmichael

T.J. Webb

Donald Hunter

**County School Board**

Robert E.L. Eley, III, Chairperson,  
Christopher A. Johnson, Vice-Chairperson

Jill A. Andrews

Sherry D. Taylor

Cecil M. Smith

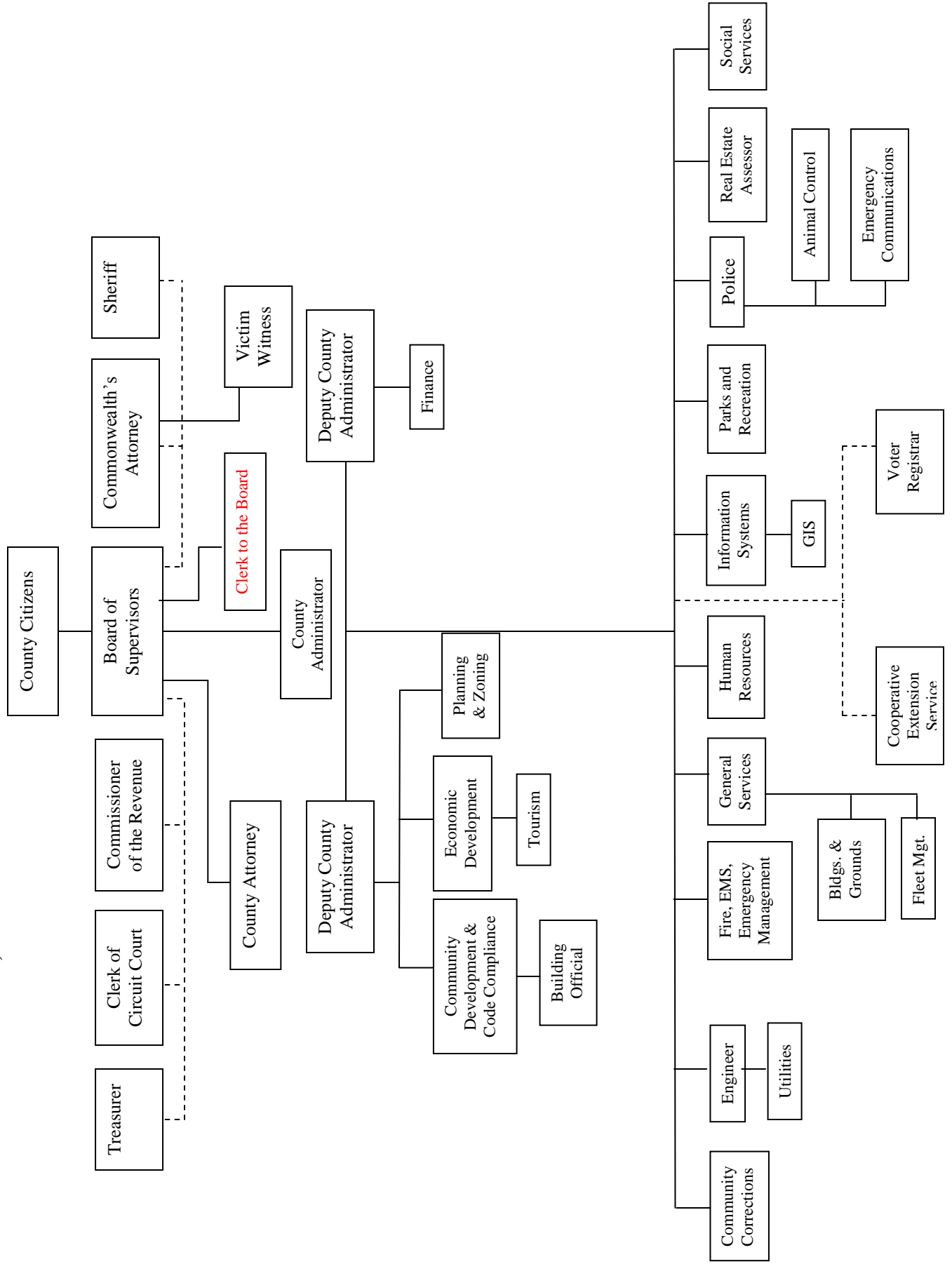
**Other Officials**

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



# PRINCE GEORGE COUNTY, VA







Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Prince George  
Virginia**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



# COUNTY OF PRINCE GEORGE, VIRGINIA

Percy C. Ashcraft  
County Administrator



## BOARD OF SUPERVISORS

Floyd M. Brown, Jr.  
Alan R. Carmichael, Jr.  
Donald R. Hunter  
Marlene J. Waymack  
T. J. Webb

November 15, 2021

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

Members of the Board:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Prince George County (the "County") for the fiscal year ended June 30, 2021. This report was prepared by the County's Department of Finance. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

**P.O. BOX 68, PRINCE GEORGE, VIRGINIA 23875-0068 / (804) 722-8600 / FAX (804) 732-3604**  
<http://www.princegeorgecountyva.gov>

## The Reporting Entity and its Services

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

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

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

Prince George County is located 25 miles southeast of Richmond, the capital city of Virginia, and 75 miles northeast of the Greater Hampton Roads area. The County's 276 square mile area has a population of 43,010 people (2020 Census Bureau – County Population Estimates). The greater proportion of the County's land area remains rural, although areas of the County are experiencing rapid residential, commercial and industrial growth. Prince George County is an independent political subdivision of the Commonwealth of Virginia, and has no subordinate political entities within its borders. A five-member Board of Supervisors governs the County. Other elected officials in the County government include the Clerk of Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Sheriff, and Treasurer. All elected officials are elected on a four-year cycle except the Clerk of Circuit Court who is elected every eight years.

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

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.6% for September 2021, as compared to 6.3% for September 2020. The state and national unemployment rates for September 2021 were 3.2% and 4.6%, respectively.



The President signed the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act) on March 27 and Prince George County was awarded \$6,692,302 in CARES Coronavirus Relief Funds through the Virginia Department of Treasury. This federal funding was provided in two equal installments, with half provided late in Fiscal Year 2020 and the other half in early Fiscal Year 2021. The County was required to use these funds to address expenditures incurred due to the COVID-19 public health emergency, between March 1, 2020 and December 31, 2021 (Treasury provided an extension from December 30, 2020 to December 31, 2021). The funds were fully expended as of June 30, 2021. The amounts reported as revenue on June 30, 2020 and June 30, 2021 were \$163,446 and \$6,528,856 respectively. The funding was utilized for a mixture of business and citizen relief measures, assistance to the public school system and regional vocational technical center, coronavirus prevention and work continuity equipment and supplies, and pandemic-response related employee compensation. The County's Public Utility received \$108,469 in CARES Municipal Utility Relief Funds to assist delinquent account holders who had a hardship

### Major Initiatives in Fiscal Year 2021

Following the vision and strategic initiatives of the Prince George County Board of Supervisors, and with the assistance and guidance of the County Administrator, County staff and departments have implemented and continued a number of specific programs and projects designed to enhance the levels of service provided to County residents while maintaining an effective and efficient government. A brief description of selected initiatives during fiscal year 2021 is as follows:

#### *Public Safety Radio System Replacement*

The County has been working with a consultant to purchase a replacement public safety radio system and selected L3Harris as the vendor to replace the existing system on November 26, 2019. As of June 30, 2021 \$2,490,426 has been expended for consulting services and for the portion of L3Harris contract execution completed as of June 30. This project will be ongoing through Fiscal Year 2023, with cutover and final system acceptance anticipated by September 2022. A total of \$14.18 million has been borrowed and budgeted for this system replacement.

#### *Fire & EMS Initiatives*

The County is planning for renovations to the existing Jefferson Park Fire Station and expects to issue an invitation for bids on or around January 2022 for these station improvements. Four pieces of fire apparatus were ordered during FY2020 utilizing a dedicated 2 cents of Real Estate Tax revenue which the Board has committed to by ordinance §74-4. Two pieces of apparatus were delivered by June 30, 2021 which totaled \$1,199,900; and two pieces remained on order. Self-Contained Breathing Apparatus (SCBA) was purchased during FY2021 at a cost of \$1,072,505 using a dedicated 1 cent of Real Estate Tax revenue committed to by ordinance §74-6. Several replacement Zoll monitors (defibrillators) were purchased using John Randolph Foundation and Cameron Foundation grants, as well as local matching funds (cost \$249,813). Swipe card entry systems were purchased at five fire stations and the emergency crew building to improve building access and security.

#### *Recreation Improvements & Activities*

Phase I renovations to the Central Wellness Center by Centennial Contractors are nearly complete, and \$1,680,849 had been expended at June 30, 2021. A new restroom and concession stand was completed at Scott Park, with a total cost of \$484,546. Prince George County successfully hosted the 2021 Dixie Softball World Series for 7-8 and 9-10 year olds in July of 2021 and many facility improvements were made prior to the event.

### *Community Development & Code Compliance Software Replacement*

Replacement software, EnerGov, is being purchased for Community Development and Code Compliance. This software will be used to issue building permits, inspections, code compliance and site planning documentation. EnerGov will replace the current INKforce system that has been in place since 2013. Expenditures at June 30, 2021 totaled \$222,881.

### *Real Estate Assessor Software Replacement*

Visions Software is being purchased to replace Proval, which has been in use by the Assessor's office for over ten years. Visions will provide better functionality and web portal enhancements for staff and citizens; as well as improved field tools to gather assessment information. Expenditures at June 30, 2021 were \$237,614, and total estimated expenditures are \$247,629.

### *School Projects*

Construction of a new Walton Elementary is ongoing and expenditures at June 30, 2021 totaled \$3,309,816. The Board of Supervisors participated in the spring 2021 Virginia Public School Authority pooled bonds issuance, and a total of \$32,109,092 was borrowed for the new school. Cash appropriations of \$2,155,000 have been made to date, and sources include unreserved fund balance of \$1,000,000; fund balance appropriations of \$1,000,000 from school savings and \$155,000 in other sources. The Board anticipates making another appropriation of \$780,000 to meet the \$35,040,401 project budget. The original fall 2022 opening date has been pushed back to January 2023 chiefly due to ongoing supply chain disruption.

Sections of the roof at David A. Harrison Elementary school were replaced at a cost of \$620,684. School security improvements and entrance enhancements were made of \$300,000 and \$100,000 respectively, and wireless infrastructure upgrades were made at a cost of \$120,403. HVAC improvements of \$414,999 were made at existing William A. Walton Elementary School, and modular units were installed at a cost of \$448,365. Prince George High School HVAC Chiller, bleacher replacement and Technology infrastructure improvements were in progress on June 30, 2021. Funding sources for these school projects include excess School Impact Aid revenues, County appropriated Cash Proffers, General Fund, Fund Balance appropriations, and re-appropriated unexpended school operating budget amounts.

### *Water and Sewer Projects*

The Public Utility (water and sewer fund) completed some improvement and rehabilitation projects in fiscal year 2021 that included water system improvements at Jordan on the James (\$207,353); Sawmill Courthouse Tank Interior Renovation (\$132,857); Middle Road Tank Renovation (\$167,351); installation of a new hydro tank at Bicors Drive (\$44,450); installation of a new metal garage building at Sawmill Tank (\$28,568); and installation of a pump at Puddledock / Central Booster Station (\$21,328). Additionally, phased-in SCADA [Supervisory Control and Data Acquisition] initiatives have been underway since 2016 to allow for the remote monitoring and control of utility facilities. To date, over \$436,750 in SCADA enhancements at County tanks, water and wastewater facilities have been capitalized. SCADA enhancements remain ongoing. The three-mile water line extension project along Route 156 is under construction, with an estimated completion date of July 2022. Food Lion Water System upgrades, which include a one-mile water line extension along Route 460 and booster station upgrades, continue. The Route 460 water line extension was completed in October 2021. The booster station upgrades remain ongoing with an estimated completion date of August 2022.

## Sections of the Report

Fiscal year 2021 was the eighteenth year in which the County was required to present financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement Number 34. GASB 34 dramatically changed the structure of financial statements, as well as required changes in the composition of the amounts reported. This limits the comparability of statements from prior fiscal years to the statements produced after implementation of GASB 34.

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

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

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

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Prince George for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the seventeenth year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized ACFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

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

Respectfully submitted,



Percy C. Ashcraft  
County Administrator

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**Independent Auditors' Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As described in Note 18 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Restatement of Beginning Balances***

As described in Note 18 to the financial statements, in 2021, the County restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***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 on pages 5-13, 109-112, and 113-132 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Prince George, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

**Other Matters: (Continued)**

*Supplementary and Other Information: (Continued)*

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of the County of Prince George, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Prince George, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Prince George, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox, Associates*  
Charlottesville, Virginia  
November 19, 2021

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following discussion of the County of Prince George's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2021. Please review it in conjunction with the transmittal letter in the beginning of this report and the County's financial statements, which begin after this analysis.

### **FINANCIAL HIGHLIGHTS**

Government Wide Financial Statements (Full Accrual Basis)

The assets, and deferred outflows of resources of the County exceeded its liabilities, and deferred inflows of resources at June 30, 2021 by \$78,433,675 (net position). Of this amount, \$25,166,858 is unrestricted and may be used to meet the County's future obligations.

The County's total net position from Governmental Activities was \$49,642,848 on June 30, 2021, compared to \$40,638,132 total net position on June 30, 2020. Total net position represents the amount by which the County's assets exceeded its liabilities. The governmental net position increased \$9,004,716.

The total net position from Business-type activities (Water and Sewer Fund) was \$28,790,827 on June 30, 2021, compared to \$27,693,255 total net position on June 30, 2020. Net position increased \$1,097,572 during FY 2021.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Annual Comprehensive Financial Report contains a variety of schedules and tables designed to provide a comprehensive look at the use of the County's financial resources throughout the 2021 fiscal year and at the status of those financial resources at June 30, 2021, the end of the fiscal year. The basic financial statements contained in this report are separated into three sections:

- **Government-wide financial statements** provide a broad overview of both the long and short-term financial status of the County. Government-wide financial statements, a component of governmental financial reporting under GASB 34, provide financial information in a manner similar to private sector businesses. These statements include the value of capital assets (less accumulated depreciation) and the long-term liabilities of the County.
- **Fund financial statements** are similar in nature to financial statements issued by local governments prior to implementation of GASB 34. These are prepared on the modified accrual basis of accounting, and therefore do not include long-term liabilities, capital assets, or depreciation. Fund financial statements provide more detail on the operations of the County than the government-wide financial statements.
- **Notes to the financial statements** are an integral part of the previous two sections. These notes provide explanations of the amounts in the basic financial statements and offer the reader information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

#### **Government-wide financial statements**

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

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)**

The *statement of activities* presents information identifying how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, some items of revenues and expenses are reported in this statement that will result in cash flows in future fiscal periods.

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

- **Governmental activities** – Most of the County’s basic services are reported here including general government, public safety, public works, education, health and welfare, parks and recreation and economic and community development.
- **Business-type activities** – The County’s water and sewer services are reported here. These services are supported by charges for services based on use.
- **Component Units** – The County includes one separate legal entity in its report – the Prince George County School Board. While legally separate, the County is financially accountable for and provides operating and capital funding to the School Board.

### **Fund Financial Statements**

Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the County’s most significant funds. The fund financial statements are divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

## **OVERVIEW OF THE FINANCIAL STATEMENTS: (CONTINUED)**

### **Fund Financial Statements: (Continued)**

**Fiduciary Funds** – The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s programs. The accounting used for fiduciary funds is similar to that of the proprietary funds.

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

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

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

### **The Statement of Net Position**

The following table reflects the condensed statement of net position:

**County of Prince George, Virginia**  
**Schedule of Assets, Liabilities and Net Position**  
**Governmental and Business-type Activities**  
**For the Years Ended June 30, 2021 and 2020**

	<b>Governmental</b>		<b>Business-type</b>		<b>Totals</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 97,733,962	\$ 65,514,981	\$ 15,087,875	\$ 14,264,947	\$ 112,821,837	\$ 79,779,928
Capital assets	56,364,044	54,709,719	16,517,275	16,368,189	72,881,319	71,077,908
Total assets	\$ 154,098,006	\$ 120,224,700	\$ 31,605,150	\$ 30,633,136	\$ 185,703,156	\$ 150,857,836
Deferred outflows of resources	\$ 6,637,376	\$ 4,875,331	\$ 294,114	\$ 202,941	\$ 6,931,490	\$ 5,078,272
Long-term liabilities outstanding	\$ 105,364,228	\$ 76,504,045	\$ 2,418,332	\$ 2,599,915	\$ 107,782,560	\$ 79,103,960
Current liabilities	4,323,438	5,721,884	586,404	408,727	4,909,842	6,130,611
Total liabilities	\$ 109,687,666	\$ 82,225,929	\$ 3,004,736	\$ 3,008,642	\$ 112,692,402	\$ 85,234,571
Deferred inflows of resources	\$ 1,404,868	\$ 2,235,970	\$ 103,701	\$ 134,180	\$ 1,508,569	\$ 2,370,150
Net position:						
Net investment in capital assets	\$ 36,657,589	\$ 27,193,687	\$ 15,241,280	\$ 14,853,189	\$ 51,898,869	\$ 42,046,876
Restricted Cash	1,367,948	186,712	-	-	1,367,948	186,712
Unrestricted	11,617,311	13,257,733	13,549,547	12,840,066	25,166,858	26,097,799
Total net position	\$ 49,642,848	\$ 40,638,132	\$ 28,790,827	\$ 27,693,255	\$ 78,433,675	\$ 68,331,387

**GOVERNMENT-WIDE FINANCIAL STATEMENTS: (CONTINUED)**

Net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) may serve over time as a useful indicator of a government's financial position. At June 30, 2021 the County's governmental assets exceeded liabilities and deferred inflows of resources by \$49,642,848 while business assets exceeded its liabilities by \$28,790,827. The largest portion of the County's net position, 66.2% and 61.5% in 2021 and 2020, respectively, represents its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment), net of accumulated depreciation and less any related debt used to acquire or construct those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The majority of the remaining balance of net position, 33.8% and 38.5% in 2021 and 2020, respectively, represents unrestricted net position, which may be used to meet the County's ongoing obligations. Unrestricted net position decreased in governmental activities in FY 21 by \$1,640,422 and increased in business-type activities by \$709,481.

**The Statement of Activities**

The statement of activities, which also uses the full accrual basis of accounting, illustrates the cost of governmental activities net of related revenues. It also shows the general revenue sources that fund governmental operations. A summary of the statement of activities for the fiscal years covering July 1, 2019 through June 30, 2021 follows:

**County of Prince George, Virginia  
Changes in Net Position  
Governmental and Business-type Activities  
For the Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 10,572,691	\$ 2,364,009	\$ 6,644,883	\$ 6,595,082	\$ 17,217,574	\$ 8,959,091
Operating grants and contributions	13,588,731	7,496,188	-	-	13,588,731	7,496,188
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
General property taxes	41,180,429	38,036,686	-	-	41,180,429	38,036,686
Other local taxes	11,623,834	9,744,408	-	-	11,623,834	9,744,408
Use of money and property	322,634	1,401,916	63,750	72,955	386,384	1,474,871
C/VA non-categorical aid	5,784,848	5,386,356	59,900	-	5,844,748	5,386,356
Gain on disposal of capital asset	-	-	25,500	-	25,500	0
Other general revenues	295,188	57,119	48,053	40,109	343,241	97,228
Total revenues	\$ 83,368,355	\$ 64,486,682	\$ 6,842,086	\$ 6,708,146	\$ 90,210,441	\$ 71,194,828
Expenses:						
General government administration	\$ 6,299,297	\$ 5,759,968	\$ -	\$ -	\$ 6,299,297	\$ 5,759,968
Judicial administration	4,222,505	2,787,177	-	-	4,222,505	2,787,177
Public safety	26,953,969	17,954,349	-	-	26,953,969	17,954,349
Public works	3,058,759	3,527,908	-	-	3,058,759	3,527,908
Health and welfare	7,205,183	5,196,590	-	-	7,205,183	5,196,590
Education	24,927,166	18,712,181	-	-	24,927,166	18,712,181
Parks, recreation, and cultural	1,914,906	1,968,299	-	-	1,914,906	1,968,299
Community development	1,527,058	2,431,043	-	-	1,527,058	2,431,043
Interest and other fiscal charges	1,660,807	1,709,111	-	-	1,660,807	1,709,111
Water and sewer	-	-	5,479,982	5,545,690	5,479,982	5,545,690
Total expenses	\$ 77,769,650	\$ 60,046,626	\$ 5,479,982	\$ 5,545,690	\$ 83,249,632	\$ 65,592,316
Increase in net position before transfers	\$ 5,598,705	\$ 4,440,056	\$ 1,362,104	\$ 1,162,456	\$ 6,960,809	\$ 5,602,512
Transfers	264,532	(149,490)	(264,532)	149,490	-	-
Increase in net position	\$ 5,863,237	\$ 4,290,566	\$ 1,097,572	\$ 1,311,946	\$ 6,960,809	\$ 5,602,512
Net position, beginning, as restated	43,779,611	36,347,566	27,693,255	26,381,309	71,472,866	62,728,875
Net position, ending	\$ 49,642,848	\$ 40,638,132	\$ 28,790,827	\$ 27,693,255	\$ 78,433,675	\$ 68,331,387

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS: (CONTINUED)**

### **Governmental Activities**

Governmental activities revenues increased from \$64,486,682 to \$83,368,355 or \$18,881,673 (29.3%) in FY 21 over FY 20. Increases in charges for services represent the majority of this increase, growing by \$8,208,682 (347.2%) between FY 20 and FY 21. This is chiefly attributable to the reporting of the County and School Health Insurance Fund as an Internal Service Fund in accordance with GASB Statement No. 84. Operating grants and contributions also increased by over \$6 million mainly due to the receipt of federal Coronavirus Relief (CARES) funding in FY21. Property tax increases are largely due to growth in assessed values (mainly personal property) and efforts made to collect delinquent property taxes. Increases were also seen in other local taxes and non-categorical revenues from the Commonwealth of Virginia. Use of money and property (interest) revenues decreased in FY21 due to a decline in interest rates.

Governmental activities expenses increased from \$60,046,626 to \$77,769,650 or 29.5%. Increases were seen in Public Safety, Education, Judicial Administration, Health and Welfare, and General Government Administration. There were decreases in Community Development, Public Works, Parks and Recreation Interest and Other Fiscal Charges expenditures. These expenditure variances are chiefly attributable to changes in capital project fund expenditures within certain functional areas and targeted uses of federal CARES funding on public safety, educational and health and welfare initiatives.

### **Business-type activities**

The Water and Sewer Fund revenues increased by \$133,940; an increase of 2% over FY 20. This modest increase is attributable to a slight increase in charges for services, and due to the receipt of federal CARES Municipal relief funds that were used to provide relief to customers with pandemic-related delinquencies. There was also revenue from the sale of a capital asset.

Total expenses for the Water and Sewer Fund decreased by \$65,708 (1.2%); from \$5,545,690 in FY 20 to \$5,479,982 in FY 21.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$87,112,160. Of this amount \$48,452,820 is assigned for capital projects, \$1,267,560 is reserved for debt service purposes and \$3,988,493 is assigned to various special revenue funds. The Stormwater Fund was separated from the General Fund for reporting purposes in FY 19, and is now reported as a nonmajor governmental fund.

**General Fund.** The general fund is the chief operating fund of the County. At the end of the current fiscal year, the general fund balance was \$33,403,287 of which \$33,403,287 represents unassigned fund balance of the General Fund. This amount represents 31% of General Fund and School Operating expenditures (including debt service). The Board of Supervisors has committed to maintaining an unreserved General Fund balance of at least 12.5% of General Fund and School Operating expenditures and has met and exceeded that target for the fiscal year ending June 30, 2021.

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

The net increase in unassigned fund balance for the General Fund for 2021 was \$5,074,514. Unassigned fund balance at June 30, 2020 was \$28,328,773; compared to \$33,403,287 at June 30, 2021. The increase in fund balance for the General Fund, is largely attributable to collections exceeding budgeted amounts in the areas of personal property tax and local sales and use taxes, and spending below budget amounts across county government functions. Prince George County continued its partnership with a collection agency in FY 21 to pursue delinquent property taxes. Significant reasons for the increase in unassigned General Fund balance are:

**Revenues:** General Fund revenues of \$64,549,874 exceeded budgeted amounts by \$3,816,955, primarily in general property taxes, and other local tax revenues. Interest revenue (revenue from use of money and property) was below budgeted amounts. Revenues were conservatively budgeted, and collections remained strong despite economic conditions.

**Expenditures:** General Fund expenditures and transfers out were \$3,447,874 less than amended budget amounts in FY 21. Spending was less than budgeted amounts by \$1,899,560 for General Fund County Government operations in FY 21. Expenditures were under budgeted amounts in every General Fund functional area in FY 21 due to conservative spending practices. Additionally, the transfer to schools was \$1,548,314 less than the amount budgeted due to actual school operating revenues from non-local sources being \$525,462 higher than projections, and from expenditures being \$1,022,852 less than what was budgeted.

**Use of Fund Balance:** For FY 2021, there was minimal planned / budgeted non-routine use of fund balance for operating purposes. The County Board of Supervisors re-appropriated \$1,877,886 in FY 2020 "unexpended balances" to the School Division to meet some capital needs, including \$1,000,000 towards construction of a new elementary school to replace William A. Walton Elementary School. Additionally, the Board of Supervisors appropriated fund balance for unexpended grant and donations as well as for purchase order obligations at year end in the amounts of \$355,991 and \$73,607 respectively. Although the County appropriated use of fund balance, higher than expected revenues and conservative spending more than offset these planned uses, and there was an increase in fund balance of \$5,074,514 over FY 2020.

**Capital projects fund.** The Capital Projects Fund accounts for all construction projects of general public improvements, excluding capital projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was \$48,452,822, which was an increase of \$23,897,252 from the FY 20 balance of \$24,555,570. This capital fund, fund balance is largely comprised of unspent 2021 (Virginia Public School Authority), 2019, 2018 and 2017 bond proceeds for projects that will be ongoing in fiscal years 2022 and 2023. During FY 2021, the County issued debt for:

- A new elementary school to replace William A. Walton Elementary School

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

**Debt service fund.** The Debt Service Fund received transfers from the General Fund slightly higher than that needed to meet its requirements in FY 21. Beginning in FY 19, the County began building a reserve in the debt fund to accommodate future capital projects and minimize potential tax increases. At the end of FY 21 the fund balance was \$1,267,560 in the debt Service Fund. In FY 2021 transfers in were \$9,160,917 and principal retirements of indebtedness totaled \$2,848,845 while interest expense totaled \$931,581. The County issued bonds in the public market in December of 2020 to refund (refinance) a large portion of outstanding debt which resulted in savings in debt payments of over \$3.7 million. More information on the County's long-term obligations including general obligation bonds and school indebtedness can be found in Note 7.

**Proprietary funds.** The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$28,790,827 for Water and Sewer Operations and \$2,916,005 for the County and School Health Insurance Fund, now reflected as an internal service fund in accordance with GASB Statement No. 84. Details of the Water and Sewer operations were previously discussed in the letter.

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

### **General Fund Budgetary Highlights**

Prince George County generally takes a conservative approach to financial management, staying well within budgetary limits for expenditures during the fiscal year and fiscal year 2021 was no exception. General fund adopted budget totaled \$59,704,416 (net of a \$567,000 transfer in from the school system for Children's Services Act costs), amended budget and transfers out totaled \$63,040,204, an increase of \$3,335,788. Actual general fund expenditures and transfers out totaled \$60,041,843. Details supporting a comparison of final amended budget and actual results can be found in Exhibit 12. Expenditures in no functional appropriation category exceeded its amended appropriations during FY 21. The following is a summary of the most significant changes in the adopted and amended budgets for FY 21:

- The County received and appropriated the following grant amounts during fiscal year 2021:

#### General Fund

- \$136,148 in Fire Program Funds for use by the volunteer fire departments;
- \$58,910 in State CARES Funding for the Registrar (used for pandemic election response);
- \$49,804 in EMPG Supplement Grant CARES (Emergency Management);
- \$49,590 in State DCJS CARES Funding for Commonwealth's Attorney (used to hire a part-time docket coordinator to manage post-pandemic backlog / increase in court proceedings);
- \$40,439 in NextGen911 Funding through VDEM (Emergency Communications Center)
- \$39,467 in Port Authority Grant (Police – used for replacement boat motors);
- \$36,310 in DCJS State Recruitment and Retention Funds (Police);
- \$35,563 in Four for Life grants for Fire/EMS initiatives;
- \$17,618 in Division of Motor Vehicles Safety Grants (Police);
- \$14,101 State Record Preservation Grant (Circuit Court);
- \$8,461 State Litter Control Grant (General Services);
- \$3,300 Rotary Grant for J. E. J. Moore Walking Path (Parks & Recreation)
- \$3,000 PSAP Training Grant (Emergency Communications Center)

#### CARES Coronavirus Relief Funds (Special Revenue Fund)

- \$3,346,151 (2<sup>nd</sup> distribution); used for a variety of citizen and business relief measures and for the purchase of equipment and supplies used in response to the COVID-19 pandemic;
- \$108,469 – Utility Municipal Relief Funds – used to provide relief to utility customers who were impacted by the pandemic and who had delinquent unpaid balances

#### CIP Fund

- \$75,480 VDEM Shelter Upgrade Funds (used for CWC generator);
- \$30,566 Cameron Foundation Grant (Fire/EMS) used for defibrillators;
- \$30,565 John Randolph Foundation Grant (Fire/EMS) used for defibrillators

#### Special Welfare Fund

- \$3,662 United Way Food and Shelter Emergency Grant Funds (Social Services)

#### School Funds

- \$1,081,955 in CARES Coronavirus Relief Funds (Direct School Distribution); used for COVID academic and student safety response;
- \$399,042 increase in DODEA Federal Funds;
- \$190,866 in CARES GEER Funds;
- \$131,678 in Federal DODEA S-Class Grant Funds;
- \$124,605 in increased Title IV, Title VIB IDEA and Title VIB Preschool grants
- \$96,156 in Student Support & Academic Enrichment Grant Funds
- \$50,000 Cameron Foundation Grant
- \$25,000 School Tiered System Support Grant

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

### **General Fund Budgetary Highlights: (Continued)**

- Increases and appropriations from General Fund, fund balance were approved for one-time or capital purposes and were for:
  - \$1,877,886 to schools (FY2020 excess) for capital needs
    - \$1,000,000 for New Walton Elementary School
    - \$500,000 for high school HVAC Cooling Tower / Chiller
    - \$310,000 for high school bleacher replacement
    - \$50,000 for fire alarm replacements
    - \$17,886 for water intrusion corrections at middle school
  - \$355,991 for multi-year federal and state grants;
  - \$73,607 for purchase order obligations (\$26,568 County; \$47,039 School).

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

The following table summarizes the County's capital assets, net of depreciation, as of June 30, 2021. The County's total investment in capital assets, such as land, buildings and improvements, utility plant, equipment, and construction in progress totals \$116,394,882 (includes schools and water and sewer).

**County of Prince George, Virginia  
Capital Assets (net of Depreciation)  
Governmental and Business-type Activities  
For the Year Ended June 30, 2021**

	<b>Governmental Activities 2021</b>	<b>Business-type Activities 2021</b>
Land	\$ 3,995,201	\$ 244,744
Buildings and improvements	63,349,422	-
Utility plant	-	33,443,415
Equipment	32,726,492	1,887,433
Construction in progress	8,081,392	560,780
Total	<u>\$ 108,152,507</u>	<u>\$ 36,136,372</u>
Less accumulated depreciation	<u>51,788,463</u>	<u>19,619,097</u>
Net capital assets	<u>\$ 56,364,044</u>	<u>\$ 16,517,275</u>

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



## **CAPITAL ASSETS AND DEBT ADMINISTRATION: (CONTINUED)**

At the end of fiscal year 2021, the County had total outstanding debt of \$74,416,339 (excluding compensated absences, bond premiums, length of service award program and OPEB, see Note 7 in the Notes to Financial Statements), in comparison; the County had \$58,254,411 and \$57,698,680 outstanding at June 30, 2020 and 2019, respectively. Of the \$74,416,339 of outstanding debt at June 30, 2021, \$35,460,000 is for general government purposes and \$37,893,339 is outstanding debt on behalf of the School Board. The Water and Sewer Fund has outstanding debt of \$1,063,000.

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Based on available economic data, the local economy continues to improve from the spring 2020 pandemic economic shutdown. The local unemployment rate was 3.6% for September 2021, as compared to 6.3% for September 2020. The state and national unemployment rates for September 2021 were 3.2% and 4.6%, respectively.

The FY 22 General Fund operating budget totaled \$62,590,694, which was a \$2,319,278 (3.85%) increase over the FY 21 adopted budget. The Real Estate Tax Rate remained at \$0.86 with no increase and there was **no reliance on fund balance** during FY 22 for operations. Despite the economic impacts of COVID-19, Prince George County ended FY 21 in a strong financial position, and there are no indicators of collection concerns early in FY 22.

The County received \$6,692,302 in Federal CARES Coronavirus Relief Funds through the Virginia Department of Treasury; half in FY 20 and half in FY 21. The County used these funds to address expenditures incurred due to the COVID-19 public health emergency, between March 1, 2020 and December 30, 2020. The funding was utilized for a mixture of business and citizen relief measures, assistance to the public school system and regional vocational technical center, coronavirus prevention and work continuity equipment and supplies, and pandemic-response related employee compensation. At June 30, 2020 \$163,446 had been expended, with the remaining \$6,528,856 expended during fiscal year 2021 (see Exhibits 3 and 32).

The County will receive federal American Rescue Plan Act (ARPA) funding over the next two years totaling \$7,449,621. Early Board prioritization suggests that the majority of this funding will be used for Utility infrastructure. As of June 30, 2021, \$45,998 had been expended (see Exhibits 33, 34 and 35).

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

## **REQUESTS FOR INFORMATION**

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

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## **Basic Financial Statements**



**Government-wide Financial Statements**



Statement of Net Position  
At June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	School Board
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 38,218,964	\$ 14,297,965	\$ 52,516,929	\$ 7,290,004
Restricted cash	51,503,525	-	51,503,525	-
Receivables (net of allowance for uncollectibles):				
Taxes receivable	5,240,268	-	5,240,268	-
Accounts receivable	862,154	477,852	1,340,006	3,144
Internal balances	(312,058)	312,058	-	-
Due from other governmental units	2,221,109	-	2,221,109	1,792,152
Total current assets	\$ 97,733,962	\$ 15,087,875	\$ 112,821,837	\$ 9,085,300
Noncurrent Assets:				
Capital assets (net of accumulated depreciation):				
Land	\$ 3,995,201	\$ 244,744	\$ 4,239,945	\$ 1,154,404
Construction in progress	8,081,392	560,780	8,642,172	4,102,077
Buildings	25,534,093	-	25,534,093	34,520,666
Machinery and equipment	8,946,076	1,513,387	10,459,463	3,736,416
Jointly owned assets	9,807,282	-	9,807,282	-
Utility plant in service	-	14,198,364	14,198,364	-
Total capital assets	\$ 56,364,044	\$ 16,517,275	\$ 72,881,319	\$ 43,513,563
Total noncurrent assets	\$ 56,364,044	\$ 16,517,275	\$ 72,881,319	\$ 43,513,563
Total assets	\$ 154,098,006	\$ 31,605,150	\$ 185,703,156	\$ 52,598,863
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related items	\$ 4,777,434	\$ 237,940	\$ 5,015,374	\$ 15,183,463
OPEB related items	716,740	41,073	757,813	1,898,304
LOSAP related items	660,637	-	660,637	-
Deferred amount on bond refunding	482,565	15,101	497,666	-
Total deferred outflows of resources	\$ 6,637,376	\$ 294,114	\$ 6,931,490	\$ 17,081,767
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	\$ 3,004,896	\$ 405,918	\$ 3,410,814	\$ 514,173
Accrued liabilities	240,885	-	240,885	6,865,411
Customer deposits	-	105,121	105,121	-
Unearned revenues	105,186	48,569	153,755	-
Accrued interest payable	972,471	26,796	999,267	-
Current portion of long-term obligations	5,168,775	228,828	5,397,603	32,985
Total current liabilities	\$ 9,492,213	\$ 815,232	\$ 10,307,445	\$ 7,412,569
Noncurrent Liabilities:				
Noncurrent portion of long-term obligations	\$ 100,195,453	\$ 2,189,504	\$ 102,384,957	\$ 73,414,328
Total liabilities	\$ 109,687,666	\$ 3,004,736	\$ 112,692,402	\$ 80,826,897
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property tax	\$ 180,679	\$ -	\$ 180,679	\$ -
Pension related items	318,395	51,793	370,188	5,274,054
OPEB related items	905,794	51,908	957,702	3,083,108
Total deferred inflows of resources	\$ 1,404,868	\$ 103,701	\$ 1,508,569	\$ 8,357,162
<b>NET POSITION</b>				
Net Investment in capital assets	\$ 36,657,589	\$ 15,241,280	\$ 51,898,869	\$ 43,513,563
Restricted cash:				
Proffers	100,388	-	100,388	-
Debt service	1,267,560	-	1,267,560	-
Unrestricted (deficit)	11,617,311	13,549,547	25,166,858	(63,016,992)
Total net position	\$ 49,642,848	\$ 28,790,827	\$ 78,433,675	\$ (19,503,429)

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Statement of Activities  
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
General government administration	\$ 6,299,297	\$ 2,224,479	\$ 532,919	\$ -
Judicial administration	4,222,505	1,245,089	928,337	-
Public safety	26,953,969	5,284,705	5,847,055	-
Public works	3,058,759	504,760	95,191	-
Health and welfare	7,205,183	892,466	4,071,700	-
Education	24,927,166	-	2,103,254	-
Parks, recreation, and cultural	1,914,906	357,210	8,612	-
Community development	1,527,058	63,982	1,663	-
Interest on long-term debt	1,660,807	-	-	-
Total governmental activities	<u>\$ 77,769,650</u>	<u>\$ 10,572,691</u>	<u>\$ 13,588,731</u>	<u>\$ -</u>
Business-type activities:				
Public Utilities	\$ 5,479,982	\$ 6,644,883	\$ 59,900	\$ -
Total business-type activities	<u>\$ 5,479,982</u>	<u>\$ 6,644,883</u>	<u>\$ 59,900</u>	<u>\$ -</u>
Total primary government	<u>\$ 83,249,632</u>	<u>\$ 17,217,574</u>	<u>\$ 13,648,631</u>	<u>\$ -</u>
<b>COMPONENT UNIT:</b>				
School Board	\$ 70,518,576	\$ 201,387	\$ 58,027,684	\$ -
Total component unit	<u>\$ 70,518,576</u>	<u>\$ 201,387</u>	<u>\$ 58,027,684</u>	<u>\$ -</u>

General revenues:  
 General property taxes  
 Local sales and use taxes  
 Consumer utility taxes  
 Business license taxes  
 Motor vehicle license taxes  
 Taxes on recordation and wills  
 Meals taxes  
 Lodging taxes  
 Bank stock tax  
 Other local taxes  
 Unrestricted revenues from use of money and property  
 Miscellaneous  
 County contribution to School Board  
 Grants and contributions not restricted to specific programs  
 Gain on disposal of capital assets  
 Transfers  
 Total general revenues and transfers  
 Change in net position  
 Net position - beginning of year, as restated  
 Net position - end of year

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



Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	School Board
\$ (3,541,899)	\$ -	\$ (3,541,899)	\$ -
(2,049,079)	-	(2,049,079)	-
(15,822,209)	-	(15,822,209)	-
(2,458,808)	-	(2,458,808)	-
(2,241,017)	-	(2,241,017)	-
(22,823,912)	-	(22,823,912)	-
(1,549,084)	-	(1,549,084)	-
(1,461,413)	-	(1,461,413)	-
(1,660,807)	-	(1,660,807)	-
<u>\$ (53,608,228)</u>	<u>\$ -</u>	<u>\$ (53,608,228)</u>	<u>\$ -</u>
\$ -	\$ 1,224,801	\$ 1,224,801	\$ -
\$ -	\$ 1,224,801	\$ 1,224,801	\$ -
<u>\$ (53,608,228)</u>	<u>\$ 1,224,801</u>	<u>\$ (52,383,427)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (12,289,505)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,289,505)</u>
\$ 41,180,429	\$ -	\$ 41,180,429	\$ -
4,309,564	-	4,309,564	-
890,750	-	890,750	-
1,797,718	-	1,797,718	-
1,159,158	-	1,159,158	-
541,506	-	541,506	-
1,398,937	-	1,398,937	-
904,973	-	904,973	-
147,995	-	147,995	-
473,233	-	473,233	-
322,634	63,750	386,384	-
295,188	48,053	343,241	571,714
-	-	-	14,620,560
5,784,848	-	5,784,848	-
-	25,500	25,500	-
264,532	(264,532)	-	-
<u>\$ 59,471,465</u>	<u>\$ (127,229)</u>	<u>\$ 59,344,236</u>	<u>\$ 15,192,274</u>
\$ 5,863,237	\$ 1,097,572	\$ 6,960,809	\$ 2,902,769
43,779,611	27,693,255	71,472,866	(22,406,198)
<u>\$ 49,642,848</u>	<u>\$ 28,790,827</u>	<u>\$ 78,433,675</u>	<u>\$ (19,503,429)</u>

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## **Fund Financial Statements**

Balance Sheet  
 Governmental Funds  
 At June 30, 2021

	General	Capital Projects	Debt Service	CARES CRF	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 31,547,737	\$ -	\$ -	\$ 260	\$ 3,792,850	\$ 35,340,847
Restricted cash	-	50,235,965	1,267,560	-	-	51,503,525
Receivables (net of allowance for uncollectibles):						
Taxes receivable	5,240,268	-	-	-	-	5,240,268
Accounts receivable	504,835	-	-	-	357,319	862,154
Due from other governmental units	2,162,887	-	-	-	58,222	2,221,109
Total assets	<u>\$ 39,455,727</u>	<u>\$ 50,235,965</u>	<u>\$ 1,267,560</u>	<u>\$ 260</u>	<u>\$ 4,208,391</u>	<u>\$ 95,167,903</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,147,380	\$ 1,783,145	\$ -	\$ 260	\$ 66,001	\$ 2,996,786
Reconciled overdraft	-	-	-	-	45,998	45,998
Unearned revenue	-	-	-	-	105,186	105,186
Accrued liabilities	238,172	-	-	-	2,713	240,885
Due to other funds	312,058	-	-	-	-	312,058
Total liabilities	<u>\$ 1,697,610</u>	<u>\$ 1,783,145</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ 219,898</u>	<u>\$ 3,700,913</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property tax	\$ 4,354,830	\$ -	\$ -	\$ -	\$ -	\$ 4,354,830
<b>FUND BALANCES</b>						
Restricted:						
Proffers	\$ -	\$ 100,388	\$ -	\$ -	\$ -	\$ 100,388
Debt service	-	-	1,267,560	-	-	1,267,560
Unspent bond proceeds - various projects	-	50,135,577	-	-	-	50,135,577
Total restricted	<u>\$ -</u>	<u>\$ 50,235,965</u>	<u>\$ 1,267,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,503,525</u>
Assigned:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 306,175	\$ 306,175
Economic development	-	-	-	-	1,025,205	1,025,205
Capital projects	-	(1,783,145)	-	-	-	(1,783,145)
Stormwater	-	-	-	-	2,275,035	2,275,035
Asset forfeiture	-	-	-	-	58,064	58,064
Tourism	-	-	-	-	324,014	324,014
Total assigned	<u>\$ -</u>	<u>\$ (1,783,145)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,988,493</u>	<u>\$ 2,205,348</u>
Unassigned	\$ 33,403,287	\$ -	\$ -	\$ -	\$ -	\$ 33,403,287
Total fund balance	<u>\$ 33,403,287</u>	<u>\$ 48,452,820</u>	<u>\$ 1,267,560</u>	<u>\$ -</u>	<u>\$ 3,988,493</u>	<u>\$ 87,112,160</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 39,455,727</u>	<u>\$ 50,235,965</u>	<u>\$ 1,267,560</u>	<u>\$ 260</u>	<u>\$ 4,208,391</u>	<u>\$ 95,167,903</u>

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

Reconciliation of the Balance Sheet of Governmental Funds  
 To the Statement of Net Position  
 At June 30, 2021

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	87,112,160
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		56,364,044
Internal service funds are used by the County to charge the cost of dental and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. The internal service fund net position is:		2,916,005
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(972,471)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds. Unavailable revenue-property taxes		4,174,151
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds. Deferred outflows related to:		
Net pension liabilities	\$	5,438,071
Net OPEB liabilities		<u>716,740</u>
		6,154,811
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. Net pension liabilities	\$	(318,395)
Net OPEB liabilities		<u>(905,794)</u>
		(1,224,189)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. Details supporting this amount are as follows:		
Deferred amount on refunding		482,565
Compensated absences		(1,866,776)
County general obligation bonds		(35,460,000)
School Board general obligation bonds		(37,893,339)
Net OPEB liabilities		(5,999,087)
Net pension liabilities		(15,357,061)
County premium on bonds payable		(5,245,794)
School Board premium on bonds payable		<u>(3,542,171)</u>
Net position of governmental activities	\$	<u><u>49,642,848</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2021

	General	Capital Projects	Debt Service	CARES CRF	Other Governmental Funds	Total
<b>REVENUES</b>						
General property taxes	\$ 40,281,073	\$ -	\$ -	\$ -	\$ -	\$ 40,281,073
Other local taxes	9,105,870	-	-	-	2,517,964	11,623,834
Permits, privilege fees, and regulatory licenses	611,329	-	-	-	-	611,329
Fines and forfeitures	357,589	-	-	-	-	357,589
Revenue from the use of money and property	274,136	47,584	-	-	914	322,634
Charges for services	1,361,103	-	-	-	39,859	1,400,962
Miscellaneous	176,336	106,215	12,637	-	-	295,188
Recovered costs	314,080	-	-	-	94,503	408,583
Intergovernmental:						
Commonwealth	10,002,658	-	-	-	730,367	10,733,025
Federal	2,065,700	-	-	6,528,856	45,998	8,640,554
Total revenues	\$ 64,549,874	\$ 153,799	\$ 12,637	\$ 6,528,856	\$ 3,429,605	\$ 74,674,771
<b>EXPENDITURES</b>						
Current:						
General government administration	\$ 5,576,844	\$ 90,130	\$ -	\$ 237,735	\$ -	\$ 5,904,709
Judicial administration	2,688,534	-	-	508	-	2,689,042
Public safety	16,566,603	2,579,299	-	3,512,483	1,069,159	23,727,544
Public works	2,246,138	1,858,262	-	95,191	277,748	4,477,339
Health and welfare	5,539,275	-	-	577,871	-	6,117,146
Education	14,620,560	5,871,445	-	2,103,254	-	22,595,259
Parks, recreation, and cultural	1,545,473	395,807	-	151	-	1,941,431
Community development	372,755	-	-	1,663	1,062,086	1,436,504
Debt service:						
Bond arbitrage fees	-	9,609	-	-	-	9,609
Principal retirement	-	-	2,848,245	-	-	2,848,245
Interest and other fiscal charges	-	-	931,581	-	-	931,581
Total expenditures	\$ 49,156,182	\$ 10,804,552	\$ 3,779,826	\$ 6,528,856	\$ 2,408,993	\$ 72,678,409
Excess (deficiency) of revenues over (under) expenditures	\$ 15,393,692	\$ (10,650,753)	\$ (3,767,189)	\$ -	\$ 1,020,612	\$ 1,996,362
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	\$ -	\$ 2,529,894	\$ 9,160,917	\$ -	\$ 73,158	\$ 11,763,969
Issuance of refunding bonds	-	-	35,085,000	-	-	35,085,000
Issuance of debt	-	30,010,000	-	-	-	30,010,000
Premiums on bonds	-	2,101,116	6,686,849	-	-	8,787,965
Bond issuance costs	-	-	(351,514)	-	-	(351,514)
Payments to bond escrow agent	-	-	(45,632,827)	-	-	(45,632,827)
Transfers (out)	(10,319,178)	(93,007)	-	-	(1,087,252)	(11,499,437)
Total other financing sources (uses)	\$ (10,319,178)	\$ 34,548,003	\$ 4,948,425	\$ -	\$ (1,014,094)	\$ 28,163,156
Net change in fund balances	\$ 5,074,514	\$ 23,897,250	\$ 1,181,236	\$ -	\$ 6,518	\$ 30,159,518
Fund balances - beginning	28,328,773	24,555,570	86,324	-	3,981,975	56,952,642
Fund balances - ending	\$ 33,403,287	\$ 48,452,820	\$ 1,267,560	\$ -	\$ 3,988,493	\$ 87,112,160

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

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2021

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

Net change in fund balances - total governmental funds \$ 30,159,518

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

Depreciation expense	\$	(4,334,410)	
Capital asset additions		7,347,547	
Transfer of joint tenancy assets from Primary Government to the Component Unit		(1,358,812)	1,654,325

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

Property taxes 899,356

Internal service funds are used by the County to charge the costs of dental and health insurance to individual funds. The net revenue of internal service funds is reported with governmental activities. (225,474)

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

Details supporting these changes are as follows:

Issuance of debt	\$	(65,095,000)	
Premiums on issuance of debt		(8,787,965)	
Amortization of premium on bonds payable		127,469	
Retirement of general obligation bonds		2,848,245	
Payment to refunding bond agent		45,632,827	(25,274,424)

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

Details supporting these changes are as follows:

Change in accrued interest payable	\$	(410,401)	
Pension expense		(620,930)	
OPEB expense		(294,796)	
Deferred amount on refunding		(85,171)	
Change in compensated absences		61,234	(1,350,064)

Change in net position of governmental activities \$ 5,863,237

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

Statement of Net Position  
 Proprietary Funds  
 At June 30, 2021

	<b>Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 14,297,965	\$ 2,924,115
Accounts receivable, net of allowance for uncollectibles	477,852	-
Total current assets	<u>\$ 14,775,817</u>	<u>\$ 2,924,115</u>
Noncurrent assets:		
Due from other funds	\$ 312,058	\$ -
Capital assets (net of accumulated depreciation):		
Land	\$ 244,744	\$ -
Utility plant in service	14,198,364	-
Machinery and equipment	1,513,387	-
Construction in progress	560,780	-
Total capital assets	<u>\$ 16,517,275</u>	<u>\$ -</u>
Total noncurrent assets	<u>\$ 16,829,333</u>	<u>\$ -</u>
Total assets	<u>\$ 31,605,150</u>	<u>\$ 2,924,115</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 237,940	\$ -
OPEB related items	41,073	-
Deferred amount on bond refunding	15,101	-
Total deferred outflows of resources	<u>\$ 294,114</u>	<u>\$ -</u>
Total assets and deferred outflows of resources	<u>\$ 31,899,264</u>	<u>\$ 2,924,115</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 405,918	\$ 8,110
Customers' deposits	105,121	-
Accrued interest payable	26,796	-
Deferred revenue	48,569	-
Compensated absences - current portion	7,225	-
Bonds payable - current portion	221,603	-
Total current liabilities	<u>\$ 815,232</u>	<u>\$ 8,110</u>
Noncurrent liabilities:		
Compensated absences - net of current portion	\$ 65,024	\$ -
Net pension liability	683,690	-
Net OPEB liabilities	371,297	-
Bonds payable - net of current portion	1,069,493	-
Total noncurrent liabilities	<u>\$ 2,189,504</u>	<u>\$ -</u>
Total liabilities	<u>\$ 3,004,736</u>	<u>\$ 8,110</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 51,793	\$ -
OPEB related items	51,908	-
Total deferred inflows of resources	<u>\$ 103,701</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 15,241,280	\$ -
Unrestricted	13,549,547	2,916,005
Total net position	<u>\$ 28,790,827</u>	<u>\$ 2,916,005</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 31,899,264</u>	<u>\$ 2,924,115</u>

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



Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2021

	<b>Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Charges for services:		
Water revenues	\$ 1,940,221	\$ -
Sewer revenues	4,357,016	-
Penalty/reconnection charges	69,388	-
Insurance premiums	-	8,202,811
Miscellaneous	48,053	-
Total operating revenues	<u>\$ 6,414,678</u>	<u>\$ 8,202,811</u>
<b>OPERATING EXPENSES</b>		
Water supply, treatment and pumping	\$ 679,456	\$ -
Wastewater treatment, pumping and disposal	2,587,608	-
Administrative and operation	930,708	-
Other supplies and expenses	171,009	-
Insurance claims	-	8,428,285
Depreciation	888,351	-
Total operating expenses	<u>\$ 5,257,132</u>	<u>\$ 8,428,285</u>
Operating income (loss)	<u>\$ 1,157,546</u>	<u>\$ (225,474)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Connection/capacity fees	\$ 278,258	\$ -
Interest income	4,668	-
Rental income	59,082	-
Federal CARES Act income	59,900	-
Gain from sale of assets	25,500	-
Interest expense	(222,850)	-
Total nonoperating revenues (expenses)	<u>\$ 204,558</u>	<u>\$ -</u>
Income (loss) before transfers	\$ 1,362,104	\$ (225,474)
Transfers in	149,315	-
Transfers out	<u>(413,847)</u>	<u>-</u>
Change in net position	\$ 1,097,572	\$ (225,474)
Net position - beginning, as restated	27,693,255	3,141,479
Net position - ending	<u>\$ 28,790,827</u>	<u>\$ 2,916,005</u>

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

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2021

	<b>Enterprise Funds</b>	<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users	\$ 6,430,643	\$ 8,202,811
Payments for operating activities	(3,323,715)	(8,420,175)
Payments to employees	(994,938)	-
Net cash provided by (used for) operating activities	<u>\$ 2,111,990</u>	<u>\$ (217,364)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Loan to other funds	\$ 153,715	\$ -
Transfers from other funds	(264,532)	-
Net cash provided by (used for) noncapital financing activities	<u>\$ (110,817)</u>	<u>\$ -</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	\$ (1,037,437)	\$ -
Proceeds from sale of capital assets	25,500	-
Connection/capacity charges	278,258	-
Principal payments on bonds	(1,515,000)	-
Issuance of long-term debt	1,063,000	-
Bond issuance costs	228,096	-
Deferred amount on refunding	(15,101)	-
Interest expense	(210,160)	-
Net cash provided by (used for) capital and related financing activities	<u>\$ (1,182,844)</u>	<u>\$ -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	\$ 4,668	\$ -
Rental income	59,082	-
Net cash provided by (used for) investing activities	<u>\$ 63,750</u>	<u>\$ -</u>
Net increase in cash and cash equivalents	\$ 882,079	\$ (217,364)
Cash and cash equivalents - beginning	13,415,886	3,141,479
Cash and cash equivalents - ending	<u>\$ 14,297,965</u>	<u>\$ 2,924,115</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ 1,157,546	\$ (225,474)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	\$ 888,351	\$ -
Federal CARES Act revenue	59,900	-
Change in accounts receivable	(94,564)	-
Change in deferred outflows of resources	(76,072)	-
Change in deferred inflows of resources	(30,479)	-
Change in accounts payable	114,358	8,110
Change in customer deposits	2,060	-
Change in deferred revenue	48,569	-
Change in compensated absences	(18,608)	-
Change in net pension liability	116,708	-
Change in net OPEB liabilities	(55,779)	-
Total adjustments	<u>\$ 954,444</u>	<u>\$ 8,110</u>
Net cash provided by (used for) operating activities	<u>\$ 2,111,990</u>	<u>\$ (217,364)</u>

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

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 At June 30, 2021

	<u>Private-Purpose Trust Fund Pension Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,970	\$ 78,722
Guaranteed investment contracts	<u>2,048,064</u>	<u>-</u>
Total assets	<u>\$ 2,064,034</u>	<u>\$ 78,722</u>
<b>LIABILITIES</b>		
Deferred revenue	<u>\$ -</u>	<u>\$ 9,032</u>
Total liabilities	<u>\$ -</u>	<u>\$ 9,032</u>
<b>NET POSITION</b>		
Restricted for:		
Pensions	\$ 2,064,034	\$ -
Performance bond recipients	-	65,427
Social services clients	<u>-</u>	<u>4,263</u>
Total net position	<u>\$ 2,064,034</u>	<u>\$ 69,690</u>
Total liabilities and net position	<u>\$ 2,064,034</u>	<u>\$ 78,722</u>

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

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year Ended June 30, 2021

	<b>Private-Purpose Trust Fund Pension Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions:</b>		
Employer contributions	\$ 141,000	\$ -
Private contributions	-	11,048
Interest income	303	-
Other investment income	71,249	-
<b>Total additions</b>	<b>\$ 212,552</b>	<b>\$ 11,048</b>
<b>Deductions:</b>		
Members' benefits	\$ 107,227	\$ -
Recipient payments	-	39,273
<b>Total deductions</b>	<b>\$ 107,227</b>	<b>\$ 39,273</b>
Change in net position	\$ 105,325	\$ (28,225)
<b>Net position - beginning of year, as restated</b>	<b>1,958,709</b>	<b>97,915</b>
<b>Net position - end of year</b>	<b>\$ 2,064,034</b>	<b>\$ 69,690</b>

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

# COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021

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## **NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

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

### Financial Statement Presentation

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

### Government-wide and Fund Financial Statements

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

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

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

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

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the reporting model, governments provide budgetary comparison information in their annual reports including the original budget, final budget and actual results.

#### **A. Financial Reporting Entity**

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

#### **B. Individual Component Unit Disclosures**

Blended Component Unit - The County has no blended component units at June 30, 2021.

Discretely Presented Component Unit - The School Board members are elected by the citizens of Prince George County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

#### **C. Other Related Organizations**

Included in the County's Comprehensive Annual Financial Report

None

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### Excluded from the County's Comprehensive Annual Financial Report

##### Joint Ventures

##### South Central Wastewater Authority

The South Central Wastewater Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases wastewater treatment services from the Authority at prescribed rates and capacity levels. The County's expenditures for wastewater treatment services for the year ended June 30, 2021 were \$575,680. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

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

##### Riverside Regional Jail Authority

The Riverside Regional Jail Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Charles City, Chesterfield, Prince George and Surry and the Cities of Petersburg, Colonial Heights and Hopewell each appoint two members to the fourteen member board. Each participating entity is required to commit prisoners and pay the established per diem charge in accordance with its service agreement with the Authority. The County's expenditures for confinement services for the year ended June 30, 2021 were \$2,233,714. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

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

##### Appomattox River Water Authority

The Appomattox River Water Authority is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five member board. Each participating entity purchases water from the Authority at prescribed rates and capacity levels. The County's expenses for water purchased for the year ended June 30, 2021 were \$366,799. The participants have no ongoing financial responsibilities to or equity interest in the Authority.

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

##### Appomattox Regional Library

The County is a participant with the County of Dinwiddie and the City of Hopewell in a joint venture to operate the Appomattox Regional Library (the Library). The Library is governed by a 9 member board composed of three appointees each from Hopewell, Dinwiddie, and Prince George. Each locality is obligated by contract to fund a percentage of the Library's approved budget. In accordance with the joint venture agreement, the County remitted \$604,127 to the Library for fiscal year 2021. Financial statements for the Library can be obtained at its administrative offices at 245 East Cawson Street, Hopewell, Virginia 23860. The participants have no ongoing financial responsibilities to or equity interest in the Library.

##### Jointly Governed Organizations

The County participates with eight other localities in District 19 Community Services Board. The County also participates with five other localities in Virginia's Gateway Region, a regional economic development organization. The County provided funding of \$117,374 to District 19 CSB during fiscal year 2021. The County provided funding of \$331,140 to Crater Youth Care Commission during fiscal year 2021. The County provided funding of \$22,739 to Virginia Gateway Region during fiscal year 2021.

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

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

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

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

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



## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

#### **1. Governmental Funds**

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

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

# COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

#### 1. Governmental Funds: (Continued)

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

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

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

#### 2. Proprietary Funds

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

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

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

#### 3. Fiduciary Funds (Trust and Custodial Funds)

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

#### 4. Component Unit

The Prince George County School Board has the following funds:

##### Governmental Funds:

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

4. Component Unit: (Continued)

Governmental Funds:

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

**E. Cash and Cash Equivalents**

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

**F. Investments**

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

**G. Receivables and Payables**

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$789,289 at June 30, 2021 is comprised of property taxes in the amount of \$754,413 and utility accounts of \$34,876.

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	July 1	January 1
Due Date	June 5/December 5	June 5
Lien Date	July 1	January 1

The County bills and collects its own property taxes.

# COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

### **H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The County does not have any infrastructure in its capital assets since roads, streets, bridges and similar assets within its boundaries are the property of the Commonwealth of Virginia. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized for the fiscal year ending June 30, 2021.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Machinery and Equipment	5-20
Utility Plant	30-50
Buses	10

### **I. Compensated Absences**

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

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

### **J. Use of Estimates**

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

#### **K. Fund Equity**

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

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory and prepaids) or are required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

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

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

#### **L. Long-term Obligations**

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

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

#### **M. Restricted Cash**

The County has total restricted assets of \$51,503,525, which consist of proffers in the amount of \$100,388, debt service of \$1,267,560, and unspent bond proceeds of \$50,135,577 at June 30, 2021.

#### **N. Net Position**

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

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

#### **O. Net Position Flow Assumption**

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

#### **P. Deferred Outflows/Inflows of Resources**

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position 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 2<sup>nd</sup> half installments 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 the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension liability and net OPEB liability are reported as deferred inflows of resources. For more detailed information on the pension and OPEB item, reference the pension and OPEB notes.

#### **Q. Pensions**

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

#### **R. Other Postemployment Benefits (OPEB)**

##### ***Group Life Insurance***

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

##### ***Political Subdivision and Teacher Employee Health Insurance Credit Program***

The County and Virginia Retirement System (VRS) Teacher Employee Health Insurance Credit (HIC) Programs were established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The Teacher Employee HIC Program is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the Programs' OPEB, and the related OPEB expenses, information about the fiduciary net position of the County and VRS Teacher Employee HIC Programs; and the additions to/deductions from the County and VRS Teacher Employee HIC Programs'

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### ***Political Subdivision and Teacher Employee Health Insurance Credit Program: (Continued)***

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

### **NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTING:**

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

1. On or before March 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level for the General Fund and Fund level for other Governmental Funds. The School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30 for all County units with the exception of Capital Projects.

### **NOTE 3—DEPOSITS AND INVESTMENTS:**

#### **Deposits**

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



## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

### **NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)**

#### Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper that has received at least two of the following ratings: P-1 by Moody’s Investors Service, Inc.; A-1 by Standard and Poor’s; or F1 by Fitch Ratings, Inc. (Section 2.2-4502), banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

#### Credit Risk of Debt Securities

The County limits the investment of funds in Debt Securities to those with credit ratings of at least Aa3/AA-. The County’s rated debt investments as of June 30, 2021 were rated by Standard & Poor’s and the ratings are presented below using Standard & Poor’s rating scale.

#### **Rated Debt Investments' Values**

<b>Rated Debt Investments</b>	<b>Value</b>	<b>AAAm</b>	<b>AA+f</b>
Virginia Investment Pool - High Quality Bond	\$ 10,954,424	\$ -	\$ 10,954,424
Virginia Investment Pool - Stable NAV Liquidity	13,243,127	13,243,127	-
SNAP	53,646,884	53,646,884	-
Total	<u>\$ 77,844,435</u>	<u>\$ 66,890,011</u>	<u>\$ 10,954,424</u>

#### Interest Rate Risk

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

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1 Year</b>	<b>1-3 Years</b>
Virginia Investment Pool - High Quality Bond	\$ 10,954,424	\$ -	\$ 10,954,424
Virginia Investment Pool - Stable NAV Liquidity	13,243,127	13,243,127	-
SNAP	53,646,884	53,646,884	-
Total	<u>\$ 77,844,435</u>	<u>\$ 66,890,011</u>	<u>\$ 10,954,424</u>

#### Custodial Credit Risk

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

#### Fair Value Measurements:

Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above investments at the net asset value (NAV). There are no withdrawal limitations or restrictions imposed on participants in SNAP. The Virginia Investment Pool has a limit of two withdrawals per month.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 3—DEPOSITS AND INVESTMENTS: (CONTINUED)**

Redemption Restrictions:

External Investment Pools

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

**NOTE 4—DUE TO/FROM OTHER GOVERNMENTS:**

At June 30, 2021, the County has amounts due from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Commonwealth of Virginia:		
Local sales tax	\$ 764,442	-
Social Services	78,568	-
Comprehensive services	554,308	-
Constitutional officer reimbursements	132,814	-
Communication tax	146,343	-
Crater detention	-	132,854
Other funds	146,745	-
State sales tax	-	945,953
Victim witness	9,376	-
Drug Court Treatment Grant	29,974	-
Community corrections	15,314	-
Federal Government:		
Other funds	25,231	-
SAFER grants	94,059	-
Food service	-	157,326
School grants	-	546,201
Highway safety	9,303	-
Victim witness	28,127	-
Coronavirus Emergency Supplemental Grant	12,670	
American Recovery Plan Act Coronavirus State and Local Fiscal Recovery Funds	45,998	
Social Services	127,837	-
Total due from other governments	\$ <u>2,221,109</u>	\$ <u>1,792,152</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 5—CAPITAL ASSETS:**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

**Primary Government:**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,995,201	\$ -	\$ -	\$ 3,995,201
Construction in progress	<u>5,687,900</u>	<u>4,270,157</u>	<u>1,876,665</u>	<u>8,081,392</u>
Total capital assets not being depreciated	<u>\$ 9,683,101</u>	<u>\$ 4,270,157</u>	<u>\$ 1,876,665</u>	<u>\$ 12,076,593</u>
Capital assets being depreciated:				
Buildings	\$ 43,367,687	\$ 663,622	\$ -	\$ 44,031,309
Machinery and equipment	29,176,221	4,290,434	740,163	32,726,492
Jointly owned assets	<u>23,116,271</u>	<u>2,011,305</u>	<u>5,809,463</u>	<u>19,318,113</u>
Total capital assets being depreciated	<u>\$ 95,660,179</u>	<u>\$ 6,965,361</u>	<u>\$ 6,549,626</u>	<u>\$ 96,075,914</u>
Accumulated depreciation:				
Buildings	\$ 17,190,168	\$ 1,307,048	\$ -	\$ 18,497,216
Machinery and equipment	22,466,311	2,054,267	740,162	23,780,416
Jointly owned assets	<u>10,977,082</u>	<u>973,095</u>	<u>2,439,346</u>	<u>9,510,831</u>
Total accumulated depreciation	<u>\$ 50,633,561</u>	<u>\$ 4,334,410</u>	<u>\$ 3,179,508</u>	<u>\$ 51,788,463</u>
Total capital assets being depreciated, net	<u>\$ 45,026,618</u>	<u>\$ 2,630,951</u>	<u>\$ 3,370,118</u>	<u>\$ 44,287,451</u>
Governmental activities capital assets, net	<u>\$ 54,709,719</u>	<u>\$ 6,901,108</u>	<u>\$ 5,246,783</u>	<u>\$ 56,364,044</u>

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

Net capital assets	\$ 56,364,044
Long-term debt applicable to capital assets at June 30, 2021	73,353,339
Less: Bond proceeds received but not expended on capital assets at June 30, 2021	<u>(53,646,884)</u>
Net investment in capital assets	<u>\$ 36,657,589</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 5—CAPITAL ASSETS: (CONTINUED)**

**Primary Government: (continued)**

The following is a summary of capital project activity for the fiscal year ended June 30, 2021:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Central Wellness Upgrades	\$ 217,157	\$ 1,463,692	\$ -	\$ 1,680,849
Central Wellness Parking Lot	19,332	-	-	19,332
Police In-Car Cameras	50,509	-	-	50,509
Route 156 Water Extension	220,283	1,017,909	-	1,238,192
Food Lion Water System Upgrade	254,072	840,353	-	1,094,425
Software Community Development	204,321	18,560	-	222,881
Fire and Emergency Entrance Upgrades	12,035	62,965	75,000	-
Public Safety Radio Project	2,106,999	383,427	-	2,490,426
Assessor Software	208,414	29,200	-	237,614
Scott Park Restroom and Concession Stand	233,216	251,331	484,547	-
Fire Trucks	2,064,065	150,119	1,199,900	1,014,284
Burn Building	65,547	720	66,267	-
Jefferson Park Fire Station	31,950	19,001	50,951	-
County Garage Expansion & Renovation	-	32,880	-	32,880
	<u>\$ 5,687,900</u>	<u>\$ 4,270,157</u>	<u>\$ 1,876,665</u>	<u>\$ 8,081,392</u>
	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<b>Business-type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 244,744	\$ -	\$ -	\$ 244,744
Construction in progress	233,735	405,351	78,306	560,780
Total capital assets not being depreciated	<u>\$ 478,479</u>	<u>\$ 405,351</u>	<u>\$ 78,306</u>	<u>\$ 805,524</u>
Capital assets being depreciated:				
Utility plant in service	\$ 32,814,213	\$ 629,202	\$ -	\$ 33,443,415
Machinery and equipment	1,806,243	81,190	-	1,887,433
Total capital assets being depreciated	<u>\$ 34,620,456</u>	<u>\$ 710,392</u>	<u>\$ -</u>	<u>\$ 35,330,848</u>
Accumulated depreciation:				
Utility plant in service	\$ 18,374,898	\$ 870,153	\$ -	\$ 19,245,051
Machinery and equipment	355,848	18,198	-	374,046
Total accumulated depreciation	<u>\$ 18,730,746</u>	<u>\$ 888,351</u>	<u>\$ -</u>	<u>\$ 19,619,097</u>
Total capital assets being depreciated, net	<u>\$ 15,889,710</u>	<u>\$ (177,959)</u>	<u>\$ -</u>	<u>\$ 15,711,751</u>
Business-type activities capital assets, net	<u>\$ 16,368,189</u>	<u>\$ 227,392</u>	<u>\$ 78,306</u>	<u>\$ 16,517,275</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 5—CAPITAL ASSETS: (CONTINUED)**

**Discretely Presented Component Unit—School Board:**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets, not being depreciated:				
Land	\$ 1,154,404	\$ -	\$ -	\$ 1,154,404
Construction in progress	<u>2,173,677</u>	<u>3,982,703</u>	<u>2,054,303</u>	<u>4,102,077</u>
Total capital assets not being depreciated	<u>\$ 3,328,081</u>	<u>\$ 3,982,703</u>	<u>\$ 2,054,303</u>	<u>\$ 5,256,481</u>
Capital assets being depreciated:				
Buildings	\$ 62,536,727	\$ 5,461,128	\$ -	\$ 67,997,855
Machinery and equipment	<u>13,459,257</u>	<u>1,165,115</u>	<u>196,541</u>	<u>14,427,831</u>
Total capital assets being depreciated	<u>\$ 75,995,984</u>	<u>\$ 6,626,243</u>	<u>\$ 196,541</u>	<u>\$ 82,425,686</u>
Accumulated depreciation:				
Buildings	\$ 29,768,064	\$ 3,709,125	\$ -	\$ 33,477,189
Machinery and equipment	<u>9,899,701</u>	<u>988,255</u>	<u>196,541</u>	<u>10,691,415</u>
Total accumulated depreciation	<u>\$ 39,667,765</u>	<u>\$ 4,697,380</u>	<u>\$ 196,541</u>	<u>\$ 44,168,604</u>
Total capital assets being depreciated, net	<u>\$ 36,328,219</u>	<u>\$ 1,928,863</u>	<u>\$ -</u>	<u>\$ 38,257,082</u>
School Board capital assets, net	<u>\$ 39,656,300</u>	<u>\$ 5,911,566</u>	<u>\$ 2,054,303</u>	<u>\$ 43,513,563</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$ 534,618
Judicial administration	452,571
Public safety	1,801,301
Public works	21,635
Health and welfare	112,817
Education	973,095
Parks, recreation and cultural	402,019
Community development	<u>36,354</u>
Total Governmental activities	<u>\$ 4,334,410</u>
Business-type activities	<u>\$ 888,351</u>
Component Unit School Board	\$ 2,258,034 *
* Transfer of jointly owned assets	<u>2,439,346</u>
Total accumulated depreciation increase	<u>\$ 4,697,380</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 6—INTERFUND TRANSFERS:**

Interfund transfers for the year ended June 30, 2021, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 10,319,178
Proprietary Fund	149,315	413,847
Capital Projects Fund	2,529,894	93,007
Debt Service Fund	9,160,917	-
Nonmajor Funds	73,158	1,087,252
	<u>11,913,284</u>	<u>11,913,284</u>
Total	\$ <u>11,913,284</u>	\$ <u>11,913,284</u>

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

The following is a summary of due to/from other funds/Component Units at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Primary Government:		
General Fund	\$ -	\$ 312,058
Water and Sewer Fund	312,058	-
	<u>312,058</u>	<u>-</u>
Total	\$ <u>312,058</u>	\$ <u>312,058</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 7—LONG-TERM OBLIGATIONS:**

**Primary Government:**

The following is a summary of long-term obligation transactions for the year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Issuances / Increases</u>	<u>Retirements / Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 1,928,010	\$ 44,567	\$ 105,801	\$ 1,866,776	\$ 186,678
Net OPEB liability	5,631,131	962,587	594,631	5,999,087	-
Net pension liabilities:					
Net pension liability	10,767,688	6,788,610	3,618,715	13,937,583	-
Net LOSAP liability	1,310,335	314,574	205,431	1,419,478	-
Total net pension liabilities	<u>\$ 12,078,023</u>	<u>\$ 7,103,184</u>	<u>\$ 3,824,146</u>	<u>\$ 15,357,061</u>	<u>\$ -</u>
Direct borrowings and direct placements					
General obligation bonds	44,600,224	28,477,000	37,617,224	35,460,000	3,821,000
Premiums on bonds	-	5,245,794	-	5,245,794	174,860
Total incurred by County	<u>\$ 64,237,388</u>	<u>\$ 41,833,132</u>	<u>\$ 42,141,802</u>	<u>\$ 63,928,718</u>	<u>\$ 4,182,538</u>
Incurred by School Board:					
Direct borrowings and direct placements					
State Literary Fund Loans	\$ 6,715,000	-	\$ 6,715,000	-	-
General Obligation Bonds	5,424,187	36,618,000	4,148,848	37,893,339	868,165
Premium on Bonds	127,469	3,542,171	127,469	3,542,171	118,072
Total incurred by School Board	<u>\$ 12,266,656</u>	<u>\$ 40,160,171</u>	<u>\$ 10,991,317</u>	<u>\$ 41,435,510</u>	<u>\$ 986,237</u>
Total Governmental Activities Obligations	<u>\$ 76,504,044</u>	<u>\$ 81,993,303</u>	<u>\$ 53,133,119</u>	<u>\$ 105,364,228</u>	<u>\$ 5,168,775</u>

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

	<u>Balance at July 1, 2020</u>	<u>Issuances / Increases</u>	<u>Retirements / Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Business-type Activities Obligations:					
Compensated absences	\$ 90,858	\$ 7,420	\$ 26,029	\$ 72,249	\$ 7,225
Net pension liability	566,983	331,193	214,486	683,690	-
Net OPEB liabilities	427,076	48,440	104,219	371,297	-
Direct borrowings and direct placements					
General obligation bonds	1,515,000	1,063,000	1,515,000	1,063,000	214,000
Premiums on bonds	-	228,096	-	228,096	7,603
Total Business-type Activities Obligations	<u>\$ 2,599,917</u>	<u>\$ 1,678,149</u>	<u>\$ 1,859,734</u>	<u>\$ 2,418,332</u>	<u>\$ 228,828</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

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

<b>Year Ending June 30,</b>	<b>Governmental Activities</b>	
	<b>Direct Borrowings and Direct Placements</b>	
	<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
2022	\$ 3,821,000	\$ 1,588,053
2023	4,137,000	1,259,995
2024	3,802,000	1,072,182
2025	3,492,000	900,825
2026	2,353,000	766,050
2027	2,439,000	657,949
2028	2,548,000	545,347
2029	2,665,000	427,464
2030	2,618,000	308,249
2031	2,744,000	187,438
2032	2,294,000	98,549
2033	1,562,000	51,693
2034	820,000	11,500
2035	165,000	1,650
Total	<u>\$ 35,460,000</u>	<u>\$ 7,876,944</u>



**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

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

Year Ending June 30,	School		Business-type Activities	
	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 868,165	\$ 1,040,936	\$ 214,000	\$ 53,558
2023	1,514,002	1,195,858	77,000	40,525
2024	1,522,318	1,119,007	80,000	36,600
2025	1,586,666	1,040,909	85,000	32,475
2026	1,652,594	960,937	90,000	28,100
2027	1,222,000	889,706	93,000	23,525
2028	1,288,000	826,591	98,000	18,750
2029	1,351,000	760,233	103,000	13,725
2030	1,419,000	690,580	109,000	8,425
2031	1,494,000	617,330	114,000	2,850
2032	1,446,000	551,349	-	-
2033	1,501,000	498,137	-	-
2034-2038	5,225,000	2,023,992	-	-
2039-2043	5,810,000	1,437,684	-	-
2044-2048	6,440,000	807,389	-	-
2049-2051	3,553,594	138,820	-	-
Total	\$ <u>37,893,339</u>	\$ <u>14,599,458</u>	\$ <u>1,063,000</u>	\$ <u>258,533</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

**Governmental Activities:**

**General Obligations—Incurred by the County:**

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

Premium on bond	5,245,794
General Obligation Bonds:	
\$27,750,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	\$ 27,750,000
\$9,300,000 General Obligation Note Series 2018 issued May 2, 2018 due in varying annual installments through February 2033, interest payable semi-annually, at 3.16%	<u>7,710,000</u>
Total General Obligation Bonds	\$ 35,460,000
Net OPEB liabilities	5,999,087
Net pension liabilities	15,357,061
Compensated absences	<u>1,866,776</u>
Total incurred by the County	\$ <u>63,928,718</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

**Governmental Activities: (Continued)**

**General Obligations—Incurred by the School Board:**

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

Premium on bond	\$ <u>3,542,171</u>
 <u>General Obligation Bonds:</u>	
\$5,556,565 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%	\$ 5,556,565
\$7,760,053 issued November 10, 2006, due in various annual installments through July 2025. Interest payable semi-annually, at 2.15%.	2,326,774
\$30,010,000 issued May, 2021, due in various semi-annual installments through July, 2050. Interest payable semi-annually at coupon rates varying from 2.05% to 5.05%	<u>30,010,000</u>
Total General Obligation Bonds	\$ <u>37,893,339</u>
Total Incurred by School Board	\$ <u>41,435,510</u>
Total Governmental Activities Long-term Obligations	\$ <u><u>105,364,228</u></u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 7—LONG-TERM OBLIGATIONS: (CONTINUED)**

**Primary Government: (Continued)**

**Business-type Activities:**

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

General Obligation Bonds:

\$1,063,000 General Obligation and Refunding Bond 2020 series issued December 22, 2020 due in varying annual installments through August 1, 2030, interest payable semi-annually, at rates varying from 2.00% to 5.00%.	\$ <u>1,063,000</u>
Net pension liability	\$ <u>683,690</u>
Net OPEB liabilities	\$ <u>371,297</u>
Compensated Absences	\$ <u>72,249</u>
Premium on bonds	\$ <u>228,096</u>
Total Incurred by Business-type Activities	\$ <u><u>2,418,332</u></u>

**Component Unit School Board:**

The following is a summary of long-term obligations for the fiscal year ended June 30, 2021:

	<u>Balance at July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 339,156	\$ 84,150	\$ 93,459	\$ 329,847	\$ 32,985
Net pension liability	53,107,084	23,539,212	16,792,542	59,853,754	-
Net OPEB liabilities	14,134,396	2,506,089	3,376,773	13,263,712	-
Total	\$ <u>67,580,636</u>	\$ <u>26,129,451</u>	\$ <u>20,262,774</u>	\$ <u>73,447,313</u>	\$ <u>32,985</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 8—DEFERRED/UNAVAILABLE REVENUE:**

The following is a summary of unearned/unavailable revenue for the year ended June 30, 2021:

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

	<u>Government-wide Statements Governmental Activities</u>	<u>Balance Sheet Governmental Funds</u>
Deferred/Unavailable Revenue		
Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures	\$ -	\$ 4,174,151
Prepaid property taxes due in December 2021, but paid in advance by the taxpayers.	<u>180,679</u>	<u>180,679</u>
Total unavailable/deferred revenue	<u>\$ 180,679</u>	<u>\$ 4,354,830</u>

**NOTE 9—COMMITMENTS AND CONTINGENT LIABILITIES:**

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

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

At June 30, 2021, the County had the following construction contracts outstanding:

<u>Project</u>	<u>Contractor</u>	<u>Balance June 30, 2021</u>
New Walton Elementary School	Moseley Architects	\$ 471,374
New Walton Elementary School	Loughridge & Company	29,075,727
Central Wellness Center Renovations	Centennial Contractors Enterprises	161,551
Route 460 Water Line Extension	Perkinson Construction	83,104
Food Lion Water System Upgrades	Perkinson Construction	1,655,092
Pump Station 7 Improvements	Perkinson Construction	199,506
Prince George High School Chiller	Warwick Mechanical Group	<u>254,277</u>
Total		<u>\$ 31,900,631</u>

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **NOTE 10—LITIGATION:**

At June 30, 2021, there were no matters of litigation involving the County or which would materially affect the County's financial position should any court decisions on pending matters not be favorable to such entities.

### **NOTE 11—RISK MANAGEMENT:**

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

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

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

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

### **NOTE 12—PENSION PLAN:**

#### ***Plan Description***

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

#### ***Benefit Structures***

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

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **NOTE 12—PENSION PLAN: (CONTINUED)**

#### ***Benefit Structures: (Continued)***

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

#### ***Average Final Compensation and Service Retirement Multiplier***

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

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

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

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **NOTE 12—PENSION PLAN: (CONTINUED)**

#### ***Employees Covered by Benefit Terms***

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	<b>Primary Government</b>	<b>Component Unit School Board Nonprofessional</b>
Inactive members or their beneficiaries currently receiving benefits	167	143
Inactive members:		
Vested inactive members	50	23
Non-vested inactive members	48	77
Inactive members active elsewhere in VRS	113	26
Total inactive members	211	126
Active members	242	179
Total covered employees	620	448

#### ***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, 2021 was 14.93% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$2,051,146 and \$2,036,997 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 7.34% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$323,364 and \$353,871 for the years ended June 30, 2021 and June 30, 2020, respectively.



# COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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## **NOTE 12—PENSION PLAN: (CONTINUED)**

### ***Net Pension Liability***

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The County's and Component Unit School Board's (nonprofessional) net pension liabilities were measured as of June 30, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

### ***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, 2019, 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, 2020.

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

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

***Actuarial Assumptions – General Employees (Continued)***

Mortality rates: (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

***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, 2019, 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, 2020.

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

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

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

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 12—PENSION PLAN: (CONTINUED)**

***Long-Term Expected Rate of Return***

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

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	46.00%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		*Expected arithmetic nominal return	7.14%

\* The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, 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, 2020, 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, 2020 on, participating

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 12—PENSION PLAN: (CONTINUED)**

***Discount Rate: (Continued)***

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

***Changes in Net Pension Liability***

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Primary Government</b>			
Balances at June 30, 2019	\$ 67,881,303	\$ 56,546,632	\$ 11,334,671
Changes for the year:			
Service cost	\$ 1,935,381	\$ -	\$ 1,935,381
Interest	4,477,182	-	4,477,182
Differences between expected and actual experience	632,605	-	632,605
Contributions - employer	-	2,034,732	(2,034,732)
Contributions - employee	-	691,737	(691,737)
Net investment income	-	1,069,758	(1,069,758)
Benefit payments, including refunds of employee contributions	(3,105,373)	(3,105,373)	-
Administrative expenses	-	(36,371)	36,371
Other changes	-	(1,290)	1,290
Net changes	<u>\$ 3,939,795</u>	<u>\$ 653,193</u>	<u>\$ 3,286,602</u>
Balances at June 30, 2020	<u>\$ 71,821,098</u>	<u>\$ 57,199,825</u>	<u>\$ 14,621,273</u>
<b>Component School Board (nonprofessional)</b>			
Balances at June 30, 2019	\$ 19,377,572	\$ 17,763,843	\$ 1,613,729
Changes for the year:			
Service cost	\$ 417,680	\$ -	\$ 417,680
Interest	1,259,700	-	1,259,700
Changes of assumptions	-	-	-
Differences between expected and actual experience	(79,409)	-	(79,409)
Contributions - employer	-	348,886	(348,886)
Contributions - employee	-	224,879	(224,879)
Net investment income	-	333,023	(333,023)
Benefit payments, including refunds of employee contributions	(1,430,714)	(1,430,714)	-
Administrative expenses	-	(11,736)	11,736
Other changes	-	(388)	388
Net changes	<u>\$ 167,257</u>	<u>\$ (536,050)</u>	<u>\$ 703,307</u>
Balances at June 30, 2020	<u>\$ 19,544,829</u>	<u>\$ 17,227,793</u>	<u>\$ 2,317,036</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 12—PENSION PLAN: (CONTINUED)**

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

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

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
County of Prince George Net Pension Liability	\$ 23,676,484	\$ 14,621,273	\$ 7,084,838
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	\$ 4,282,616	\$ 2,317,036	\$ 638,710

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

For the year ended June 30, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$2,642,724 and \$551,844, respectively. At June 30, 2021, 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:

	<b>Primary Government</b>		<b>Component Unit School Board (nonprofessional)</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 442,061	334,983	-	50,495
Change in proportionate share	35,205	35,205	-	-
Change in assumptions	772,107	-	50,686	-
Net difference between projected and actual earnings on pension plan investments	1,714,854	-	519,882	-
Employer contributions subsequent to the measurement date	2,051,146	-	323,364	-
Total	<u>\$ 5,015,373</u>	<u>\$ 370,188</u>	<u>\$ 893,932</u>	<u>\$ 50,495</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

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

\$2,051,146 and \$323,364 were reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. 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>		<u>Primary Government</u>		<u>Component Unit School Board (nonprofessional)</u>
2022	\$	566,981	\$	20,201
2023		842,566		153,624
2024		637,875		178,907
2025		546,617		167,341
Thereafter		-		-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Component Unit School Board (professional)**

***Plan Description***

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

***Contributions***

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$5,485,844 and \$5,253,823 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (professional): (Continued)**

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

At June 30, 2021, the school division reported a liability of \$57,536,718 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was .39540% as compared to .39127% at June 30, 2019.

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

For the year ended June 30, 2021, the school division recognized pension expense of \$5,895,814. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ -	\$ 3,372,539
Change in assumptions	3,927,603	1,851,020
Changes in proportion and differences between employer contributions and proportionate share of contributions	499,779	-
Net difference between projected and actual earnings on pension plan investments	4,376,305	-
Employer contributions subsequent to the measurement date	<u>5,485,844</u>	<u>-</u>
Total	<u>\$ 14,289,531</u>	<u>\$ 5,223,559</u>



**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (professional): (Continued)**

\$5,485,844 was reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2022. 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>	
2022	\$ (497,668)
2023	1,008,112
2024	1,654,629
2025	1,460,091
2026	(45,036)

***Actuarial Assumptions***

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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

\* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (professional): (Continued)**

***Actuarial Assumptions: (Continued)***

Mortality rates:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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**NOTE 12—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (professional): (Continued)**

***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, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	<b>Teacher Employee Retirement Plan</b>	
Total Pension Liability	\$	51,001,855
Plan Fiduciary Net Position		36,449,229
Employers' Net Pension Liability (Asset)	\$	<u>14,552,626</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		71.47%

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.

***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:

	<b>Rate</b>		
	<u>(5.75%)</u>	<u>(6.75%)</u>	<u>(7.75%)</u>
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 84,418,287	\$ 57,536,718	\$ 35,301,434

***Pension Plan Fiduciary Net Position***

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 12—PENSION PLAN: (CONTINUED)**

**Component Unit School Board (professional): (Continued)**

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

<u>Pension Plans</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Pension Liability (Asset)</u>	<u>Pension Expense</u>
<b>Primary Government</b>				
LOSAP Pension Plan	\$ 660,637	\$ -	\$ 1,419,478	\$ 186,000
VRS Pension Plans:				
Primary Government	5,015,373	370,188	14,621,273	2,642,724
Totals	<u>\$ 5,676,010</u>	<u>\$ 370,188</u>	<u>\$ 16,040,751</u>	<u>\$ 2,828,724</u>
<b>Component Unit School Board</b>				
VRS Pension Plans:				
School Board Nonprofessional	\$ 893,932	\$ 50,495	\$ 2,317,036	\$ 551,844
School Board Professional	14,289,531	5,223,559	57,536,718	5,895,814
Totals	<u>\$ 15,183,463</u>	<u>\$ 5,274,054</u>	<u>\$ 59,853,754</u>	<u>\$ 6,447,658</u>

**NOTE 13—LANDFILL POSTCLOSURE CARE COSTS:**

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

**NOTE 14—SURETY BONDS:**

	<u>Amount</u>
Division of Risk Management Surety:	
Commonwealth Funds	
C. Bishop Knott, Jr., Clerk of the Circuit Court	\$ 400,000
Susan Vargo, Treasurer	500,000
Darlene M. Rowsey, Commissioner of the Revenue	3,000
H.E. Allin III, Sheriff	30,000
Virginia Association of Counties Risk Pool:	
All County employees covered under Crime Policy	500,000
All Public Officials covered under Public Officials Liability	5,000,000
Virginia Municipal League:	
All School Board employees covered under Crime Policy	500,000

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **NOTE 15—OTHER POSTEMPLOYMENT BENEFITS (OPEB):**

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

##### ***Plan Description***

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

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

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

##### ***HIC Plan Notes***

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

##### ***Employees Covered by Benefit Terms***

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	<b><u>Number</u></b>
Inactive members or their beneficiaries currently receiving benefits	<u>33</u>
Active members	<u>179</u>
Total covered employees	<u><u>212</u></u>

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### ***Contributions***

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2021 was .61% 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 was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were \$29,278 and \$23,339 for the years ended June 30, 2021 and June 30, 2020, respectively.

##### ***Net HIC OPEB Liability***

The Component Unit School Board's (nonprofessional) net HIC OPEB liability was measured as of June 30, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

##### ***Actuarial Assumptions:***

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Long-Term Expected Rate of Return***

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.



COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Discount Rate***

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the HIC 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, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

***Changes in Net HIC OPEB Liability***

	<b>Increase (Decrease)</b>		
	<b>Total HIC OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net HIC OPEB Liability (Asset) (a) - (b)</b>
Balances at June 30, 2019	\$ 258,457	\$ 12,848	\$ 245,609
Changes for the year:			
Service cost	\$ 6,970	\$ -	\$ 6,970
Interest	16,901	-	16,901
Benefit changes	12,715	-	12,715
Differences between expected and actual experience	3,397	-	-
Contributions - employer	-	23,340	(23,340)
Net investment income	-	368	(368)
Benefit payments	(16,149)	(16,149)	-
Administrative expenses	-	(36)	36
Net changes	\$ 23,834	\$ 7,523	\$ 16,311
Balances at June 30, 2020	\$ 282,291	\$ 20,371	\$ 261,920

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

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

	<u>Rate</u>		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current</u> <u>Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Component Unit School Board's (nonprofessional) Net HIC OPEB Liability	\$ 289,194	\$ 261,920	\$ 237,442

***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, 2021, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$85,791. At June 30, 2021, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Program from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 132,330	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	541	-
Change in assumptions	3,428	-
Employer contributions subsequent to the measurement date	<u>29,278</u>	<u>-</u>
Total	<u>\$ 165,577</u>	<u>\$ -</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

\$29,278 was reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board’s (nonprofessional) contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

**Year Ended June 30**

2022	\$	50,277
2023		50,279
2024		35,042
2025		701
2026		-
Thereafter		-

***HIC Plan Data***

Information about the VRS Political Subdivision HIC Program is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

**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:

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### ***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, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Program were \$412,838 and \$412,882 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$5,119,836 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Program OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Program was .39247% as compared to .39005% at June 30, 2019.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC OPEB expense of \$374,049. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Program Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 68,373
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	22,689	-
Change in assumptions	101,212	27,973
Change in proportionate share	27,093	243,963
Employer contributions subsequent to the measurement date	<u>412,838</u>	<u>-</u>
Total	<u>\$ 563,832</u>	<u>\$ 340,309</u>

\$412,838 was reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. 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>	
2022	\$ (45,232)
2023	(42,983)
2024	(43,737)
2025	(33,935)
2026	(16,462)
Thereafter	(6,966)

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

***Actuarial Assumptions***

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 2019, 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, 2020.

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

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

**Mortality Rates – Teachers**

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

***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, 2020, NOL amounts for the VRS Teacher Employee HIC Plan is as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee net HIC OPEB Liability (Asset)	\$	<u>1,304,516</u>
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		9.95%

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.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Long-Term Expected Rate of Return***

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.



COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**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, 2020, 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, 2020 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 Program net HIC OPEB liability using the discount rate of 6.75%, as well as what the school division’s proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	<b>Rate</b>		
	<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
	<b>(5.75%)</b>	<b>(6.75%)</b>	<b>(7.75%)</b>
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 5,731,123	\$ 5,119,836	\$ 4,600,287

***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 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

#### **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 program, it is not included as part of the GLI Plan OPEB.

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

##### ***Eligible Employees***

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

##### ***Benefit Amounts***

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of creditable service, the minimum benefit payable was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### ***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, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$76,585 and \$74,609 for the years ended June 30, 2021 and June 30, 2020, respectively, for the County; \$25,983 and \$25,380 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (nonprofessional) and \$184,629 and \$179,130 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (professional).

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

At June 30, 2021, the entity reported a liability of \$1,163,513 for the County; \$395,848 for the School Board (nonprofessional); \$2,793,298 for the School Board (professional) for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was .06970% as compared to .06729% at June 30, 2019 for the County. At June 30, 2020, the participating employer's proportion was .02370% as compared to .02217% at June 30, 2019 for the School Board (nonprofessional). At June 30, 2020, the participating employer's proportion was .16740% as compared to .16728% at June 30, 2019 for the School Board (professional).

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$48,003 (County), \$20,521 (School Board – nonprofessional), \$79,793 (School Board – professional). Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
<b>Primary Government</b>		
Differences between expected and actual experience	\$ 74,629	\$ 10,450
Net difference between projected and actual earnings on GLI OPEB program investments	34,951	-
Change in assumptions	58,189	24,295
Changes in proportion	49,412	25,842
Employer contributions subsequent to the measurement date	<u>76,585</u>	<u>-</u>
Total	<u>\$ 293,766</u>	<u>\$ 60,587</u>
<b>Component Unit School Board (nonprofessional)</b>		
Differences between expected and actual experience	\$ 25,390	\$ 3,555
Net difference between projected and actual earnings on GLI OPEB program investments	11,891	-
Change in assumptions	19,797	8,266
Changes in proportion	49,582	18,694
Employer contributions subsequent to the measurement date	<u>25,983</u>	<u>-</u>
Total	<u>\$ 132,643</u>	<u>\$ 30,515</u>
<b>Component Unit School Board (professional)</b>		
Differences between expected and actual experience	\$ 179,164	\$ 25,088
Net difference between projected and actual earnings on GLI OPEB program investments	83,908	-
Change in assumptions	139,697	58,326
Changes in proportion	1,276	103,374
Employer contributions subsequent to the measurement date	<u>184,629</u>	<u>-</u>
Total	<u>\$ 588,674</u>	<u>\$ 186,788</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

\$76,585 (County); \$25,983 (School Board nonprofessional); and \$184,629 (School Board professional) were reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit School Board (nonprofessional)</u>	<u>Component Unit School Board (professional)</u>
2022	\$ 21,159	\$ 11,388	\$ 15,346
2023	31,029	14,746	39,042
2024	40,903	18,056	65,859
2025	46,047	21,620	76,484
2026	15,782	9,244	18,883
Thereafter	1,674	1,091	1,643

***Actuarial Assumptions***

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, 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, 2020. 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*

\*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**Mortality Rates – Teachers**

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Actuarial Assumptions: (Continued)***

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

**Pre-Retirement:**

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

**Post-Retirement:**

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

**Post-Disablement:**

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Actuarial Assumptions: (Continued)***

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

***NET GLI OPEB Liability***

The net OPEB liability (NOL) for the GLI Plan represents the program’s total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan are as follows (amounts expressed in thousands):

		<b>Group Life Insurance OPEB Program</b>
		<hr/>
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	\$	<hr/> <hr/> 1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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



**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

***Long-Term Expected Rate of Return***

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

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return</u>
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
		Inflation	<u>2.50%</u>
		*Expected arithmetic nominal return	<u>7.14%</u>

\*The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

***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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, 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, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

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

	Rate		
	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Discount</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
County's proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 1,529,527	\$ 1,163,513	\$ 866,275
School Board (nonprofessional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 520,373	\$ 395,848	\$ 294,723
School Board (professional)'s proportionate share of the Group Life Insurance Program Net OPEB Liability	\$ 3,672,005	\$ 2,793,298	\$ 2,079,706

***GLI Plan Fiduciary Net Position***

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

**County**

***Plan Description***

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**County: (Continued)**

***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the County provides a fixed basic death benefit for all retirees.

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	206
Total retirees with coverage		10
Total spouses with coverage		<u>1</u>
Total	\$	<u><u>217</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board. The amount paid by the County for OPEB as the benefits came due during the year ended June 30, 2021 was \$0.

***Total OPEB Liability***

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

***Actuarial Assumptions***

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

Inflation	2.50% per year as of January 1, 2021
Salary Increases	2.50% per year for general salary inflations as of January 1, 2021
Discount Rate	1.92% for accounting and funding disclosures as of June 30, 2021

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

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**County: (Continued)**

***Discount Rate***

The discount rate used to measure the total OPEB liability is 1.92%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2021.

***Changes in Total OPEB Liability***

		<b><u>Primary Government Total OPEB Liability</u></b>
Balances at June 30, 2020	\$	4,952,968
Changes for the year:		
Service cost		197,028
Interest		126,175
Difference between expected and actual experience		(331,534)
Changes in assumptions		262,234
Net changes		<u>253,903</u>
Balances at June 30, 2021	\$	<u><u>5,206,871</u></u>

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

The following amounts present the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (.92%) or one percentage point higher (2.92%) than the current discount rate:

			<b>Rate</b>		
<b><u>1% Decrease (.92%)</u></b>		<b><u>Current Discount Rate (1.92%)</u></b>		<b><u>1% Increase (2.92%)</u></b>	
\$	5,721,700	\$	5,206,871	\$	4,745,847

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

The following presents the total OPEB liability of the County, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.50% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

			<b>Rates</b>		
<b><u>1% Decrease (5.50% decreasing to 3.25%)</u></b>		<b><u>Healthcare Cost Trend (6.50% decreasing to 4.25%)</u></b>		<b><u>1% Increase (7.50% decreasing to 5.25%)</u></b>	
\$	4,635,699	\$	5,206,871	\$	5,878,672

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

##### **County: (Continued)**

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of \$260,008. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 772,781
Changes in assumptions	464,047	124,334
Total	<u>\$ 464,047</u>	<u>\$ 897,115</u>

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

<b><u>Year Ended June 30</u></b>	
2022	\$ (63,195)
2023	(63,195)
2024	(63,195)
2025	(63,195)
2026	(63,195)
Thereafter	(117,093)

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

#### **School Board**

##### ***Plan Description***

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

##### ***Benefits Provided***

Postemployment benefits are provided to eligible retirees include Medical, Dental, and Life insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits. In addition, the School Board provides a fixed basic death benefit for all retirees.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**School Board: (Continued)**

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

***Plan Membership***

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms:

Total active employees with coverage	\$	601
Total retirees with coverage		32
Total spouses with coverage		<u>7</u>
Total	\$	<u><u>640</u></u>

***Contributions***

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was \$381,067.

***Total OPEB Liability***

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

***Actuarial Assumptions***

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

Inflation	2.50% per year as of January 1, 2021
Salary Increases	2.50% per year for general salary inflations as of January 1, 2021
Discount Rate	1.92% for accounting and funding disclosures as of June 30, 2021

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

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**School Board: (Continued)**

***Discount Rate***

The discount rate used to measure the total OPEB liability is 1.92%. There is no prefunding of benefits in an OPEB trust for this plan, therefore the discount rate is equal to the yield on a 20-year municipal bond Aa index as of June 30, 2021.

***Changes in Total OPEB Liability***

		<b>School Board Total OPEB Liability</b>
Balances at June 30, 2020	\$	5,699,797
Changes for the year:		
Service cost		265,708
Interest		141,515
Difference between expected and actual experience		(1,241,001)
Changes in assumptions		207,858
Benefit payments		(381,067)
Net changes		<u>(1,006,987)</u>
Balances at June 30, 2021	\$	<u><u>4,692,810</u></u>

***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 (.92%) or one percentage point higher (2.92%) than the current discount rate:

	<b>Rate</b>		
	<b>1% Decrease (.92%)</b>	<b>Current Discount Rate (1.92%)</b>	<b>1% Increase (2.92%)</b>
\$	5,093,200	\$ 4,692,810	\$ 4,324,334

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

**School Board: (Continued)**

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50% decreasing by 0.25% annually to an ultimate rate of 3.25%) or one percentage point higher (7.50% decreasing by 0.25% annually to an ultimate rate of 5.25%) than the current healthcare cost trend rates:

<b>Rates</b>		
<b>1% Decrease (5.50% decreasing to 3.25%)</b>	<b>Healthcare Cost Trend (6.50% decreasing to 4.25%)</b>	<b>1% Increase (7.50% decreasing to 5.25%)</b>
\$ 4,184,941	\$ 4,692,810	\$ 5,292,427

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

For the year ended June 30, 2021, the School Board recognized OPEB expense in the amount of \$191,950. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 2,216,193
Changes in assumptions	447,578	309,303
<b>Total</b>	<b>\$ 447,578</b>	<b>\$ 2,525,496</b>

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

<b>Year Ended June 30</b>	
2022	\$ (215,273)
2023	(215,273)
2024	(215,273)
2025	(215,273)
2026	(215,273)
Thereafter	(1,001,553)

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



**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Aggregate OPEB Information**

	<b>Primary Government</b>			
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>OPEB Expense</b>
VRS OPEB Plans:				
Group Life Insurance Program:	\$ 293,766	\$ 60,587	\$ 1,163,513	\$ 48,003
County Stand-Alone Plan	464,047	897,115	5,206,871	260,008
Totals	<u>\$ 757,813</u>	<u>\$ 957,702</u>	<u>\$ 6,370,384</u>	<u>\$ 308,011</u>

	<b>Component Unit School Board</b>			
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>	<b>Net OPEB Liability</b>	<b>OPEB Expense</b>
VRS OPEB Plans:				
Group Life Insurance Program:				
School Board Nonprofessional	\$ 132,643	\$ 30,515	\$ 395,848	\$ 20,521
School Board Professional	588,674	186,788	2,793,298	79,793
Teacher Health Insurance Credit Program	563,832	340,309	5,119,836	374,049
Nonprofessional Health Insurance Credit Program	165,577	-	261,920	85,791
School Stand-Alone Plan	447,578	2,525,496	4,692,810	191,950
Totals	<u>\$ 1,898,304</u>	<u>\$ 3,083,108</u>	<u>\$ 13,263,712</u>	<u>\$ 752,104</u>

**NOTE 16—LENGTH OF SERVICE AWARD PENSION PROGRAM:**

**Plan Description and Provisions**

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Plan Description and Provisions: (Continued)**

As of June 30, 2021, the date of the most recent actuarial valuation, the program membership consisted of the following:

	<u>LOSAP</u>
Inactive members or their beneficiaries currently receiving benefits	44
Inactive members:	
Vested inactive members	<u>57</u>
Total inactive members	57
Active members	<u>140</u>
Total covered employees	<u><u>241</u></u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Discount Rate	3.42%
Long term expected rate of return	3.75%

**Investments**

The following was the County's adopted asset allocation as of June 30, 2021:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>
Fixed Income	99.23%
Cash	<u>0.77%</u>
Total	<u><u>100.00%</u></u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

**Net Pension Liability of the County**

The components of the net pension liability of the County at June 30, 2021 were as follows:

	<b>LOSAP</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balances at June 30, 2020	\$ 3,269,044	\$ 1,958,709	\$ 1,310,335
Changes for the year:			
Service cost	\$ 84,774	\$ -	\$ 84,774
Interest	121,704	-	121,704
Differences between expected and actual experience	38,691	-	38,691
Change in assumptions	69,405	-	69,405
Contributions - employer	-	141,000	(141,000)
Net investment income	-	64,431	(64,431)
Benefit payments	(100,105)	(100,105)	-
Net changes	\$ 214,469	\$ 105,326	\$ 109,143
Balances at June 30, 2021	\$ 3,483,513	\$ 2,064,035	\$ 1,419,478

The plan's fiduciary net position is 59.25% of the total pension liability.

**Discount Rate**

The discount rate used to measure the total pension liability was 3.42%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates at lesser or equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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

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

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

	<u>1% Decrease</u> <u>(2.42%)</u>	<u>Current</u> <u>Discount</u> <u>Rate</u> <u>(3.42%)</u>	<u>1% Increase</u> <u>(4.42%)</u>
LOSAP			
Net Pension Liability	\$ 1,980,000	\$ 1,419,478	\$ 960,000

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

For the year ended June 30, 2021, the County recognized pension expense of \$186,000. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LOSAP</u>	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 25,901	-
Change in assumptions	544,751	-
Net difference between projected and actual earnings on pension plan investments	<u>89,985</u>	<u>-</u>
Total	<u>\$ 660,637</u>	<u>\$ -</u>

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

<u>Year ended June 30</u>	<u>LOSAP</u>
2022	\$ 69,319
2023	69,319
2024	61,062
2025	52,514
2026	44,287
2027	41,303
Thereafter	322,833

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Financial Statements  
As of June 30, 2021 (Continued)

**NOTE 17—UPCOMING PRONOUNCEMENTS:**

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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, provides guidance for reporting a government’s majority equity interest in a legally separate organization and for reporting financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

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

**NOTE 18—ADOPTION OF ACCOUNTING PRINCIPLES:**

The County implemented provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* during the fiscal year ended June 30, 2021. This statement establishes criteria for identifying fiduciary of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. The implementation of this Statement resulted in the following restatement of net position:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>		<u>Component Unit</u>
	<u>Internal Service Fund</u>	<u>Special Welfare Fund</u>	<u>Performance Bond Fund</u>	<u>School Board</u>
Net position, as originally reported, at July 1, 2020	\$ 40,638,132	\$ -	\$ -	\$ (23,115,186)
Implementation of GASB 84	<u>3,141,479</u>	<u>1,854</u>	<u>96,061</u>	<u>708,988</u>
Net position, as restated, at July 1, 2020	<u>\$ 43,779,611</u>	<u>\$ 1,854</u>	<u>\$ 96,061</u>	<u>\$ (22,406,198)</u>

## COUNTY OF PRINCE GEORGE, VIRGINIA

Notes to Financial Statements  
As of June 30, 2021 (Continued)

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### **NOTE 19—COVID-19 PANDEMIC SUBSEQUENT EVENT NOTE:**

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The COVID-19 pandemic and its impact on operations continues to evolve. 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 2022.

#### **CARES Act Funding**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by the federal government to alleviate some of the effects of the sharp economic downturn due to the COVID-19 pandemic, which included direct aid for state and local governments from the federal Coronavirus Relief Fund (CRF).

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding of \$3,346,151. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$1,081,955. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government.

#### **ARPA Funding**

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 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 2021 and the balance delivered approximately 12 months later.

In July 2021, the County received its share of the first half 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.

#### **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, 2020 and added \$81.9 billion to the ESF. In March 2021, 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.

## **Required Supplementary Information**

### **Note to Required Supplementary Information:**

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





General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 38,094,360	\$ 38,094,360	\$ 40,281,073	\$ 2,186,713
Other local taxes	6,984,445	6,984,445	9,105,870	2,121,425
Permits, privilege fees, and regulatory licenses	627,417	627,417	611,329	(16,088)
Fines and forfeitures	352,500	372,495	357,589	(14,906)
Revenue from the use of money and property	657,963	657,963	274,136	(383,827)
Charges for services	1,330,351	1,381,227	1,361,103	(20,124)
Miscellaneous	-	150,884	176,336	25,452
Recovered costs	202,999	210,979	314,080	103,101
Intergovernmental:				
Commonwealth	9,596,962	10,190,208	10,002,658	(187,550)
Federal	1,857,419	2,062,941	2,065,700	2,759
Total revenues	\$ 59,704,416	\$ 60,732,919	\$ 64,549,874	\$ 3,816,955
<b>EXPENDITURES</b>				
Current:				
General government administration:				
Legislative:				
Board of supervisors	\$ 210,099	\$ 214,249	\$ 201,707	\$ 12,542
General and financial administration:				
County administrator	\$ 280,560	\$ 280,560	\$ 254,470	\$ 26,090
Human resources	324,850	324,850	278,384	46,466
Legal services	362,469	362,469	357,804	4,665
Commissioner of revenue	482,660	482,660	457,184	25,476
Treasurer	595,452	595,452	646,342	(50,890)
Assessor	582,768	582,768	505,370	77,398
Finance	850,631	850,631	829,403	21,228
Information Technology	1,063,680	1,100,336	1,078,497	21,839
County garage	536,750	629,469	516,471	112,998
Other general and financial administration	93,008	93,008	76,063	16,945
Total general and financial administration	\$ 5,172,828	\$ 5,302,203	\$ 4,999,988	\$ 302,215
Board of elections:				
Registrar	\$ 336,254	\$ 436,803	\$ 375,149	\$ 61,654
Total general government administration	\$ 5,719,181	\$ 5,953,255	\$ 5,576,844	\$ 376,411
Judicial administration:				
Courts:				
Circuit court	\$ 142,209	\$ 142,209	\$ 124,099	\$ 18,110
General district court	47,270	47,270	36,899	10,371
Magistrate	2,540	2,540	2,503	37
Sheriff	1,160,151	1,219,231	1,074,346	144,885
Law library	-	2,269	14,885	(12,616)

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Judicial administration: (Continued)				
Courts: (Continued)				
Victim witness	\$ 116,934	\$ 116,934	\$ 96,989	\$ 19,945
Clerk of Circuit Court	601,462	615,563	600,569	14,994
Total courts	\$ 2,070,566	\$ 2,146,016	\$ 1,950,290	\$ 195,726
Commonwealth's attorney:				
Commonwealth's attorney	\$ 712,551	\$ 774,744	\$ 738,244	\$ 36,500
Total judicial administration	\$ 2,783,117	\$ 2,920,760	\$ 2,688,534	\$ 232,226
Public safety:				
Law enforcement and traffic control:				
Police department	\$ 6,127,483	\$ 6,225,942	\$ 6,187,506	\$ 38,436
Law enforcement grants	-	176,143	78,221	97,922
Total law enforcement and traffic control	\$ 6,127,483	\$ 6,402,085	\$ 6,265,727	\$ 136,358
Fire and rescue services:				
Volunteer fire departments	\$ 275,576	\$ 629,326	\$ 262,750	\$ 366,576
Volunteer emergency crew	10,100	10,100	5,404	4,696
LOSAP volunteers	141,000	141,000	141,000	-
SAFER Grant	599,821	600,216	520,789	79,427
Fire and rescue service	3,606,126	3,813,832	3,825,628	(11,796)
Total fire and rescue services	\$ 4,632,623	\$ 5,194,474	\$ 4,755,571	\$ 438,903
Correction and detention:				
Confinement and care of prisoners	\$ 2,511,807	\$ 2,511,807	\$ 2,567,106	\$ (55,299)
Juvenile services - VJCCCA	89,511	89,511	83,329	6,182
Court services	4,500	38,548	37,867	681
Total correction and detention	\$ 2,605,818	\$ 2,639,866	\$ 2,688,302	\$ (48,436)
Inspections:				
Building	\$ 945,130	\$ 947,130	\$ 926,345	\$ 20,785
Other protection:				
Animal control	\$ 507,418	\$ 507,418	\$ 440,581	\$ 66,837
Emergency services	1,539,545	1,582,984	1,490,077	92,907
Total other protection	\$ 2,046,963	\$ 2,090,402	\$ 1,930,658	\$ 159,744
Total public safety	\$ 16,358,017	\$ 17,273,957	\$ 16,566,603	\$ 707,354

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES: (Continued)</b>				
Public works:				
Sanitation and waste removal:				
Refuse disposal	\$ 62,162	\$ 69,623	\$ 71,025	\$ (1,402)
Total sanitation and waste removal	\$ 62,162	\$ 69,623	\$ 71,025	\$ (1,402)
Maintenance of general buildings and grounds:				
General properties	\$ 2,275,473	\$ 2,356,836	\$ 2,172,314	\$ 184,522
Engineering	3,000	3,000	2,799	201
Total maintenance of general buildings and grounds	\$ 2,278,473	\$ 2,359,836	\$ 2,175,113	\$ 184,723
Total public works	\$ 2,340,635	\$ 2,429,459	\$ 2,246,138	\$ 183,321
Health and welfare:				
Health:				
Supplement of local health department	\$ 222,377	\$ 222,377	\$ 210,377	\$ 12,000
Mental health and mental retardation:				
District 19 CSB	\$ 117,374	\$ 117,374	\$ 117,374	\$ -
Welfare:				
Public assistance and welfare administration	\$ 2,840,908	\$ 2,854,119	\$ 2,833,061	\$ 21,058
Comprehensive services	2,020,300	2,440,216	2,233,752	206,464
Tax Relief for the Elderly & Disabled	155,000	155,000	144,711	10,289
Total welfare	\$ 5,016,208	\$ 5,449,335	\$ 5,211,524	\$ 237,811
Total health and welfare	\$ 5,355,959	\$ 5,789,086	\$ 5,539,275	\$ 249,811
Education:				
Other instructional costs:				
Contribution to School Board Component Unit	\$ 16,121,835	\$ 16,168,874	\$ 14,620,560	\$ 1,548,314
Total education	\$ 16,121,835	\$ 16,168,874	\$ 14,620,560	\$ 1,548,314
Parks, recreation, and cultural:				
Parks and recreation:				
Parks and recreation department	\$ 999,375	\$ 1,048,120	\$ 926,754	\$ 121,366
Farmer's market	11,709	15,615	14,592	1,023

General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021 (Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES: (Continued)</b>				
Parks, recreation, and cultural: (Continued)				
Library:				
Contribution to regional library	\$ 604,127	\$ 604,127	\$ 604,127	\$ -
Total parks, recreation, and cultural	\$ 1,615,211	\$ 1,667,862	\$ 1,545,473	\$ 122,389
Community development:				
Planning and community development:				
Planning department	\$ 293,253	\$ 293,253	\$ 285,063	\$ 8,190
Total planning and community development	\$ 293,253	\$ 293,253	\$ 285,063	\$ 8,190
Environmental management:				
Contribution to soil and water conservation district	\$ 21,000	\$ 21,000	\$ 21,000	\$ -
Resource conservation and development council	3,000	3,000	3,000	-
Total environmental management	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Cooperative extension program:				
Extension office	\$ 83,550	\$ 83,550	\$ 63,692	\$ 19,858
Total community development	\$ 400,803	\$ 400,803	\$ 372,755	\$ 28,048
Total expenditures	\$ 50,694,758	\$ 52,604,056	\$ 49,156,182	\$ 3,447,874
Excess (deficiency) of revenues over (under) expenditures	\$ 9,009,658	\$ 8,128,863	\$ 15,393,692	\$ 7,264,829
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	\$ (9,010,698)	\$ (10,436,147)	\$ (10,319,178)	\$ 116,969
Total other financing sources (uses)	\$ (9,010,698)	\$ (10,436,147)	\$ (10,319,178)	\$ 116,969
Net change in fund balances	\$ (1,040)	\$ (2,307,284)	\$ 5,074,514	\$ 7,381,798
Fund balances - beginning	1,040	2,307,284	28,328,773	26,021,489
Fund balances - ending	\$ -	\$ -	\$ 33,403,287	\$ 33,403,287

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total pension liability</b>				
Service cost	\$ 1,935,381	\$ 1,719,670	\$ 1,687,722	\$ 1,724,984
Interest	4,477,182	4,349,151	4,188,791	4,120,883
Changes of assumptions	-	1,933,171	-	(81)
Differences between expected and actual experience	632,605	(731,696)	(443,473)	(1,906,805)
Benefit payments, including refunds of employee contributions	(3,105,373)	(3,039,430)	(3,244,955)	(2,692,781)
<b>Net change in total pension liability</b>	<u>\$ 3,939,795</u>	<u>\$ 4,230,866</u>	<u>\$ 2,188,085</u>	<u>\$ 1,246,200</u>
<b>Total pension liability - beginning</b>	<u>67,881,303</u>	<u>63,650,437</u>	<u>61,462,352</u>	<u>60,216,152</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 71,821,098</u>	<u>\$ 67,881,303</u>	<u>\$ 63,650,437</u>	<u>\$ 61,462,352</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 2,034,732	\$ 1,902,865	\$ 1,775,463	\$ 1,785,303
Contributions - employee	691,737	649,145	617,252	613,996
Net investment income	1,069,758	3,574,949	3,734,158	5,541,986
Benefit payments, including refunds of employee contributions	(3,105,373)	(3,039,430)	(3,244,955)	(2,692,781)
Administrative expense	(36,371)	(34,946)	(32,283)	(31,674)
Other	(1,290)	(2,257)	(3,320)	(4,950)
<b>Net change in plan fiduciary net position</b>	<u>\$ 653,193</u>	<u>\$ 3,050,326</u>	<u>\$ 2,846,315</u>	<u>\$ 5,211,880</u>
<b>Plan fiduciary net position - beginning</b>	<u>56,546,632</u>	<u>53,496,306</u>	<u>50,649,991</u>	<u>45,438,111</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 57,199,825</u>	<u>\$ 56,546,632</u>	<u>\$ 53,496,306</u>	<u>\$ 50,649,991</u>
<b>County's net pension liability - ending (a) - (b)</b>	\$ 14,621,273	\$ 11,334,671	\$ 10,154,131	\$ 10,812,361
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	79.64%	83.30%	84.05%	82.41%
<b>Covered payroll</b>	\$ 14,273,382	\$ 13,288,929	\$ 12,417,476	\$ 12,437,319
<b>County's net pension liability as a percentage of covered payroll</b>	102.44%	85.29%	81.77%	86.93%

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

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans

Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2020

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

Schedule of Components of and Changes in Net Pension Liability and Related Ratios - Pension Plans

Component Unit School Board (nonprofessional)

For the Measurement Dates of June 30, 2014 through June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total pension liability</b>				
Service cost	\$ 417,680	\$ 353,840	\$ 377,036	\$ 406,040
Interest	1,259,700	1,252,121	1,234,247	1,219,527
Changes of assumptions	-	456,178	-	(206,348)
Differences between expected and actual experience	(79,409)	(47,828)	(292,564)	(192,234)
Benefit payments	(1,430,714)	(1,048,362)	(1,078,384)	(955,012)
<b>Net change in total pension liability</b>	<u>\$ 167,257</u>	<u>\$ 965,949</u>	<u>\$ 240,335</u>	<u>\$ 271,973</u>
<b>Total pension liability - beginning</b>	<u>19,377,572</u>	<u>18,411,623</u>	<u>18,171,288</u>	<u>17,899,315</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 19,544,829</u></u>	<u><u>\$ 19,377,572</u></u>	<u><u>\$ 18,411,623</u></u>	<u><u>\$ 18,171,288</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 348,886	\$ 319,251	\$ 331,061	\$ 355,732
Contributions - employee	224,879	205,319	177,826	190,544
Net investment income	333,023	1,125,599	1,209,522	1,822,949
Benefit payments	(1,430,714)	(1,048,362)	(1,078,384)	(955,012)
Administrator charges	(11,736)	(11,400)	(10,683)	(10,692)
Other	(388)	(709)	(1,066)	(1,617)
<b>Net change in plan fiduciary net position</b>	<u>\$ (536,050)</u>	<u>\$ 589,698</u>	<u>\$ 628,276</u>	<u>\$ 1,401,904</u>
<b>Plan fiduciary net position - beginning</b>	<u>17,763,843</u>	<u>17,174,145</u>	<u>16,545,869</u>	<u>15,143,965</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 17,227,793</u></u>	<u><u>\$ 17,763,843</u></u>	<u><u>\$ 17,174,145</u></u>	<u><u>\$ 16,545,869</u></u>
<b>School subdivision's net pension liability - ending (a) - (b)</b>	\$ 2,317,036	\$ 1,613,729	\$ 1,237,478	\$ 1,625,419
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	88.15%	91.67%	93.28%	91.06%
<b>Covered payroll</b>	\$ 4,862,382	\$ 4,338,783	\$ 3,836,815	\$ 3,935,335
<b>School subdivision's net pension liability as a percentage of covered payroll</b>	47.65%	37.19%	32.25%	41.30%

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

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

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



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.39540%	0.39127%	0.40418%	0.41019%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 57,536,718	\$ 51,493,355	\$ 47,531,000	\$ 50,445,000
Employer's Covered Payroll	34,406,830	32,824,265	35,074,106	32,307,287
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	167.22%	156.88%	135.52%	156.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%	74.81%	72.92%

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

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

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

Schedule of Employer Contributions - Pension Plans  
 Years Ended June 30, 2012 through June 30, 2021

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
<b>County:</b>					
2021	\$ 2,051,146	\$ 2,051,146	\$ -	\$ 14,112,573	14.53%
2020	2,036,997	2,036,997	-	14,273,382	14.27%
2019	1,905,449	1,905,449	-	13,288,929	14.34%
2018	1,775,595	1,775,595	-	12,417,476	14.30%
2017	1,782,156	1,782,156	-	12,437,319	14.33%
2016	1,825,702	1,825,702	-	12,301,757	14.84%
2015	1,912,013	1,912,013	-	12,155,198	15.73%
2014	1,913,608	1,913,608	-	11,848,964	16.15%
2013	1,743,353	1,743,353	-	10,794,754	16.15%
2012	1,505,652	1,505,652	-	10,974,136	13.72%
<b>School Board - Non-Professionals:</b>					
2021	\$ 323,364	\$ 323,364	\$ -	\$ 4,799,615	6.74%
2020	353,871	353,871	-	4,862,382	7.28%
2019	322,212	322,212	-	4,338,783	7.43%
2018	331,058	331,058	-	3,836,815	8.63%
2017	363,984	363,984	-	3,935,335	9.25%
2016	434,571	434,571	-	3,885,016	11.19%
2015	443,713	443,713	-	3,930,143	11.29%
2014	448,541	448,541	-	4,107,517	10.92%
2013	421,769	421,769	-	3,862,356	10.92%
2012	381,178	381,178	-	4,125,302	9.24%
<b>School Board - Professionals:</b>					
2021	\$ 5,485,844	\$ 5,485,844	\$ -	\$ 34,118,863	16.08%
2020	5,253,823	5,253,823	-	34,406,830	15.27%
2019	5,031,204	5,031,204	-	32,824,265	15.33%
2018	5,095,114	5,095,114	-	35,074,106	14.53%
2017	4,687,068	4,687,068	-	32,307,287	14.51%
2016	4,516,837	4,516,837	-	32,125,441	14.06%
2015	4,323,112	4,323,112	-	26,635,819	16.23%

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

Notes to Required Supplementary Information - Pension Plans  
 For the Year Ended June 30, 2021

**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, 2018 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Component Unit School Board - Professional Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Changes in Net Pension Liability and Related Ratios  
 Pension Trust Fund  
 For the Years Ended June 30, 2018 through June 30, 2021

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

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

Schedule of Employer Contributions  
 Pension Trust Fund  
 For the Years Ended June 30, 2014 through June 30, 2021

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

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

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of June 30, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar on a closed amortization period
Remaining amortization period	10 years
Inflation	3.00%
Investment rate of return	3.75%

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, 2020

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

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

Schedule of Employer Contributions  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Years Ended June 30, 2017 through June 30, 2021

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

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



Notes to Required Supplementary Information  
 Teacher Employee Health Insurance Credit (HIC) Plan  
 For the Year Ended June 30, 2021

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**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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of County and School Board's Share of Net OPEB Liability  
 Group Life Insurance (GLI) Program  
 For the Measurement Dates of June 30, 2017 through June 30, 2020

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

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

Schedule of Employer Contributions  
 Group Life Insurance (GLI) Program  
 For the Years Ended June 30, 2017 through June 30, 2021

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

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

Notes to Required Supplementary Information  
 Group Life Insurance (GLI) Plan  
 For the Year Ended June 30, 2021

**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, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

**Non-Largest Ten Locality Employers - General Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

**Non-Largest Ten Locality Employers - Hazardous Duty Employees**

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Primary Government  
 For the Measurement Dates of June 30, 2018 through June 30, 2021

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

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

Notes to Required Supplementary Information - County OPEB  
 For the Year Ended June 30, 2021

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92% as of June 30, 2021
Inflation	2.50% per year as of January 1, 2021
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.25% in 2021 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010G.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA18. The disability and termination rates have been updated to those used in the most recent VRS OPEB valuation.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios  
 Component Unit - School Board  
 For the Measurement Dates of June 30, 2018 through June 30, 2021

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

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

Notes to Required Supplementary Information - School Board OPEB  
 For the Year Ended June 30, 2021

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

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

*Methods and assumptions used to determine OPEB liability:*

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	1.92% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.50% in 2021 and gradually declines to 4.25%
Salary Increase Rates	The salary increase rate is 2.50% annually
Retirement Age	The average age at retirement is 62
Mortality Rates	Mortality rates for general employees were PUB2010G.H. For those on disability, PUB2010G.H Disabled for males/females with generational improvements with Scale SSA18. The disability and termination rates have been updated to those used in the most recent VRS OPEB valuation.



## **Other Supplementary Information**

County Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Revenue from local sources:				
Revenue from the use of money and property	\$ 1,282,402	\$ 1,282,402	\$ 47,584	\$ (1,234,818)
Miscellaneous	43,726	104,866	106,215	1,349
Intergovernmental:				
Commonwealth	555,480	555,480	-	(555,480)
Total revenues	\$ 1,881,608	\$ 1,942,748	\$ 153,799	\$ (1,788,949)
<b>EXPENDITURES</b>				
Current:				
General government administration				
Courthouse renovations	\$ 5,957	\$ 5,957	\$ -	\$ 5,957
Assessor software	39,215	39,215	29,200	10,015
Garage renovation	-	152,100	32,880	119,220
Burn building	414,453	414,453	720	413,733
IT server room HVAC	27,330	27,330	27,330	-
Human services cooling tower and pump	265	265	-	265
Koolwood lane improvements	48,636	48,636	-	48,636
Miscellaneous outlays / projects	124,360	124,360	-	124,360
Total general government administration	\$ 660,216	\$ 812,316	\$ 90,130	\$ 722,186
Public safety				
Police vehicles	\$ 313,025	\$ 545,025	\$ 506,851	\$ 38,174
Body cameras	5,991	5,991	-	5,991
Fire entrance security	62,965	62,965	62,965	-
Fire / EMS apparatus and equipment	623,674	623,674	249,184	374,490
Zoll monitors	249,813	249,813	249,813	-
SCBA fire and rescue	1,072,505	1,072,505	1,072,505	-
Fire / EMS vehicle replacement	45,000	45,000	35,553	9,447
Crew building electrical upgrades	37,892	37,892	-	37,892
Other public safety projects	3,149,049	3,111,157	-	3,111,157
Jefferson Park fire station	3,168,050	19,001	19,001	-
Building inspector software	3,493	3,493	-	3,493
Radio project	12,073,226	12,471,226	383,427	12,087,799
Total public safety	\$ 20,804,683	\$ 18,247,742	\$ 2,579,299	\$ 15,668,443
Public works				
Utility route 156 water extension	\$ 2,419,717	\$ 2,743,293	\$ 1,017,909	\$ 1,725,384
Utility Food Lion water upgrades	1,995,927	2,086,198	840,353	1,245,845
Total public works	\$ 4,415,644	\$ 4,829,491	\$ 1,858,262	\$ 2,971,229
Parks, recreation, and cultural:				
Central Wellness Center	\$ 46,128	\$ 46,128	\$ -	\$ 46,128
Community center parking lot	1,392	1,392	-	1,392
Parks vehicle replacement	91,000	91,000	95,520	(4,520)
Tennis and basketball courts	1,350	1,350	-	1,350
CDCC vehicle replacement	32,000	32,000	30,396	1,604
CDCC software replacements	15,542	15,542	18,560	(3,018)
Scott Park	216,784	251,331	251,331	-
Total parks, recreation and cultural	\$ 404,196	\$ 438,743	\$ 395,807	\$ 42,936

County Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
<b>Education:</b>				
School bus replacement	\$ 8,700	\$ 424,576	\$ 409,344	\$ 15,232
CDW building upgrades	1,702,843	1,778,323	1,463,692	314,631
PGHS generator	179,220	179,220	-	179,220
School wireless	736	639	639	-
School technology	328,000	328,000	302,562	25,438
School chiller	500,000	500,000	374,500	125,500
Harrison roof	34,316	34,316	-	34,316
Electrical switch gears	12,975	12,975	12,428	547
Fire alarm replacement	50,000	50,000	-	50,000
School entrance redesign	32,195	32,195	32,195	-
Moore water improvements	17,886	17,886	15,705	2,181
Parking lot repairs	27,499	27,499	13,100	14,399
Trailer rental and purchase	4,186	2,551	2,551	-
Bleacher replacement	310,000	310,000	4,600	305,400
Walton Elementary improvements	698,995	33,958,995	3,008,811	30,950,184
Walton HVAC improvements	209,210	210,942	209,209	1,733
School security improvements	22,109	22,109	22,109	-
Total education	\$ 4,138,870	\$ 37,890,226	\$ 5,871,445	\$ 32,018,781
<b>Debt service:</b>				
Bond issuance cost	\$ 60,128	\$ 60,128	\$ -	\$ 60,128
Bond arbitrage fees	-	-	9,609	(9,609)
Total community development	\$ 60,128	\$ 60,128	\$ 9,609	\$ 50,519
Total expenditures	\$ 30,483,737	\$ 62,278,646	\$ 10,804,552	\$ 51,474,094
Excess (deficiency) of revenues over (under) expenditures	\$ (28,602,129)	\$ (60,335,898)	\$ (10,650,753)	\$ 49,685,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	\$ -	\$ 2,454,161	\$ 2,529,894	\$ 75,733
Issuance of debt	-	34,799,921	30,010,000	(4,789,921)
Premiums on debt issued	-	-	2,101,116	2,101,116
Transfers (out)	(78,007)	(93,007)	(93,007)	-
Total other financing sources (uses)	\$ (78,007)	\$ 37,161,075	\$ 34,548,003	\$ (2,613,072)
Net change in fund balances	\$ (28,680,136)	\$ (23,174,823)	\$ 23,897,250	\$ 47,072,073
Fund balances - beginning	28,680,136	23,174,823	24,555,570	1,380,747
Fund balances - ending	\$ -	\$ -	\$ 48,452,820	\$ 48,452,820

County Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 12,637	\$ 12,637
Total revenues	\$ -	\$ -	\$ 12,637	\$ 12,637
<b>EXPENDITURES</b>				
Debt Service - School Obligations:				
Principal retirement	\$ 3,374,710	\$ 3,374,710	\$ 1,866,483	\$ 1,508,227
Interest and other fiscal charges	263,724	263,724	174,374	89,350
Total debt service school obligations	\$ 3,638,434	\$ 3,638,434	\$ 2,040,857	\$ 1,597,577
Debt Service - County Obligations:				
Principal retirement	\$ 4,760,642	\$ 4,760,642	\$ 981,762	\$ 3,778,880
Interest and other fiscal charges	1,175,998	1,190,998	757,207	433,791
Total debt service county obligations	\$ 5,936,640	\$ 5,951,640	\$ 1,738,969	\$ 4,212,671
Total expenditures:				
Principal retirement	\$ 8,135,352	\$ 8,135,352	\$ 2,848,245	\$ 5,287,107
Interest and other fiscal charges	1,439,722	1,454,722	931,581	523,141
Total expenditures	\$ 9,575,074	\$ 9,590,074	\$ 3,779,826	\$ 5,810,248
Excess (deficiency) of revenues over (under) expenditures	\$ (9,575,074)	\$ (9,590,074)	\$ (3,767,189)	\$ 5,822,885
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 9,575,074	\$ 9,590,074	\$ 9,160,917	\$ (429,157)
Issuance of refunding bonds	-	-	35,085,000	35,085,000
Premiums on refunded bonds	-	-	6,686,849	6,686,849
Bond issuance costs	-	-	(351,514)	(351,514)
Payment to refunding bond escrow agent	-	-	(45,632,827)	(45,632,827)
Total other financing sources (uses)	\$ 9,575,074	\$ 9,590,074	\$ 4,948,425	\$ (4,641,649)
Net change in fund balances	\$ -	\$ -	\$ 1,181,236	\$ 1,181,236
Fund balances - beginning	-	-	86,324	86,324
Fund balances - ending	\$ -	\$ -	\$ 1,267,560	\$ 1,267,560

County CARES CRF Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ -	\$ 6,528,856	\$ 6,528,856	\$ -
Total revenues	\$ -	\$ 6,528,856	\$ 6,528,856	\$ -
<b>EXPENDITURES</b>				
General government administration	\$ -	\$ 237,735	\$ 237,735	\$ -
Judicial administration	-	508	508	-
Public safety	-	3,512,483	3,512,483	-
Public works	-	95,191	95,191	-
Health and welfare	-	577,871	577,871	-
Education	-	2,103,254	2,103,254	-
Parks, recreation, and cultural	-	151	151	-
Community development	-	1,663	1,663	-
Total expenditures	\$ -	\$ 6,528,856	\$ 6,528,856	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 At June 30, 2021

	<b>Community Corrections Fund</b>	<b>Economic Development Fund</b>	<b>Asset Forfeiture Fund</b>	<b>Stormwater Fund</b>	<b>Tourism Fund</b>	<b>ARPA Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 310,903	\$ 746,980	\$ 163,331	\$ 2,269,579	\$ 302,057	\$ -	\$ 3,792,850
Receivables (net of allowance for uncollectibles):							
Accounts receivable	-	286,778	-	5,690	64,851	-	357,319
Due from other government	12,224	-	-	-	-	45,998	58,222
Total assets	<u>\$ 323,127</u>	<u>\$ 1,033,758</u>	<u>\$ 163,331</u>	<u>\$ 2,275,269</u>	<u>\$ 366,908</u>	<u>\$ 45,998</u>	<u>\$ 4,208,391</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 14,239	\$ 8,553	\$ 81	\$ 234	\$ 42,894	\$ -	\$ 66,001
Reconciled overdraft	-	-	-	-	-	45,998	45,998
Deferred revenue	-	-	105,186	-	-	-	105,186
Accrued expenses	2,713	-	-	-	-	-	2,713
Total liabilities	<u>\$ 16,952</u>	<u>\$ 8,553</u>	<u>\$ 105,267</u>	<u>\$ 234</u>	<u>\$ 42,894</u>	<u>\$ 45,998</u>	<u>\$ 219,898</u>
<b>FUND BALANCES</b>							
Assigned:							
Special revenue	\$ 306,175	\$ 1,025,205	\$ 58,064	\$ 2,275,035	\$ 324,014	\$ -	\$ 3,988,493
Total fund balances	<u>\$ 306,175</u>	<u>\$ 1,025,205</u>	<u>\$ 58,064</u>	<u>\$ 2,275,035</u>	<u>\$ 324,014</u>	<u>\$ -</u>	<u>\$ 3,988,493</u>
Total liabilities and fund balances	<u>\$ 323,127</u>	<u>\$ 1,033,758</u>	<u>\$ 163,331</u>	<u>\$ 2,275,269</u>	<u>\$ 366,908</u>	<u>\$ 45,998</u>	<u>\$ 4,208,391</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2021

	Community Corrections Fund	Economic Development Fund	Asset Forfeiture Fund	Stormwater Fund	Tourism Fund	ARPA Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Other local taxes	\$ -	\$ 1,398,937	\$ -	\$ 473,233	\$ 645,794	\$ -	\$ 2,517,964
Revenue from the use of money and property	-	-	-	914	-	-	914
Charges for services	39,859	-	-	-	-	-	39,859
Miscellaneous	-	-	-	-	-	-	-
Recovered costs	94,503	-	-	-	-	-	94,503
Intergovernmental:							
Commonwealth	724,212	-	6,155	-	-	-	730,367
Federal	-	-	-	-	-	45,998	45,998
Total revenues	<u>\$ 858,574</u>	<u>\$ 1,398,937</u>	<u>\$ 6,155</u>	<u>\$ 474,147</u>	<u>\$ 645,794</u>	<u>\$ 45,998</u>	<u>\$ 3,429,605</u>
<b>EXPENDITURES</b>							
Current:							
Public safety	\$ 1,014,046	\$ -	\$ 9,115	\$ -	\$ -	\$ 45,998	\$ 1,069,159
Public works	-	-	-	277,748	-	-	277,748
Community Development	-	800,495	-	-	261,591	-	1,062,086
Total expenditures	<u>\$ 1,014,046</u>	<u>\$ 800,495</u>	<u>\$ 9,115</u>	<u>\$ 277,748</u>	<u>\$ 261,591</u>	<u>\$ 45,998</u>	<u>\$ 2,408,993</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (155,472)</u>	<u>\$ 598,442</u>	<u>\$ (2,960)</u>	<u>\$ 196,399</u>	<u>\$ 384,203</u>	<u>\$ -</u>	<u>\$ 1,020,612</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	\$ 62,986	\$ 10,172	\$ -	\$ -	\$ -	\$ -	\$ 73,158
Transfers (out)	-	(486,119)	-	(451,818)	(149,315)	-	(1,087,252)
Total other financing sources (uses)	<u>\$ 62,986</u>	<u>\$ (475,947)</u>	<u>\$ -</u>	<u>\$ (451,818)</u>	<u>\$ (149,315)</u>	<u>\$ -</u>	<u>\$ (1,014,094)</u>
Net change in fund balances	\$ (92,486)	\$ 122,495	\$ (2,960)	\$ (255,419)	\$ 234,888	\$ -	\$ 6,518
Fund balances - beginning	398,661	902,710	61,024	2,530,454	89,126	-	3,981,975
Fund balances - ending	<u>\$ 306,175</u>	<u>\$ 1,025,205</u>	<u>\$ 58,064</u>	<u>\$ 2,275,035</u>	<u>\$ 324,014</u>	<u>\$ -</u>	<u>\$ 3,988,493</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021

	Community Corrections Fund				Economic Development Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Other local taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,040,000	\$ 1,040,000	\$ 1,398,937	\$ 358,937
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	26,500	38,493	39,859	1,366	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	111,430	107,356	94,503	(12,853)	-	-	-	-
Intergovernmental:								
Commonwealth	781,777	751,803	724,212	(27,591)	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ 919,707	\$ 897,652	\$ 858,574	\$ (39,078)	\$ 1,040,000	\$ 1,040,000	\$ 1,398,937	\$ 358,937
<b>EXPENDITURES</b>								
Current:								
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other public safety	-	-	-	-	-	-	-	-
Correction and detention:								
Local Community Corrections	1,082,693	1,134,865	1,014,046	120,819	-	-	-	-
Total public safety	\$ 1,082,693	\$ 1,134,865	\$ 1,014,046	\$ 120,819	\$ -	\$ -	\$ -	\$ -
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development:								
Planning and community development:								
Tourism initiatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	553,881	864,053	800,495	63,558
Total community development	\$ -	\$ -	\$ -	\$ -	\$ 553,881	\$ 864,053	\$ 800,495	\$ 63,558
Total expenditures	\$ 1,082,693	\$ 1,134,865	\$ 1,014,046	\$ 120,819	\$ 553,881	\$ 864,053	\$ 800,495	\$ 63,558
Excess (deficiency) of revenues over (under) expenditures	\$ (162,986)	\$ (237,213)	\$ (155,472)	\$ 81,741	\$ 486,119	\$ 175,947	\$ 598,442	\$ 422,495
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ 62,986	\$ 62,986	\$ 62,986	\$ -	\$ -	\$ 10,172	\$ 10,172	\$ -
Transfers (out)	-	-	-	-	(486,119)	(486,119)	(486,119)	-
Total other financing sources (uses)	\$ 62,986	\$ 62,986	\$ 62,986	\$ -	\$ (486,119)	\$ (475,947)	\$ (475,947)	\$ -
Net change in fund balances	\$ (100,000)	\$ (174,227)	\$ (92,486)	\$ 81,741	\$ -	\$ (300,000)	\$ 122,495	\$ 422,495
Fund balances - beginning	100,000	174,227	398,661	224,434	-	300,000	902,710	602,710
Fund balances - ending	\$ -	\$ -	\$ 306,175	\$ 306,175	\$ -	\$ -	\$ 1,025,205	\$ 1,025,205



Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021

	Asset Forfeiture Fund				Stormwater Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Other local taxes	\$ -	\$ -	\$ -	\$ -	490,000	490,000	473,233	\$ (16,767)
Revenue from the use of money and property	-	-	-	-	-	-	914	914
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	6,155	6,155	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-
Total revenues	\$ -	\$ 6,155	\$ 6,155	\$ -	\$ 490,000	\$ 490,000	\$ 474,147	\$ (15,853)
<b>EXPENDITURES</b>								
Current:								
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ 67,163	\$ 9,115	\$ 58,048	\$ -	\$ -	\$ -	\$ -
Other public safety	-	-	-	-	-	-	-	-
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	\$ -	\$ 67,163	\$ 9,115	\$ 58,048	\$ -	\$ -	\$ -	\$ -
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ 38,182	\$ 2,138,273	\$ 277,748	\$ 1,860,525
Community Development:								
Planning and community development:								
Tourism initiatives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ 67,163	\$ 9,115	\$ 58,048	\$ 38,182	\$ 2,138,273	\$ 277,748	\$ 1,860,525
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (61,008)	\$ (2,960)	\$ 58,048	\$ 451,818	\$ (1,648,273)	\$ 196,399	\$ 1,844,672
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-	(451,818)	(451,818)	(451,818)	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ (451,818)	\$ (451,818)	\$ (451,818)	\$ -
Net change in fund balances	\$ -	\$ (61,008)	\$ (2,960)	\$ 58,048	\$ -	\$ (2,100,091)	\$ (255,419)	\$ 1,844,672
Fund balances - beginning	-	61,008	61,024	16	-	2,100,091	2,530,454	430,363
Fund balances - ending	\$ -	\$ -	\$ 58,064	\$ 58,064	\$ -	\$ -	\$ 2,275,035	\$ 2,275,035

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021

	Tourism Fund				ARPA Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Other local taxes	\$ 271,319	\$ 452,198	\$ 645,794	\$ 193,596	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Recovered costs	-	-	-	-	-	-	-	-
Intergovernmental:								
Commonwealth	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	3,724,810	45,998	(3,678,812)
Total revenues	\$ 271,319	\$ 452,198	\$ 645,794	\$ 193,596	\$ -	\$ 3,724,810	\$ 45,998	\$ (3,678,812)
<b>EXPENDITURES</b>								
Current:								
Public Safety:								
Law enforcement and traffic control:								
Drug enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other public safety	-	-	-	-	-	3,724,810	45,998	3,678,812
Correction and detention:								
Local Community Corrections	-	-	-	-	-	-	-	-
Total public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,724,810	\$ 45,998	\$ 3,678,812
Public Works:								
Stormwater services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Community Development:								
Planning and community development:								
Tourism initiatives	\$ 122,004	\$ 324,240	\$ 261,591	\$ 62,649	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-	-	-
Total community development	\$ 122,004	\$ 324,240	\$ 261,591	\$ 62,649	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ 122,004	\$ 324,240	\$ 261,591	\$ 62,649	\$ -	\$ 3,724,810	\$ 45,998	\$ 3,678,812
Excess (deficiency) of revenues over (under) expenditures	\$ 149,315	\$ 127,958	\$ 384,203	\$ 256,245	\$ -	\$ -	\$ -	\$ -
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	(149,315)	(149,315)	(149,315)	-	-	-	-	-
Total other financing sources (uses)	\$ (149,315)	\$ (149,315)	\$ (149,315)	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ (21,357)	\$ 234,888	\$ 256,245	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	21,357	89,126	67,769	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 324,014	\$ 324,014	\$ -	\$ -	\$ -	\$ -

Combining Statement of Fiduciary Net Position  
 Custodial Funds  
 At June 30, 2021

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	<u>Special Welfare Fund</u>	<u>Performance Bond Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 13,295	\$ 65,427	\$ 78,722
Total assets	<u>\$ 13,295</u>	<u>\$ 65,427</u>	<u>\$ 78,722</u>
<b>LIABILITIES</b>			
Deferred revenue	\$ 9,032	\$ -	\$ 9,032
Total liabilities	<u>\$ 9,032</u>	<u>\$ -</u>	<u>\$ 9,032</u>
<b>NET POSITION</b>			
Restricted for:			
Performance bond recipients	\$	\$ 65,427	\$ 65,427
Social services clients	<u>4,263</u>	<u>-</u>	<u>4,263</u>
Total net position	<u>\$ 4,263</u>	<u>\$ 65,427</u>	<u>\$ 69,690</u>

Combining Statement of Changes in Fiduciary Net Position  
 Custodial Funds  
 Year Ended June 30, 2021

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	<u>Special Welfare Fund</u>	<u>Performance Bond Fund</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Contributions			
Private contributions	\$ 11,048	\$ -	\$ 11,048
Total Additions	<u>\$ 11,048</u>	<u>\$ -</u>	<u>\$ 11,048</u>
<b>DEDUCTIONS:</b>			
Recipient payments	\$ 8,639	\$ 30,634	\$ 39,273
Total Deductions	<u>\$ 8,639</u>	<u>\$ 30,634</u>	<u>\$ 39,273</u>
Net increase (decrease) in fiduciary net position	\$ 2,409	\$ (30,634)	\$ (28,225)
Net position, beginning, as restated	<u>1,854</u>	<u>96,061</u>	<u>97,915</u>
Net position, ending	<u><u>\$ 4,263</u></u>	<u><u>\$ 65,427</u></u>	<u><u>\$ 69,690</u></u>

**Discretely Presented Component Unit – School Board**



Combining Balance Sheet  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 At June 30, 2021

	Major Fund		NonMajor Funds			Total Governmental Funds
	School Operating Fund	School Cafeteria Fund	Adult Basic Education Fund	Textbook Fund	School Activity Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,597,200	\$ 763,531	\$ 205,154	\$ 28,903	\$ 695,216	\$ 7,290,004
Receivables (net of allowance for uncollectibles):						
Accounts receivable	3,144	-	-	-	-	3,144
Due from other governmental units	1,562,483	157,326	72,343	-	-	1,792,152
Total assets	<u>\$ 7,162,827</u>	<u>\$ 920,857</u>	<u>\$ 277,497</u>	<u>\$ 28,903</u>	<u>\$ 695,216</u>	<u>\$ 9,085,300</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 492,775	\$ 1,108	\$ 421	\$ 19,869	\$ -	\$ 514,173
Accrued liabilities	6,669,852	195,559	-	-	-	6,865,411
Total liabilities	<u>\$ 7,162,627</u>	<u>\$ 196,667</u>	<u>\$ 421</u>	<u>\$ 19,869</u>	<u>\$ -</u>	<u>\$ 7,379,584</u>
<b>FUND BALANCES</b>						
Assigned	\$ -	\$ 724,190	\$ 277,076	\$ 9,034	\$ 695,216	\$ 1,705,516
Unassigned	200	-	-	-	-	200
Total fund balances	<u>\$ 200</u>	<u>\$ 724,190</u>	<u>\$ 277,076</u>	<u>\$ 9,034</u>	<u>\$ 695,216</u>	<u>\$ 1,705,716</u>
Total liabilities and fund balances	<u>\$ 7,162,827</u>	<u>\$ 920,857</u>	<u>\$ 277,497</u>	<u>\$ 28,903</u>	<u>\$ 695,216</u>	<u>\$ 9,085,300</u>

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

Total fund balances per above		\$ 1,705,716
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		43,513,563
Deferred outflows of resources are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$ 15,183,463	
OPEB related items	<u>1,898,304</u>	17,081,767
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	\$ (329,847)	
Net pension liability	(59,853,754)	
Net OPEB liabilities	<u>(13,263,712)</u>	(73,447,313)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$ (5,274,054)	
OPEB related items	<u>(3,083,108)</u>	(8,357,162)
Net position of governmental activities		<u>\$ (19,503,429)</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2021

	Major Fund		Nonmajor Funds			Total Governmental Funds
	School Operating Fund	School Cafeteria Fund	Adult Basic Education Fund	Textbook Fund	School Activity Funds	
<b>REVENUES</b>						
Charges for services	\$ 24,580	\$ 106,592	\$ 70,215	\$ -	\$ -	\$ 201,387
Miscellaneous	70,112	-	-	-	501,602	571,714
Recovered costs	185,391	-	-	-	-	185,391
Intergovernmental:						
County contribution to school board	14,457,175	-	-	163,385	-	14,620,560
Commonwealth	45,446,157	49,531	236,324	479,895	-	46,211,907
Federal	9,055,429	2,390,476	369,872	-	-	11,815,777
Total revenues	<u>\$ 69,238,844</u>	<u>\$ 2,546,599</u>	<u>\$ 676,411</u>	<u>\$ 643,280</u>	<u>\$ 501,602</u>	<u>\$ 73,606,736</u>
<b>EXPENDITURES</b>						
Current:						
Education	\$ 69,238,844	\$ 2,789,085	\$ 680,393	\$ 981,368	\$ 515,374	\$ 74,205,064
Total expenditures	<u>\$ 69,238,844</u>	<u>\$ 2,789,085</u>	<u>\$ 680,393</u>	<u>\$ 981,368</u>	<u>\$ 515,374</u>	<u>\$ 74,205,064</u>
Net change in fund balances	\$ -	\$ (242,486)	\$ (3,982)	\$ (338,088)	\$ (13,772)	\$ (598,328)
Fund balances - beginning, as restated	200	966,676	281,058	347,122	708,988	2,304,044
Fund balances - ending	<u>\$ 200</u>	<u>\$ 724,190</u>	<u>\$ 277,076</u>	<u>\$ 9,034</u>	<u>\$ 695,216</u>	<u>\$ 1,705,716</u>

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

Net change in fund balances - total governmental funds - per above \$ (598,328)

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

Current year asset additions	\$ 8,554,643	
Depreciation expense	(4,697,380)	3,857,263

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

Details supporting these changes are as follows:

Change in compensated absences	\$ 9,309	
Pension expense	(647,645)	
OPEB expense	282,170	(356,166)

Change in net position of governmental activities \$ 2,902,769



Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2021

	<b>School Operating Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 103,500	\$ 103,500	\$ 24,580	\$ (78,920)
Miscellaneous	25,000	75,000	70,112	(4,888)
Recovered costs	131,500	131,500	185,391	53,891
Intergovernmental:				
County contribution to School Board	15,958,450	16,005,489	14,457,175	(1,548,314)
Commonwealth	43,802,352	44,969,382	45,446,157	476,775
Federal	7,305,031	9,292,069	9,055,429	(236,640)
Total revenues	<u>\$ 67,325,833</u>	<u>\$ 70,576,940</u>	<u>\$ 69,238,844</u>	<u>\$ (1,338,096)</u>
<b>EXPENDITURES</b>				
Current:				
Education				
Instruction	\$ 49,501,847	\$ 50,463,694	\$ 49,345,021	\$ 1,118,673
Administrative, attendance & health services	3,595,068	3,870,068	3,905,442	(35,374)
Pupil transportation	4,545,750	4,468,009	4,311,024	156,985
Operation and maintenance	6,083,422	6,129,062	6,089,102	39,960
Facilities	672,253	1,418,652	1,418,070	582
Technology	2,927,493	4,227,455	4,170,185	57,270
Total education	<u>\$ 67,325,833</u>	<u>\$ 70,576,940</u>	<u>\$ 69,238,844</u>	<u>\$ 1,338,096</u>
Total expenditures	<u>\$ 67,325,833</u>	<u>\$ 70,576,940</u>	<u>\$ 69,238,844</u>	<u>\$ 1,338,096</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	200	200
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board  
 For the Year Ended June 30, 2021

	<b>School Cafeteria Fund</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>		<b>Actual</b>	
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 1,334,135	\$ 1,334,135	\$ 106,592	\$ (1,227,543)
Intergovernmental:				
County contribution to School Board	-	-	-	-
Commonwealth	63,756	63,756	49,531	(14,225)
Federal	1,770,061	1,770,061	2,390,476	620,415
Total revenues	<u>\$ 3,167,952</u>	<u>\$ 3,167,952</u>	<u>\$ 2,546,599</u>	<u>\$ (621,353)</u>
<b>EXPENDITURES</b>				
Current:				
Education				
Instruction	\$ -	\$ -	\$ -	\$ -
School food services	3,167,952	3,205,236	2,789,085	416,151
Total expenditures	<u>\$ 3,167,952</u>	<u>\$ 3,205,236</u>	<u>\$ 2,789,085</u>	<u>\$ 416,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (37,284)</u>	<u>\$ (242,486)</u>	<u>\$ (205,202)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	\$ -	\$ 37,284	\$ -	\$ -
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 37,284</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ (242,486)	\$ (205,202)
Fund balances - beginning	-	-	966,676	966,676
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 724,190</u>	<u>\$ 761,474</u>

Adult Basic Education Fund				Textbook Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 393,876	\$ 399,295	\$ 70,215	\$ (329,080)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	163,385	163,385	163,385	-
252,007	236,324	236,324	-	498,898	498,898	479,895	(19,003)
333,304	385,354	369,872	(15,482)	-	-	-	-
<u>\$ 979,187</u>	<u>\$ 1,020,973</u>	<u>\$ 676,411</u>	<u>\$ (344,562)</u>	<u>\$ 662,283</u>	<u>\$ 662,283</u>	<u>\$ 643,280</u>	<u>\$ (19,003)</u>
\$ 979,187	\$ 1,020,973	\$ 680,393	\$ 340,580	\$ 662,283	\$ 1,009,405	\$ 981,368	\$ 28,037
-	-	-	-	-	-	-	-
<u>\$ 979,187</u>	<u>\$ 1,020,973</u>	<u>\$ 680,393</u>	<u>\$ 340,580</u>	<u>\$ 662,283</u>	<u>\$ 1,009,405</u>	<u>\$ 981,368</u>	<u>\$ 28,037</u>
\$ -	\$ -	\$ (3,982)	\$ (3,982)	\$ -	\$ (347,122)	\$ (338,088)	\$ 9,034
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,122	\$ -	\$ (347,122)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,122	\$ -	\$ (347,122)
\$ -	\$ -	\$ (3,982)	\$ (3,982)	\$ -	\$ -	\$ (338,088)	\$ (338,088)
-	-	281,058	281,058	-	-	347,122	347,122
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,076</u>	<u>\$ 277,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,034</u>	<u>\$ 9,034</u>

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**Statistical Table of Contents**

<b>Description / Table Name</b>	<b>Table Number</b>
<b><u>Financial Trends</u></b>	
These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Net Position by Component	1
Changes in Net Position	2
Fund Balance, Governmental Funds	3
Changes in Fund Balances, Governmental Funds	4
General Governmental Tax Revenues by Source (Modified Accrual Basis of Accounting)	5
<b><u>Revenue Capacity</u></b>	
These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	
Assessed Value and Actual Value of Taxable Property and Tax Rates	6
Principal Property Taxpayers	7
Property Tax Levies and Collections	8
<b><u>Debt Capacity</u></b>	
These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.	
Ratios of Outstanding Debt by Type	9
Ratio of General Bonded Debt by Type	10
Computation of Legal Debt Margin	11
<b><u>Demographic and Economic Information</u></b>	
This table offers demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Demographic and Economic Statistics	12
<b><u>Operating Information</u></b>	
These tables contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	
Principal Employers--Current Year and Nine Years Ago	13
County Government Employees	14
Operating Indicators by Function / Program	15
Capital Asset Statistics by Function	16

**Sources:**

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

**COUNTY OF PRINCE GEORGE, VIRGINIA**

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

<b>Governmental Activities</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net investment in capital assets	\$ 18,506,792	\$ 22,029,930	\$ 18,291,890	\$ 15,188,357
Restricted	730,241	284,061	338,206	398,838
Unrestricted	<u>11,820,361</u>	<u>9,433,937</u>	<u>13,496,337</u>	<u>10,222,062</u>
Total Governmental Activities Net Position	<u>\$ 31,057,394</u>	<u>\$ 31,747,928</u>	<u>\$ 32,126,433</u>	<u>\$ 25,809,257</u>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 16,208,880	\$ 15,885,286	\$ 15,778,830	\$ 15,339,288
Unrestricted	<u>5,512,962</u>	<u>6,224,416</u>	<u>6,636,804</u>	<u>6,423,645</u>
Total Business-Type Activities Net Position	<u>\$ 21,721,842</u>	<u>\$ 22,109,702</u>	<u>\$ 22,415,634</u>	<u>\$ 21,762,933</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 34,715,672	\$ 37,915,216	\$ 34,070,720	\$ 30,527,645
Restricted	730,241	284,061	338,206	398,838
Unrestricted	<u>17,333,323</u>	<u>15,658,353</u>	<u>20,133,141</u>	<u>16,645,707</u>
Total Primary Government Activities Net Position	<u>\$ 52,779,236</u>	<u>\$ 53,857,630</u>	<u>\$ 54,542,067</u>	<u>\$ 47,572,190</u>

Table 1

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 17,875,023	\$ 20,292,736	\$ 21,281,179	\$ 27,304,734	\$ 27,193,687	\$ 36,657,589
393,414	216,958	216,958	131,274	186,712	1,367,948
<u>7,846,042</u>	<u>11,221,917</u>	<u>10,410,544</u>	<u>8,911,558</u>	<u>13,257,733</u>	<u>11,617,311</u>
<u>\$ 26,114,479</u>	<u>\$ 31,731,611</u>	<u>\$ 31,908,681</u>	<u>\$ 36,347,566</u>	<u>\$ 40,638,132</u>	<u>\$ 49,642,848</u>
\$ 13,606,908	\$ 14,324,473	\$ 14,866,149	\$ 14,900,608	\$ 14,853,189	\$ 15,241,280
<u>8,771,772</u>	<u>9,165,720</u>	<u>9,926,815</u>	<u>11,480,701</u>	<u>12,840,066</u>	<u>13,549,547</u>
<u>\$ 22,378,680</u>	<u>\$ 23,490,193</u>	<u>\$ 24,792,964</u>	<u>\$ 26,381,309</u>	<u>\$ 27,693,255</u>	<u>\$ 28,790,827</u>
\$ 31,481,931	\$ 34,617,209	\$ 36,147,328	\$ 42,205,342	\$ 42,046,876	\$ 51,898,869
393,414	216,958	216,958	131,274	186,712	1,367,948
<u>16,617,814</u>	<u>20,387,637</u>	<u>20,337,359</u>	<u>20,392,259</u>	<u>26,097,799</u>	<u>25,166,858</u>
<u>\$ 48,493,159</u>	<u>\$ 55,221,804</u>	<u>\$ 56,701,645</u>	<u>\$ 62,728,875</u>	<u>\$ 68,331,387</u>	<u>\$ 78,433,675</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities										
General Government Administration	\$ 4,887,534	\$ 4,927,971	\$ 4,895,544	\$ 5,226,913	\$ 5,330,273	\$ 6,291,210	\$ 5,516,354	\$ 7,124,169	\$ 5,759,968	\$ 6,299,297
Judicial Administration	2,189,341	2,105,719	2,279,571	2,361,018	2,431,271	1,601,574	2,326,800	1,392,819	2,787,177	4,222,505
Public Safety	13,139,882	13,620,239	15,209,669	14,683,153	15,317,725	14,804,237	15,796,407	17,891,395	17,954,349	26,953,969
Public Works	2,008,209	1,985,467	1,918,871	1,976,333	2,225,922	2,029,476	2,129,080	2,778,816	3,527,908	3,058,759
Health and Welfare	3,797,482	3,508,587	3,825,004	3,893,335	4,255,353	3,993,580	4,199,909	5,477,052	5,196,590	7,205,183
Education	15,792,643	15,976,873	17,189,503	13,944,549	17,867,950	17,186,958	19,360,755	17,501,426	18,712,181	24,927,166
Parks, Recreation, and Cultural	1,839,838	1,803,237	1,840,982	2,169,979	1,749,036	1,808,204	2,131,881	2,130,184	1,968,299	1,914,906
Community Development	1,161,919	646,834	1,715,143	1,246,531	1,470,872	3,388,237	1,385,661	1,372,798	2,431,043	1,527,058
Interest on Long-Term Debt	2,586,665	2,006,445	1,848,132	1,585,509	2,268,088	1,272,381	1,539,356	1,374,596	1,709,111	1,660,807
<b>Total Governmental Activities Expenses</b>	<b>\$ 47,403,513</b>	<b>\$ 46,581,372</b>	<b>\$ 50,722,418</b>	<b>\$ 47,087,320</b>	<b>\$ 52,916,490</b>	<b>\$ 52,375,857</b>	<b>\$ 54,386,203</b>	<b>\$ 57,043,255</b>	<b>\$ 60,046,626</b>	<b>\$ 77,769,650</b>
Business-Type Activities										
Public Utilities	\$ 4,907,268	\$ 3,919,095	\$ 4,551,777	\$ 5,049,902	\$ 5,061,020	\$ 5,130,765	\$ 4,822,569	\$ 5,520,112	\$ 5,545,690	\$ 5,479,982
<b>Total Business-Type Activities Expenses</b>	<b>\$ 4,907,268</b>	<b>\$ 3,919,095</b>	<b>\$ 4,551,777</b>	<b>\$ 5,049,902</b>	<b>\$ 5,061,020</b>	<b>\$ 5,130,765</b>	<b>\$ 4,822,569</b>	<b>\$ 5,520,112</b>	<b>\$ 5,545,690</b>	<b>\$ 5,479,982</b>
<b>Total Primary Government Expenses</b>	<b>\$ 52,310,781</b>	<b>\$ 50,500,467</b>	<b>\$ 55,274,195</b>	<b>\$ 52,137,222</b>	<b>\$ 57,977,510</b>	<b>\$ 57,506,622</b>	<b>\$ 59,208,772</b>	<b>\$ 62,563,367</b>	<b>\$ 65,592,316</b>	<b>\$ 83,249,632</b>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
General Government Administration	\$ 180,435	\$ 44,476	\$ 13,625	\$ 315,724	\$ 295,174	\$ 383,810	\$ 552,704	\$ 207,313	\$ 329,613	\$ 2,224,479
Judicial Administration	601,631	788,800	577,035	478,272	430,620	522,609	425,782	179,440	129,866	1,245,089
Public Safety	717,115	729,407	857,627	647,770	655,492	797,867	775,931	1,109,380	1,217,084	5,284,705
Public Works	155,793	65,298	427,282	119,175	130,123	115,353	482,356	431,514	618,981	504,760
Health and Welfare	-	-	-	-	-	-	-	-	-	892,466
Parks, Recreation, and Cultural	138,982	125,298	135,969	122,734	120,063	129,408	107,530	112,757	68,465	357,210
Community Development	29,929	407,599	119,583	35,578	-	-	-	-	-	63,982
Operating Grants and Contributions	5,203,184	5,013,258	6,114,788	6,327,951	6,383,355	6,174,523	5,599,776	6,142,208	7,496,188	13,588,731
Capital Grants and Contributions	-	-	2,691,550	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 7,027,069</b>	<b>\$ 7,174,136</b>	<b>\$ 10,937,459</b>	<b>\$ 8,047,204</b>	<b>\$ 8,014,827</b>	<b>\$ 8,123,570</b>	<b>\$ 7,944,079</b>	<b>\$ 8,182,612</b>	<b>\$ 9,860,197</b>	<b>\$ 24,161,422</b>
Business-Type Activities										
Charges for Services										
Public Utilities	\$ 4,076,488	\$ 4,044,255	\$ 4,640,279	\$ 4,602,908	\$ 5,127,476	\$ 5,761,503	\$ 6,051,239	\$ 6,964,645	\$ 6,595,082	\$ 6,644,883
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	59,900
Capital Grants and Contributions	-	-	-	-	73,968	212,603	77,113	-	-	-
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 4,076,488</b>	<b>\$ 4,044,255</b>	<b>\$ 4,640,279</b>	<b>\$ 4,602,908</b>	<b>\$ 5,201,444</b>	<b>\$ 5,974,106</b>	<b>\$ 6,128,352</b>	<b>\$ 6,964,645</b>	<b>\$ 6,595,082</b>	<b>\$ 6,704,783</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 11,103,557</b>	<b>\$ 11,218,391</b>	<b>\$ 15,577,738</b>	<b>\$ 12,650,112</b>	<b>\$ 13,216,271</b>	<b>\$ 14,097,676</b>	<b>\$ 14,072,431</b>	<b>\$ 15,147,257</b>	<b>\$ 16,455,279</b>	<b>\$ 30,866,205</b>



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

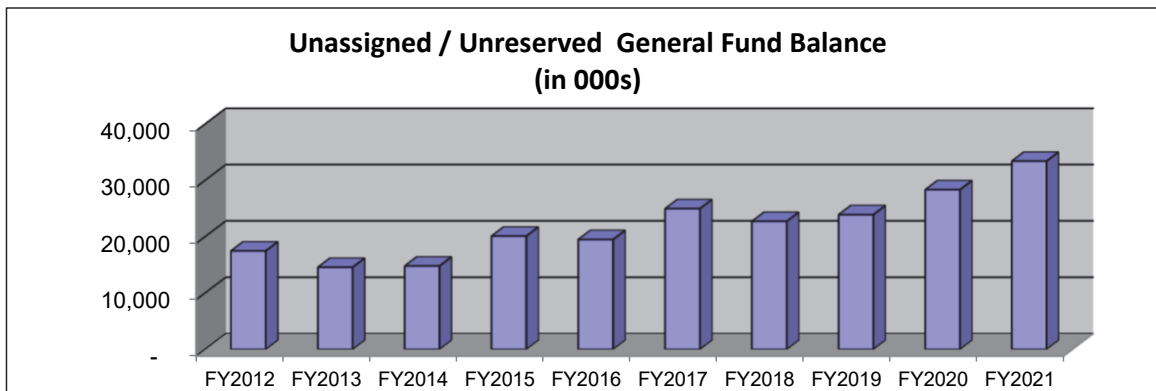
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Program Revenues: (Continued)</b>										
<b>Net (Expense)/ Revenue</b>										
Governmental Activities	\$ (40,376,444)	\$ (39,407,236)	\$ (39,784,959)	\$ (39,040,116)	\$ (44,901,663)	\$ (44,252,287)	\$ (46,442,124)	\$ (48,860,643)	\$ (50,186,429)	\$ (53,608,228)
Business-Type Activities	(830,780)	125,160	88,502	(446,994)	140,424	843,341	1,305,783	1,444,533	1,049,392	1,224,801
<b>Total Primary Government Net Expense</b>	<b>\$ (41,207,224)</b>	<b>\$ (39,282,076)</b>	<b>\$ (39,696,457)</b>	<b>\$ (39,487,110)</b>	<b>\$ (44,761,239)</b>	<b>\$ (43,408,946)</b>	<b>\$ (45,136,341)</b>	<b>\$ (47,416,110)</b>	<b>\$ (49,137,037)</b>	<b>\$ (52,383,427)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
General Property Taxes	\$ 28,463,166	\$ 28,383,780	\$ 30,689,457	\$ 31,796,896	\$ 31,587,598	\$ 35,621,127	\$ 33,407,855	\$ 35,778,138	\$ 38,036,686	\$ 41,180,429
Other Local Taxes	7,373,261	6,867,373	6,868,405	7,455,217	8,016,257	8,276,384	8,385,405	9,364,697	9,744,408	11,623,834
Unrestricted Revenues from Use of Money and Property	314,909	238,946	197,888	200,428	350,693	644,235	579,573	1,463,094	1,401,916	322,634
Miscellaneous	60,435	330,799	315,552	373,723	209,866	849,983	234,044	54,847	57,119	295,188
Grants and contributions not restricted to specific programs	5,197,796			5,240,754	5,200,471	5,004,589	5,920,066	6,637,380	5,386,356	5,784,848
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
County Contribution to School Board, unrestricted	-	5,100,696	5,097,195	-	-	-	-	-	-	-
Transfers	(158,070)	(159,189)	(157,100)	(158,000)	(158,000)	(149,805)	(148,728)	1,372	(149,490)	264,532
<b>Total Governmental Activities</b>	<b>\$ 41,251,497</b>	<b>\$ 40,762,405</b>	<b>\$ 43,011,397</b>	<b>\$ 44,909,018</b>	<b>\$ 45,206,885</b>	<b>\$ 50,246,513</b>	<b>\$ 48,378,215</b>	<b>\$ 53,299,528</b>	<b>\$ 54,476,995</b>	<b>\$ 59,471,465</b>
Business-Type Activities										
Unrestricted Revenues from Use of Money and Property	\$ 54,466	\$ 54,438	\$ 60,330	\$ 80,465	\$ 79,578	\$ 51,376	\$ 60,324	\$ 76,806	\$ 72,955	\$ 63,750
Miscellaneous	33,033	49,073	-	56,952	237,745	66,991	22,943	68,378	40,109	48,053
Transfers	158,070	159,189	157,100	158,000	158,000	149,805	148,728	(1,372)	149,490	(264,532)
<b>Total Business-Type Activities</b>	<b>\$ 245,569</b>	<b>\$ 262,700</b>	<b>\$ 217,430</b>	<b>\$ 295,417</b>	<b>\$ 475,323</b>	<b>\$ 268,172</b>	<b>\$ 231,995</b>	<b>\$ 143,812</b>	<b>\$ 262,554</b>	<b>\$ (152,729)</b>
<b>Total Primary Government</b>	<b>\$ 41,497,066</b>	<b>\$ 41,025,105</b>	<b>\$ 43,228,827</b>	<b>\$ 45,204,435</b>	<b>\$ 45,682,208</b>	<b>\$ 50,514,685</b>	<b>\$ 48,610,210</b>	<b>\$ 53,443,340</b>	<b>\$ 54,739,549</b>	<b>\$ 59,318,736</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 875,053	\$ 1,355,169	\$ 3,226,438	\$ 5,868,902	\$ 305,222	\$ 5,994,226	\$ 1,936,091	\$ 4,438,885	\$ 4,290,566	\$ 5,863,237
Business-Type Activities	(585,211)	387,860	305,932	(151,577)	615,747	1,111,513	1,537,778	1,588,345	1,311,946	1,072,072
<b>Total Primary Government Change in Net Position</b>	<b>\$ 289,842</b>	<b>\$ 1,743,029</b>	<b>\$ 3,532,370</b>	<b>\$ 5,717,325</b>	<b>\$ 920,969</b>	<b>\$ 7,105,739</b>	<b>\$ 3,473,869</b>	<b>\$ 6,027,230</b>	<b>\$ 5,602,512</b>	<b>\$ 6,935,309</b>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

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

<b>General Fund</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated for Revenue Maximization	-	-	-	-
Unreserved, Designated for Housing	-	-	-	-
Unreserved, Designated for Community Corrections	-	-	-	-
Unreserved	-	-	-	-
Restricted:				
Public safety	210,199	-	-	-
Committed:				
Subsequent years expenditures	-	1,269,724	926,055	635,843
Assigned:				
Public safety	-	60,000	-	-
Parks and recreation	-	398,582	-	-
Unassigned	17,473,532	14,555,614	14,793,246	20,095,407
<b>Total General Fund</b>	<b>\$ 17,683,731</b>	<b>\$ 16,283,920</b>	<b>\$ 15,719,301</b>	<b>\$ 20,731,250</b>
<b>All Other Governmental Funds</b>				
Unavailable revenue	\$ -	\$ -	\$ -	\$ -
Reserved for capital projects	-	-	-	-
Unreserved, reported in Debt Service Fund	-	-	-	-
Unreserved, reported in Special Revenue Funds	-	-	-	-
Restricted:				
Proffers	730,241	284,061	338,206	398,838
Debt service	-	-	-	-
Unspent bond proceeds - various projects	16,904	-	-	-
Committed:				
Library	-	-	-	-
Crosspointe Center	1,315,919	953,060	4,185,139	-
Animal Shelter	422,142	146,840	51,256	-
Police Building	-	-	-	-
Human Services Building	-	515,801	42,423	-
Disoutanta Fire Station	-	-	172,061	-
Broadband Implementation	-	32,060	32,060	-
Fire EMS Apparatus	-	180,073	246,016	-
Enterprise Resource Software	1,017,636	591,607	121,120	-
Assigned:				
Other capital purposes	3,680,196	1,857,859	257,540	7,086,250
Special revenue	896,868	1,210,370	1,163,795	1,057,316
<b>Total All Other Governmental Funds</b>	<b>\$ 8,793,243</b>	<b>\$ 5,771,730</b>	<b>\$ 6,609,616</b>	<b>\$ 8,542,404</b>
<b>Total Governmental Funds</b>	<b>\$ 26,476,974</b>	<b>\$ 22,055,650</b>	<b>\$ 22,328,917</b>	<b>\$ 29,273,654</b>

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





**COUNTY OF PRINCE GEORGE, VIRGINIA**

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

**Revenues**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Property Taxes	\$ 28,278,105	\$ 28,076,404	\$ 30,609,309	\$ 30,767,843	\$ 32,466,861
Other Local Taxes	7,373,261	6,867,372	6,868,405	7,455,217	8,016,256
Permits, Privilege Fees, and Licenses	301,859	421,103	314,697	290,882	282,172
Fines and Forfeitures	472,094	719,967	525,325	351,183	294,009
Revenue from Use of Money and Property	314,909	238,946	197,888	200,428	350,693
Charges for Services	1,049,932	1,019,808	1,291,099	1,077,188	1,055,291
Miscellaneous	60,435	330,799	315,552	373,723	209,866
Recovered Costs	291,421	316,849	319,517	299,535	335,485
Intergovernmental Revenues:					
School Board contribution	-	-	-	-	-
Commonwealth	9,214,172	9,272,385	12,690,688	10,020,925	10,000,195
Federal	1,186,808	841,568	1,233,767	1,547,779	1,583,631
<b>Total Revenues</b>	<b>\$ 48,542,996</b>	<b>\$ 48,105,201</b>	<b>\$ 54,366,247</b>	<b>\$ 52,384,703</b>	<b>\$ 54,594,459</b>

**Expenditures**

General Government Administration	\$ 4,671,416	\$ 4,546,495	\$ 5,029,115	\$ 5,220,634	\$ 5,591,463
Judicial Administration	2,083,443	2,122,535	2,191,059	2,331,562	2,356,890
Public Safety	11,955,650	12,048,224	14,786,501	15,516,848	16,774,879
Public Works	1,989,512	1,988,541	1,936,664	2,042,877	2,204,518
Health and Welfare	3,854,750	3,520,115	4,481,982	3,994,083	4,232,808
Education	13,245,989	13,292,762	14,701,665	11,622,198	19,238,023
Parks, Recreation, and Cultural	1,285,903	3,118,571	2,486,999	1,601,670	2,067,462
Community Development	1,187,412	616,973	4,142,473	1,220,391	1,824,860
Capital Projects	4,657,799	3,200,916	-	-	-
Debt Service:					
Bond issuance cost	-	-	-	-	207,910
Principal Retirement	18,111,981	5,136,233	5,215,325	4,875,241	5,726,512
Interest and Other Fiscal Charges	2,892,390	2,045,733	1,984,676	1,829,463	1,782,338
<b>Total Expenditures</b>	<b>\$ 65,936,245</b>	<b>\$ 51,637,098</b>	<b>\$ 56,956,457</b>	<b>\$ 50,254,967</b>	<b>\$ 62,007,663</b>

**Excess (deficiency) of revenues over  
(under) expenditures**

<b>\$ (17,393,249)</b>	<b>\$ (3,531,897)</b>	<b>\$ (2,590,210)</b>	<b>\$ 2,129,736</b>	<b>\$ (7,413,204)</b>
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**Other Financing Sources (Uses)**

Transfers in	\$ 7,744,887	\$ 8,358,994	\$ 8,923,778	\$ 10,452,421	\$ 9,654,240
Transfers (out)	(7,902,957)	(8,518,183)	(9,080,878)	(10,610,421)	(9,812,240)
Issuance of general obligation debt	13,741,089	-	3,200,000	4,973,000	5,369,000
Issuance of refunding debt	-	-	-	-	11,957,000
Premium on Bonds	-	-	-	-	-
Payments to bond escrow agent	-	-	-	-	(14,134,557)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 13,583,019</b>	<b>\$ (159,189)</b>	<b>\$ 3,042,900</b>	<b>\$ 4,815,000</b>	<b>\$ 3,033,443</b>

**Net Change in Fund Balances**

<b>\$ (3,810,230)</b>	<b>\$ (3,691,086)</b>	<b>\$ 452,690</b>	<b>\$ 6,944,736</b>	<b>\$ (4,379,761)</b>
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**Debt Service as a Percentage of**

Noncapital Expenditures:					
Total debt service	\$ 21,004,371	\$ 7,181,966	\$ 7,200,001	\$ 6,704,704	\$ 7,508,850
Total expenditures	\$ 65,936,245	\$ 51,637,098	\$ 56,956,457	\$ 50,254,967	\$ 62,007,663
Capital outlay	(4,708,846)	(3,200,916)	-	-	(5,084,616)
Non-capital expenditures	\$ 61,227,399	\$ 48,436,182	\$ 56,956,457	\$ 50,254,967	\$ 56,923,047
Debt service as a percentage of non-capital expenditures	34.3%	14.8%	12.6%	13.3%	13.2%

Table 4

	2017	2018	2019	2020	2021
\$	34,360,764	\$ 33,397,818	\$ 36,625,688	\$ 37,915,650	\$ 40,281,073
	8,276,384	8,385,405	9,364,697	9,744,408	11,623,834
	357,281	375,326	431,514	626,370	611,329
	393,147	352,358	353,340	333,211	357,589
	644,235	579,573	1,463,094	1,401,916	322,634
	1,198,619	1,616,619	1,255,549	1,404,428	1,400,962
	849,983	234,045	54,847	57,119	295,188
	330,901	442,638	790,225	458,910	408,583
	-	-	1,583,633	-	-
	9,764,955	9,975,637	10,852,044	10,878,036	10,733,025
	1,414,157	1,544,205	1,927,544	2,004,508	8,640,554
\$	<u>57,590,426</u>	<u>\$ 56,903,624</u>	<u>\$ 64,702,175</u>	<u>\$ 64,824,556</u>	<u>\$ 74,674,771</u>
\$	5,871,259	\$ 5,566,656	\$ 6,961,454	\$ 5,863,361	\$ 5,904,709
	2,456,473	2,621,390	2,557,816	2,594,892	2,689,042
	13,918,541	15,610,443	20,241,635	21,029,638	23,727,544
	1,999,058	2,151,970	3,008,793	3,671,914	4,477,339
	3,936,536	4,217,359	5,310,978	5,330,814	6,117,146
	13,819,701	15,873,719	16,924,563	16,484,669	22,595,259
	2,162,520	2,446,516	1,751,473	2,015,358	1,941,431
	3,334,150	1,561,515	1,400,353	2,415,709	1,436,504
	-	-	-	-	-
	102,691	132,819	112,691	134,223	361,123
	6,586,754	6,772,154	6,693,435	6,499,269	2,848,245
	1,397,134	1,254,084	1,325,236	1,438,565	931,581
\$	<u>55,584,817</u>	<u>\$ 58,208,625</u>	<u>\$ 66,288,427</u>	<u>\$ 67,478,412</u>	<u>\$ 73,029,923</u>
\$	<u>2,005,609</u>	<u>\$ (1,305,001)</u>	<u>\$ (1,586,252)</u>	<u>\$ (2,653,856)</u>	<u>\$ 1,644,848</u>
\$	9,118,575	\$ 11,480,677	\$ 8,749,002	\$ 12,022,939	\$ 11,763,969
	(9,268,380)	(11,629,405)	(8,747,630)	(12,172,429)	(11,499,437)
	10,000,000	9,300,000	9,450,000	7,295,000	30,010,000
	-	-	-	-	35,085,000
	-	-	-	-	8,787,965
	-	-	-	-	(45,632,827)
\$	<u>9,850,195</u>	<u>\$ 9,151,272</u>	<u>\$ 9,451,372</u>	<u>\$ 7,145,510</u>	<u>\$ 28,514,670</u>
\$	<u>11,855,804</u>	<u>\$ 7,846,271</u>	<u>\$ 7,865,120</u>	<u>\$ 4,491,654</u>	<u>\$ 30,159,518</u>
\$	<u>7,983,888</u>	<u>\$ 8,026,238</u>	<u>\$ 8,018,671</u>	<u>\$ 7,937,834</u>	<u>\$ 3,779,826</u>
\$	55,584,817	\$ 58,208,625	\$ 66,288,427	\$ 67,478,412	\$ 73,029,923
	(2,319,580)	(2,635,923)	(6,138,532)	(5,749,131)	(7,347,547)
\$	<u>53,265,237</u>	<u>\$ 55,572,702</u>	<u>\$ 60,149,895</u>	<u>\$ 61,729,281</u>	<u>\$ 65,682,376</u>
	15.0%	14.4%	13.3%	12.9%	5.8%

**COUNTY OF PRINCE GEORGE, VIRGINIA**

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

**Sources**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Real Property Taxes	\$ 20,119,169	\$ 19,721,432	\$ 20,296,880	\$ 20,510,801
Real & Personal Public Service Corporation Taxes	846,693	1,008,576	1,198,121	1,170,946
Personal Property Taxes	6,423,233	6,273,041	7,898,825	7,390,527
Machinery & Tools Taxes	443,667	596,734	858,035	1,170,874
Penalties & Interest	445,344	476,621	357,449	524,694
<b>Total, General Property Taxes</b>	<b>\$ 28,278,106</b>	<b>\$ 28,076,404</b>	<b>\$ 30,609,309</b>	<b>\$ 30,767,843</b>
Local Sales and Use Taxes	\$ 1,902,611	\$ 1,933,998	\$ 1,966,673	\$ 1,975,100
Consumer Utility Taxes	772,302	832,304	884,536	797,796
Business License	2,018,510	1,493,187	1,498,296	1,422,092
Motor Vehicle Licenses	820,939	802,468	828,701	938,297
Bank Stock Taxes	89,452	92,247	91,358	112,021
Recordation Taxes	281,894	287,472	269,505	321,579
Transient Occupancy Taxes	243,712	588,649	464,452	459,382
Communcation taxes	1,388,841	-	-	-
Taxicab licenses	-	-	-	-
Stormwater fees	-	-	-	-
E911 Taxes	174,522	110,988	120,810	161,764
Meals Taxes	703,751	837,049	867,539	998,751
<b>Total, Other Local Taxes</b>	<b>\$ 8,396,534</b>	<b>\$ 6,978,361</b>	<b>\$ 6,991,869</b>	<b>\$ 7,186,782</b>
<b>Total General Governmental Tax Revenues</b>	<b>\$ 36,674,640</b>	<b>\$ 35,054,765</b>	<b>\$ 37,601,179</b>	<b>\$ 37,954,624</b>

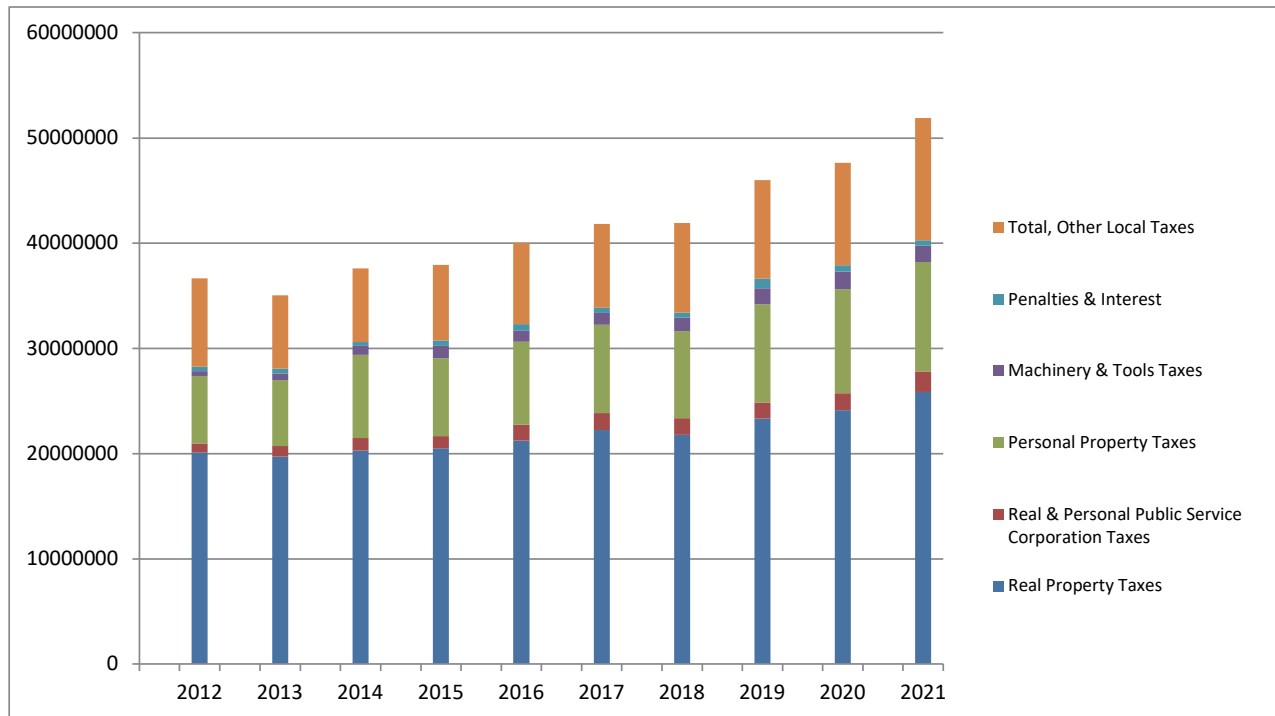


Table 5

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	21,251,324	\$ 22,243,059	\$ 21,785,294	\$ 23,348,429	\$ 24,135,742	\$ 25,869,550
	1,499,803	1,615,253	1,595,329	1,521,388	1,607,959	1,937,754
	7,879,207	8,394,472	8,269,500	9,339,529	9,877,088	10,394,945
	1,058,499	1,125,641	1,284,009	1,509,900	1,679,036	1,555,686
	639,996	500,669	463,686	906,442	615,825	523,138
\$	<u>32,328,829</u>	<u>\$ 33,879,094</u>	<u>\$ 33,397,818</u>	<u>\$ 36,625,688</u>	<u>\$ 37,915,650</u>	<u>\$ 40,281,073</u>
\$	2,310,390	\$ 2,399,805	\$ 2,584,683	\$ 2,719,468	\$ 3,250,169	\$ 4,309,564
	832,912	848,090	863,427	871,175	905,824	890,750
	1,379,030	1,447,706	1,689,430	1,719,426	1,701,729	1,797,718
	978,819	1,030,584	1,000,920	1,104,815	1,088,786	1,159,158
	99,805	90,634	133,589	139,945	119,309	147,995
	395,807	295,864	358,400	397,765	438,652	541,506
	621,402	697,085	718,418	715,524	574,006	904,973
	-	-	-	-	-	-
	5,839	5,409	6,175	-	-	-
	-	-	-	480,018	477,565	473,233
	126,500	129,740	134,495	-	-	-
	951,344	1,003,094	1,030,363	1,216,561	1,188,368	1,398,937
\$	<u>7,701,847</u>	<u>\$ 7,948,011</u>	<u>\$ 8,519,900</u>	<u>\$ 9,364,697</u>	<u>\$ 9,744,408</u>	<u>\$ 11,623,834</u>
\$	<u><b>40,030,677</b></u>	<u><b>41,827,105</b></u>	<u><b>41,917,718</b></u>	<u><b>45,990,385</b></u>	<u><b>47,660,058</b></u>	<u><b>51,904,907</b></u>

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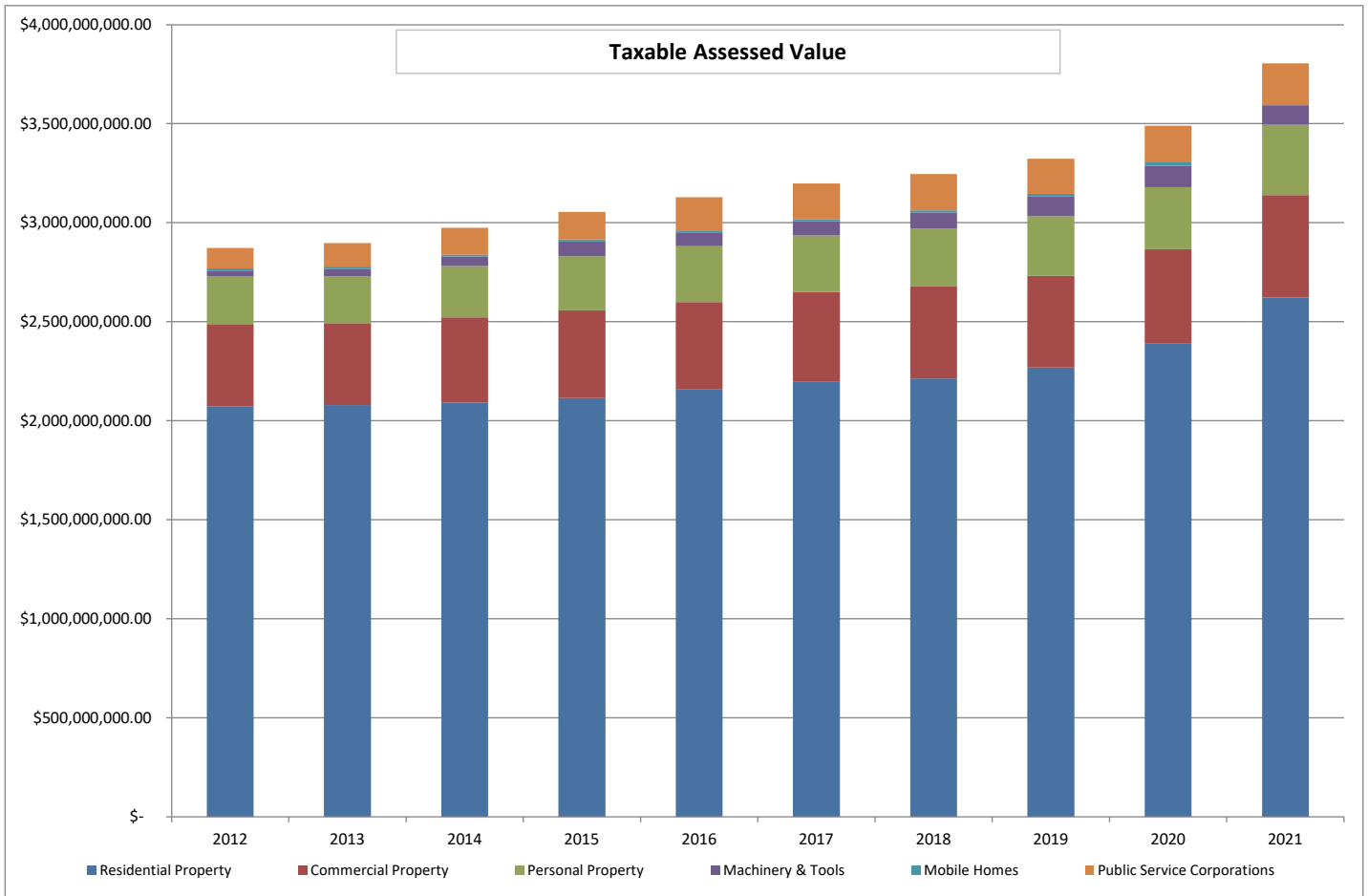


Assessed Value and Actual Value of Taxable Property and Tax Rates  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Residential Property	Commercial/Industrial Property	Real Estate Totals	Personal Property	Machinery & Tools	Mobile Homes	Public Service Corporations	Total Taxable Assessed Value	Total Direct Tax Rate
2012	2,071,031,300	416,408,500	2,487,439,800	242,242,272	28,644,294	10,321,685	104,214,656	2,872,862,707	1.06
2013	2,079,596,500	413,491,500	2,493,088,000	235,156,981	39,313,969	10,046,854	118,764,823	2,896,370,627	1.06
2014	2,092,011,400	429,741,500	2,521,752,900	260,094,073	46,907,596	9,921,855	136,030,775	2,974,707,199	0.98
2015	2,115,180,600	441,582,500	2,556,763,100	273,519,664	75,173,013	9,503,122	139,887,074	3,054,845,973	1.03
2016	2,157,156,800	442,634,100	2,599,790,900	281,250,151	67,482,556	9,412,558	169,873,939	3,127,810,104	0.98
2017	2,196,323,900	453,600,600	2,649,924,500	285,241,908	72,237,652	9,186,316	180,951,314	3,197,541,690	0.91
2018	2,213,435,600	464,682,200	2,678,117,800	291,422,935	81,459,133	10,578,050	184,254,613	3,245,832,531	0.93
2019	2,268,457,200	463,799,400	2,732,256,600	300,352,848	98,733,497	13,420,534	178,573,794	3,323,337,273	0.94
2020	2,388,612,900	477,855,106	2,866,468,006	312,618,681	109,060,008	16,524,232	184,686,918	3,489,357,845	0.94
2021	2,622,012,800	516,961,100	3,138,973,900	355,732,828	98,332,333	19,448,407	211,557,195	3,824,044,663	0.94

**Notes:** Property in the County is reassessed each year. Property is assessed at fair market value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value. Personal Property, Machinery & Tools, Mobile Homes and Public Service Corporations assessed values are provided by Calendar Year.

The County of Prince George does not have any overlapping property tax rates.



Principal Property Taxpayers  
 Current Year and Nine Years Prior

Taxpayer	2021			2012		
	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
Rolls Royce Crosspointe LLC	\$ 111,237,486	1	2.91%	\$ 42,769,400	1	1.71%
Delhaize America Distributing LLC (Food Lion)	50,259,649	2	1.31%	35,781,400	2	1.43%
Independence Place Jefferson Park	29,810,000	3	0.78%	16,186,300	5	0.65%
Virginia Gateway Logistics	24,806,800	4	0.65%	-	-	N/A
SCM Industries (Service Center Metals)	23,878,837	5	0.62%	-	-	N/A
Summit Investments II	22,999,000	6	0.60%	-	-	N/A
Crossroads Holdings LLC	22,766,700	7	0.60%	17,492,600	4	0.70%
BPP Jefferson Pointe LLC	21,070,100	8	0.55%	12,640,000	7	0.51%
Ardena LR LLC (formerly Crossings Center LLP)	12,999,500	9	0.34%	13,554,700	6	0.54%
Lowe's Home Centers	12,955,455	10	0.34%	9,895,500	9	0.40%
Standard Motor Products	-	-	N/A	10,745,100	8	0.43%
Ace Hardware Corp	-	-	N/A	27,316,200	3	1.09%
Justice James C Companies INC	-	-	N/A	9,485,100	10	0.38%

(1) Includes real property, personal property, and machinery and tools  
 MT & PP provided on calendar year basis

Property Tax Levies and Collections  
Last Ten Fiscal Years

Real Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2021	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 20,363,119	20,072,424	98.57%	283,569	20,355,993	99.97%
2013	19,936,703	19,124,392	95.93%	807,596	19,931,988	99.98%
2014	20,491,748	19,990,130	97.55%	490,779	20,480,909	99.95%
2015	20,555,563	20,167,652	98.11%	373,872	20,541,523	99.93%
2016	21,146,575	20,464,556	96.77%	665,827	21,130,383	99.92%
2017	22,726,252	22,135,095	97.40%	564,411	22,699,506	99.88%
2018	22,737,842	22,212,931	97.69%	486,706	22,699,636	99.83%
2019	23,209,467	22,509,212	96.98%	486,099	22,995,311	99.08%
2020	24,179,333	23,563,380	97.45%	316,292	23,879,672	98.76%
2021	26,354,643	25,566,776	97.01%	-	25,566,776	97.01%

Personal Property Taxes

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years (1)	Total Collections as of June 30, 2021	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	6,764,699	5,950,673	87.97%	704,708	6,655,380	98.38%
2013	7,343,951	6,196,235	84.37%	960,297	7,156,532	97.45%
2014	9,780,855	8,422,027	86.11%	1,162,621	9,584,648	97.99%
2015	9,226,196	7,538,334	81.71%	1,557,335	9,095,669	98.59%
2016	10,651,718	8,846,452	83.05%	1,641,616	10,488,067	98.46%
2017	12,279,120	9,906,413	80.68%	2,194,209	12,100,622	98.55%
2018	12,202,722	10,023,352	82.14%	1,975,460	11,998,812	98.33%
2019	12,310,293	10,191,612	82.79%	1,891,441	12,083,052	98.15%
2020	12,928,174	11,380,690	88.03%	1,083,680	12,464,370	96.41%
2021	14,537,111	12,128,609	83.43%	-	12,128,609	83.43%

(1) - Collected in Subsequent Years amount includes amounts collected in future years. Amounts written off as uncollectible are not included.

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds/ Notes Supported by General Taxes	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans	General Obligation Bonds/ Notes			
2012	25,027,000	297,437	30,815,770	345,000	1,491,730	57,976,937	3.95%	1,586
2013	22,533,225	276,191	28,267,066	230,000	1,291,049	52,597,531	5.44%	1,424
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	50,331,145	5.21%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	50,267,924	5.45%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	49,904,475	5.40%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	53,069,475	5.72%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	55,346,075	5.48%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	57,847,396	5.43%	1,519
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	58,381,880	5.27%	1,522
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	83,432,400	6.59%	1,940

(1) Reference table 12

Ratios of General Bonded Debt by Type  
Last Ten Fiscal Years

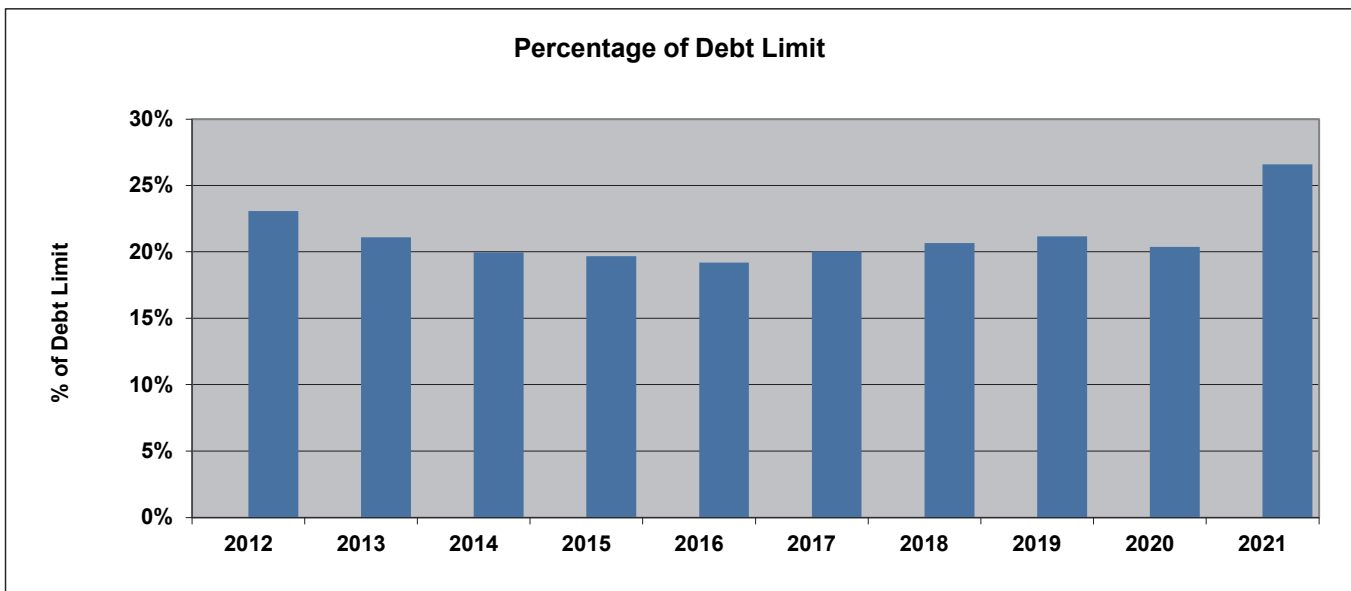
Fiscal Year	General Bonded Debt Outstanding					Less: Restricted Debt Service Net Position	Total	Percentage of Estimated Actual Value of Property	Per Capita
	General Obligation	Premium On Bonds	Virginia Public School Authority Bonds	Literary Fund Loans	Business- Type Activities				
2012	25,027,000	297,437	30,815,770	345,000	1,491,730	-	57,976,937	2.02%	1,586
2013	22,533,225	276,191	28,267,066	230,000	1,291,049	-	52,597,531	1.82%	1,424
2014	22,695,200	254,945	26,183,520	115,000	1,082,480	-	50,331,145	1.69%	1,351
2015	25,671,810	233,699	23,398,423	-	963,992	-	50,267,924	1.65%	1,346
2016	23,864,532	212,453	15,881,490	7,500,000	2,446,000	-	49,904,475	1.60%	1,318
2017	30,645,034	191,207	12,599,234	7,415,000	2,219,000	-	53,069,475	1.66%	1,402
2018	36,659,918	169,961	9,197,196	7,330,000	1,989,000	-	55,346,075	1.71%	1,464
2019	41,576,981	148,715	7,206,700	7,160,000	1,755,000	(30,868)	57,816,528	1.74%	1,518
2020	44,600,224	127,469	5,424,187	6,715,000	1,515,000	(86,324)	58,295,556	1.67%	1,520
2021	35,460,000	9,016,061	37,893,339	-	1,063,000	(1,267,560)	82,164,840	2.15%	1,910

The County of Prince George does not have any overlapping governmental or business activities debt.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Computation of Legal Debt Margin  
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Net Assessed Value (real property)</b>	\$ 2,487,439,800	\$ 2,493,088,000	\$ 2,521,752,900	\$ 2,556,763,100	\$ 2,599,790,900
Debt Limit (10% of Real Property Assessed Value)	248,743,980	249,308,800	252,175,290	255,676,310	259,979,090
Debt Applicable to Limit	<u>57,382,063</u>	<u>52,597,531</u>	<u>50,331,145</u>	<u>50,267,924</u>	<u>49,904,475</u>
<b>Legal Debt Margin</b>	<u>\$ 191,361,917</u>	<u>\$ 196,711,269</u>	<u>\$ 201,844,145</u>	<u>\$ 205,408,386</u>	<u>\$ 210,074,615</u>
Total net debt applicable to the limit as a percentage of debt limit	23.1%	21.1%	20.0%	19.7%	19.2%



**Table 11**

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2,649,924,500	\$ 2,678,117,800	2,732,256,600	2,866,468,006	3,138,973,900
264,992,450	267,811,780	273,225,660	286,646,801	313,897,390
<u>53,069,475</u>	<u>55,346,075</u>	<u>57,847,396</u>	<u>58,381,880</u>	<u>83,432,400</u>
<u>\$ 211,922,975</u>	<u>\$ 212,465,705</u>	<u>215,378,264</u>	<u>228,264,921</u>	<u>230,464,990</u>
20.0%	20.7%	21.2%	20.4%	26.6%

Demographic and Economic Statistics  
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Student Enrollment (a)</u>	<u>Personal Income (f)</u>	<u>Per Capita Personal Income (d)</u>	<u>Median Household Income</u>	<u>Median Age</u>	<u>Average Unemployment Rate</u>	<u>Educational Attainment: Bachelor's Degree or Higher</u>
2011	36,555 (d)	6,312	1,422,866,820	38,924	64,171 (d)	36.6 (d)	6.5% (b)	17.2% (d)
2012	36,941 (d)	6,302	946,428,420	25,620	62,924 (d)	38.6 (d)	6.5% (d)	16.8% (d)
2013	37,253 (d)	6,367	954,645,378	25,626	63,913 (d)	38.0 (d)	4.9% (d)	17.0% (d)
2014	37,333 (d)	6,335	912,194,522	24,434	63,074 (d)	38.0 (d)	5.5% (d)	17.9% (d)
2015	37,862 (d)	6,336	928,414,102	24,521	61,792 (d)	37.3 (c)	5.3% (d)	18.5% (d)
2016	37,845 (e)	6,333	927,997,245	24,521	63,320 (d)	37.3 (c)	4.8% (e)	21.3% (d)
2017	37,809 (e)	6,228	1,010,294,289	26,721	66,775 (d)	37.3 (c)	4.4% (e)	22.1% (d)
2018	38,082 (e)	6,236	1,065,153,540	27,970	68,461 (d)	37.3 (c)	3.6% (e)	23.0% (d)
2019	38,353 (d)	6,228	1,107,366,169	28,873	67,001 (d)	37.2 (c)	3.4% (e)	24.0% (d)
2020	43,010 (d)	5,960	1,265,354,200	29,420	71,912 (d)	37.2 (c)	6.5% (e)	23.6% (d)

(a) September Enrollment - Virginia Department of Education; Calendar Year Basis  
 (b) Virginia Employment Commission- LAUS Unit and Bureau of Labor Statistics  
 (c) Weldon Cooper Center  
 (d) US Census Bureau  
 (e) USDA Economic Research Service  
 (f) Personal income estimated based upon the municipal population and per capita income



Principal Employers  
Current Year and Nine Years Ago

Employer	2021			2012		
	Approximate Number of Employees	Percentage of Total Principal Employment	Rank	Approximate Number of Employees	Percentage of Total Average Employment	Rank
U.S. Department of Defense	1000+	6.6%	1	1000+	7.1%	1
County of Prince George	1000+	6.6%	2	1000+	7.1%	2
Delhaize America Disbtribtuion Center (Food Lion)	500-999	3.3%	3	500-999	3.6%	3
Cantu Services Inc.	500-999	3.3%	4	-	-	-
U.S. Department of Justice	500-999	3.3%	5	-	-	-
Perdue Products	250-499	1.6%	6	250-499	1.8%	9
Standard Motors Products	250-499	1.6%	7	-	-	-
U.S. Department of Army and Air Force	250-499	1.6%	8	250-499	1.8%	6
U.S. Army Non-Appropriated Funds Division	250-499	1.6%	9	250-499	1.8%	8
Riverside Regional Jail	250-499	1.6%	10	250-499	1.8%	5
Ace Hardware	-	-	-	100-249	0.7%	10
Food Lion	-	-	-	500-999	3.6%	4
Riverside Regional Jail	-	-	-	250-499	1.8%	7
Total Employment	15,152					

Source: Economic Development

County Government Employees  
Last Nine Fiscal Years

Function/Program	Approved Full Time Positions as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government Administration</b>										
Board of Supervisors	-	-	-	-	-	-	-	1	1	1
County Administration	4	5	5	4	4	4	4	2	3	3
Human Resources	3	3	3	3	3	3	3	3	3	3
County Attorney	2	2	2	2	2	3	3	3	3	3
Commissioner of the Revenue	6	6	6	6	6	6	6	6	6	6
Treasurer	7	7	7	7	7	7	7	7	7	6
Real Estate Assessor	6	6	6	6	6	6	6	5	6	6
Finance	6	6	6	7	7	7	7	7	7	7
Information Technology	5	6	6	6	6	6	6	6	6	6
County Garage	4	4	4	4	4	4	4	4	5	5
Registrar	3	3	3	3	3	3	3	3	3	3
<b>Judicial Administration</b>										
Circuit Court	1	1	1	1	1	1	1	1	1	1
Commonwealth's Attorney	7	7	7	7	7	7	7	7	8	8
Sheriff	11	11	11	11	11	11	11	11	12	12
Victim Witness	1	1	1	1	1	1	1	1	1	1
Clerk of Circuit Court	5	5	5	6	6	6	6	6	6	6
<b>Public Safety</b>										
Police	56	57	58	58	58	59	60	60	63	63
Fire & EMS	11	11	20	20	19	19	19	23	25	25
Fire & EMS (SAFER GRANT)	-	-	-	-	-	-	6	6	6	6
VJCCA	1	1	1	1	1	1	1	1	1	1
Community Corrections/ Pretrial	10	11	11	11	11	11	12	12	12	12
Community Development and Code Compliance	10	14	14	14	14	14	13	10	10	10
Animal Control	6	6	6	7	7	7	7	6	6	6
Dispatch Center	14	14	14	14	14	14	17	17	17	17
<b>Public Works</b>										
General Properties	8	8	8	8	9	9	9	9	9	9
Refuse Disposal	3	0	0	0	0	0	0	0	0	0
Engineering/Utilities	13	12	13	13	14	14	14	14	15	15
<b>Health and Welfare</b>										
Social Services	21	21	23	23	24	24	25	26	27	29
Comprehensive Services Act	1	0	0	0	0	0	0	0	0	0
Housing Assistance	0	0	0	0	0	0	0	0	0	0
<b>Parks, Recreation &amp; Cultural</b>										
Parks and Recreation	7	7	7	7	7	7	7	7	7	7
<b>Community Development</b>										
Planning Department	4	0	0	0	0	0	0	0	0	0
Economic Development	2	2	2	2	2	3	3	2	3	3
GIS	1	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>236</b>	<b>233</b>	<b>247</b>	<b>249</b>	<b>251</b>	<b>253</b>	<b>264</b>	<b>265</b>	<b>276</b>	<b>277</b>

Source - Human Resources

Operating Indicators by Function/ Program  
Last Nine Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government Administration										
Real Property Parcels	13,649	13,597	13,594	13,613	13,398	13,416	13,744	13,770	13,843	14,556
Public Safety										
Physical Arrests	614	503	632	543	555	684	703	693	768	630
Traffic Violations	6,625	7,200	7,522	4,943	4,447	5,463	5,533	5,493	5,883	6,512
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Personnel and Officers	56	57	58	58	58	58	69	65	66	65
Fire Protection										
EMS Service Calls	2,882	2,938	2,968	3,289	3,400	3,365	3,433	3,581	3,698	3,787
Fire Service Calls	1,779	1,440	1,339	1,495	1,431	1,028	1,115	950	2,027	940
Fire Stations	6	6	6	6	6	6	6	7	7	7
EMS Stations	1	1	1	1	1	1	1	1	1	1
Volunteer Fire and EMS Personnel	206	232	225	160	160	164	171	232	268	200
Professional Paramedic/Firefighter	7	7	16	16	16	166	23	62	60	45
Building Official										
Residential Permits	407	576	387	451	1,110	1,076	1,450	551	2,097	1,265
Commercial Building Permits	108	173	190	137	189	204	251	124	335	282
Commercial New-Building Permits	27	55	52	22	13	6	13	13	17	10
Single Family Resid. Building Permits	46	40	45	52	73	97	162	142	116	115
Public Works										
Miles of Water Line	75	75	75	82	83	87	88	87	87	87
Miles of Sewer Line	97	97	97	116	117	117	116	115	115	115
Utilities Customers	4,253	4,300	4,545	4,264	4,204	4,247	4,303	4,458	4,464	4,489
Health and Welfare										
Request for Services (Social Services)	747	1,261	1,486	1,515	1,718	1,503	1,470	1,503	1,149	878
Food Stamp Applications	1,085	1,140	1,063	1,787	2,070	1,241	1,047	1,150	1,278	1,398
Parks, Recreation & Cultural										
Youth League Participants	2,418	2,213	2,409	2,319	2,337	2,229	2,184	2,166	1,151	1,225
Community Development										
Employment	13,971 (a)	14,022 (a)	14,758 (a)	14,791 (a)	14,968 (a)	15,558 (a)	14,806 (a)	14,823 (a)	14,926 (a)	15,152 (a)
Component Unit - School Board										
Students Enrolled	6,312 (b)	6,302 (b)	6,367 (b)	6,335 (b)	6,336 (b)	6,333 (b)	6,228 (b)	6,236 (b)	6,228 (b)	5,960 (b)

Source - Various County Departments

(a) Virginia Employment Commission

<https://datausa.io/profile/geo/prince-george-county-va#:~:text=From%202016%20to%202017%2C%20employment.employees%20to%2014.9k%20employees.>

Capital Asset Statistics by Function  
Last Nine Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government Administration										
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Administration Vehicles	9	9	9	9	8	6	5	5	5	5
Public Safety										
Police Department:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	72	72	76	66	73	73	67	75	77	77
Child Safety Seat Trailer	1	1	1	1	1	1	1	1	1	1
Electronic Sign Board	1	1	1	1	1	1	1	1	1	4
Public Safety Boat	1	1	1	1	1	1	1	1	1	1
Emergency Management:										
Buildings	1	1	1	1	1	1	1	1	1	1
Sheriff's Department:										
Vehicles	12	12	12	12	12	12	13	12	13	14
Fire Department:										
Vehicles	60	60	58	63	66	69	69	68	68	64
Animal Control:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	4	4	5	6	6	6	5	5	4	4
Horse Trailer	1	1	1	1	1	1	1	1	1	1
Community Corrections:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles			2	2	2	2	2	2	2	2
Courts:										
Buildings	1	1	1	1	1	1	1	1	1	1
Operations										
Garage:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	3	3	4	4	3	4	4	4	4	4
Refuse:										
Sites	1	1	1	1	1	1	1	1	1	1
Recycling Centers	2	2	2	2	2	2	2	2	2	2
Buildings and Grounds:										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	9	7	7	7	9	8	8	8	7
Community Development										
Building Inspections:										
Vehicles	7	7	7	6	6	6	6	6	7	7
Culture and Recreation										
Parks and Recreation:										
Pier/Overlook/Nature Park	1	1	1	1	1	1	1	1	1	1
Playing Fields	7	7	7	7	7	7	7	7	7	7
Multi-Purpose Fields	2	2	3	3	3	3	3	3	3	8
Tennis Courts	3	3	3	3	3	3	3	3	3	3
Pavilions	3	3	3	3	3	3	3	3	3	3
Education Center / Central										
Wellness Center	-	-	1	1	1	1	1	1	1	1
Canoe Launch	-	-	1	1	1	1	1	1	1	1
Historical Society	1	1	1	1	1	1	1	1	1	1
Vehicles										9
Health & Welfare										
Social Services:										
Building	1	1	1	1	1	1	1	1	1	1
Food Bank	1	1	1	1	1	1	-	-	1	1
Vehicles	5	5	5	5	5	5	5	5	5	5
Component Unit - School Board										
Education:										
High Schools	1	1	1	1	1	1	1	1	1	1
Junior High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	5	5	5	5	5	5	5	5	5	5
Administration Buildings	1	1	1	1	1	1	1	1	1	1
Education Center	1	1	-	-	-	-	-	-	-	-
School Buses - Active	73	75	76	76	74	60	56	60	60	63
School Buses - Spare	32	32	20	20	23	31	31	23	23	23

Source: Individual County Departments



**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Prince George, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Prince George, Virginia's basic financial statements, and have issued our report dated November 19, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered County of Prince George, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Prince George, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Prince George, Virginia's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Prince George, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and 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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robinson, Farmer, Cox, Associates*  
Charlottesville, Virginia  
November 19, 2021



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

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Prince George, Virginia's compliance with the types of compliance requirements described *OMB Compliance Supplement* that could have a direct and material effect on each of County of Prince George, Virginia's major federal programs for the year ended June 30, 2021. County of Prince George, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of County of Prince George, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Prince George, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County of Prince George, Virginia's compliance.

***Opinion on Each Major Federal Program***

In our opinion, County of Prince George, 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 June 30, 2021.

## ***Report on Internal Control over Compliance***

Management of the County of Prince George, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Prince George, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of County of Prince George, Virginia's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Robinson, Farmer, Cox, Associates*  
Charlottesville, Virginia  
November 19, 2021



COUNTY OF PRINCE GEORGE, VIRGINIA

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Health and Human Services:			
Direct Payments:			
COVID-19 - Provider Relief Fund	93.498	Not applicable	\$ <u>24,220</u>
Pass Through Payments:			
Department of Social Services:			
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121 / 0950120	\$ 9,396
Temporary Assistance for Needy Families (TANF)	93.558	0400121 / 0400120	289,904
Refugee and Entrant Assistance State/Replacement			
Designee Administered Programs	93.566	0500121 / 0500120	289
Low-Income Home Energy Assistance	93.568	0600421 / 0600420	23,512
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCDF Cluster)	93.596	0760121 / 0760120	31,523
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121 / 0900120	126
Foster Care - Title IV-E	93.658	1100121 / 1100120	215,841
Adoption Assistance	93.659	1120121 / 1120120	234,707
Social Services Block Grant	93.667	1000121 / 1000120	165,195
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121 / 9150120	1,791
Children's Health Insurance Program (CHIP)	93.767	0540121 / 0540120	3,453
Medical Assistance Program (Medicaid Cluster)	93.778	1200121 / 1200120	<u>291,482</u>
Total Department of Health and Human Services			\$ <u>1,291,439</u>
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Management:			
Emergency Food and Shelter National Board Program	97.024	Unknown	\$ 3,203
Emergency Management Performance Grants	97.042	Unknown	25,231
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	Unknown	261,296
Homeland Security Grant Program	97.067	Unknown	9,157
Port Security Grant Program	97.056	Unknown	<u>29,600</u>
Total Department of Homeland Security			\$ <u>328,487</u>
Department of Agriculture:			
Pass Through Payments:			
Department of Education:			
COVID-19 - Summer Food Service Program for Children (Child Nutrition Cluster)	10.559		\$ 2,228,154
Department of Agriculture:			
Food Distribution (Child Nutrition Cluster)	10.555	Unknown	<u>163,339</u>
Total Child Nutrition Cluster			\$ 2,391,493
Department of Social Services:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (SNAP Cluster)	10.561	0040120 / 0040121	<u>389,728</u>
Total Department of Agriculture			\$ <u>2,781,221</u>

COUNTY OF PRINCE GEORGE, VIRGINIA

Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice:			
Direct Payments:			
Bulletproof Vest Partnership Program	16.607	N/A	\$ 8,072
Pass Through Payments:			
Department of Criminal Justice Services:			
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	Unknown	26,614
Crime Victim Assistance	16.575	18-Q3594VW15 / 19-R3594VW16 19-B4101VW16	<u>69,285</u>
Total Department of Justice			\$ <u>103,971</u>
Election Assistance Commission:			
Pass Through Payments:			
Virginia Election Commission:			
COVID-19 HAVA Election Security Grants	90.404	Unknown	\$ <u>58,910</u>
Department of Transportation:			
Pass Through Payments:			
National Priority Safety Programs (Highway Safety Cluster)	20.616	Unknown	\$ <u>17,618</u>
Department of Education:			
Direct Payments:			
Impact Aid	84.041	N/A	\$ 5,245,256
Pass Through Payments:			
Department of Education:			
Adult Education - Basic Grants to States	84.002	428010 / 611110	369,872
Title I Grants to Local Educational Agencies	84.010	429010	624,138
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	429480	48,675
Special Education - Grants to States (Special Education Cluster)	84.027	430710	1,046,013
Special Education - Preschool Grants (Special Education Cluster)	84.173	625210	<u>29,853</u>
Total Special Education Cluster (IDEA)			\$ 1,075,866
Student Support and Academic Enrichment Program	84.424	Unknown	41,038
Higher Education Institutional Aid	84.031	Unknown	8,872
Career and Technical Education - Basic Grants to States	84.048	610950	74,286
Supporting Effective Instruction State Grants	84.367	614800	132,100
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	Unknown	<u>91,634</u>
Total Department of Education			\$ <u>7,711,737</u>
Department of Defense:			
Pass through payments:			
Department of Education:			
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	\$ 9,635
Direct Payments:			
Junior ROTC Program	12.357	N/A	118,010
Competitive Grants: Promoting for K-12 Student Achievement at Military- Connected Schools	12.556	N/A	<u>365,190</u>
Total Department of Defense			\$ <u>492,835</u>
Department of Treasury:			
Pass through payments:			
Department of Education:			
COVID-19 - Coronavirus Relief Funds	21.019	N/A	\$ 1,081,955
Virginia Department of Accounts			
COVID-19 - Coronavirus Relief Funds	21.019	N/A	<u>6,588,756</u> \$ 7,670,711
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>45,998</u>
Total Department of Treasury			\$ <u>7,716,709</u>
Total Expenditures of Federal Awards			\$ <u>20,502,927</u>

See accompanying notes to the schedule of expenditures of federal awards.

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021

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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Prince George, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the reporting requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of operations of the County of Prince George, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Prince George, Virginia.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Food Donation

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

Note 4 - De Minimis Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

Note 6 - Provider Relief Funds

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Due to guidance available when the FYE 2020 report was issued, the entity reported \$24,220 of PRF expenditures on the FYE 2020 SEFA with no significant impact on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

Note 7 - Relationship to Financial Statements

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

Intergovernmental federal revenues per the basic financial statements:

Primary government:	
General Fund	\$ 2,065,700
CARES CRF Fund	6,528,856
Asset Forfeiture Fund	45,998
Water and Sewer Fund	59,900
Total primary government	<u>\$ 8,700,454</u>
Component Unit School Board - reference Exhibit 39	
School Operating Fund	\$ 9,055,429
School Cafeteria Fund	2,390,476
Adult Basic Education Fund	369,872
Total component unit School Board	<u>\$ 11,815,777</u>
Total federal expenditures per basic financial statements	\$ 20,516,231
Amounts required to reconcile federal revenues to expenditures:	
Less: Payment in lieu of taxes	\$ (37,524)
Less: Provider Relief Funds received during the year ended June 30, 2020	<u>24,220</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 20,502,927</u></u>

**COUNTY OF PRINCE GEORGE, VIRGINIA**

Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2021

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with  
2 CFR Section 200.516(a)? No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 - Coronavirus Relief Fund
84.041	Impact Aid

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings and questioned costs to report.

**Section IV - Prior Year Findings**

There are no findings from the prior year.