

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Local Roots, Global Reach

ISLE OF WIGHT COUNTY, VIRGINIA

FISCAL YEAR ENDING

JUNE 30, 2023





Acknowledgments

The preparation of this report has been accomplished by the efficient and dedicated services of the staff of the Department of Finance, the Treasurer's Office and various departments.

The following Finance Department employees were instrumental in the preparation of this report:

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It is also appropriate to thank Randy Keaton, County Administrator, Donald Robertson, Assistant County Administrator, Dr. Theo Cramer, Isle of Wight County Schools Superintendent, County and School Department Heads, Constitutional Officers, our many dedicated employees of the County and the School System, and the Board of Supervisors and School Board for making possible the excellent financial position of the County through their interest and support in planning and conducting the business and financial affairs of the County and our School System.

Stephanie M. Wells
Chief Financial Officer

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January 2, 2024

Members of the Board of Supervisors and Citizens of the County of Isle of Wight, Virginia:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the County of Isle of Wight, Virginia for the fiscal year ended June 30, 2023. This report is intended to provide informative and relevant financial data for the residents of the County, Board of Supervisors, investors, creditors, and any other interested readers.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with U. S. generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Further, as management we assert that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included in this financial report.

Robinson, Farmer, Cox Associates, a certified public accounting firm, audited the County's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements and assessing the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's basic financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP with noted emphasis in the independent auditors report as presented in the first component of the financial section of this report. The independent audit of the financial statements of the County is part of a broader, federal, and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and

compliance with legal requirements, with additional emphasis on the administration of federal and state awards.

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

Profile of the Government

Isle of Wight County was formally established in 1634, although prior to 1637, the County was known as Warrosquyoacke. It is one of the oldest county governments in the United States of America and one of the original eight (8) shires by an order of King Charles I. Nestled on the shores of the James River in southeastern Virginia, Isle of Wight's residents enjoy its rural nature spread over 320 square miles coupled with the quaint atmosphere of two (2) incorporated Towns – Smithfield and Windsor.

Isle of Wight County has a rich history that pre-dates its formal establishment in 1634. The County provided fertile farmland and hunting opportunities for its Native American inhabitants prior to the first English settlement in 1619. It still provides an excellent quality of life for over 40,000 residents while balancing its rural history with a future focused on quality commercial and residential growth.

The County has a Council-Manager form of government. The five members of the Board of Supervisors (Council) are elected from districts and serve staggered four-year terms. The Board of Supervisors is the policy-making and legislative authority for the County. They are also responsible for adopting an annual budget and appointing a County Administrator (Manager). The Administrator is responsible for implementing policies, managing daily operations, and appointing County employees. The County provides a wide array of services to citizens. Major programs include Public Safety, Health and Welfare, Parks and Recreation, and Community Development. The financial reporting for the County covers all these major areas, as well as the County Public Schools.

The **Public Safety** programs of the County feature five fire stations and two rescue squads staffed by career fire-medics and well-trained volunteers with state-of-the-art equipment and well-maintained facilities. Four of the five fire stations provide first response services for both fire and EMS calls.

The **Health and Welfare** services program for the County was vastly improved by acquiring a facility formerly utilized as a family medical practice to serve as the location for the Isle of Wight County Health Department. The property was offered to the County at half of its appraised value and after extensive renovations were completed, it serves the community well by allowing the Health Department to significantly expand its public health services. Other Health & Welfare services are provided by our Department of Social Services as well as various community partnerships that are provided funding annually such as Western Tidewater Community Services Board and Western Tidewater Free Clinic.

Parks and Recreation programs are essential to the quality of life of County residents. The Isle of Wight County Fair has become one of the community's signature events. Held at Heritage Park, it provides great family entertainment and highlights the County's rural roots, attracting over 38,000 visitors annually from all over the Commonwealth of Virginia.

The County is also home to Windsor Castle Park located in the heart of downtown Smithfield. It is a 210-acre riverside park that features a woodland trail system, picnic and play areas, a dog park, kayak and canoe launch, scenic overlook, and the Windsor Castle Historic Site. Windsor Castle Farm was originally part of a 1,450-acre parcel patented in 1637 by Arthur Smith and is situated on a knoll overlooking the Pagan River. The site preserves the rich historic heritage of the Castle, as well as providing a passive public park on the estate grounds.

The Parks and Recreation department also provides a multitude of program for citizens of all ages through the year. The Senior Program, the youth athletics and the community recreation programs allow for various sources of activities for community participation. Planning for maintenance and expansion of parks, playgrounds and trails throughout the community is developed annually through the Capital Improvement Plan.

Community Development continues to be an extremely important focus of the Board of Supervisors in that it provides an opportunity for the County to preserve its natural beauty while simultaneously promoting smart growth. The Community Development Department and the Economic Development Department both contribute efforts to promote county-wide economic development and residential development planning and growth. The County's Comprehensive Future Land Use Plan is designed to encourage manageable residential and commercial growth in specific areas of the County while preserving farmland and forestry to maintain the County's rural character and natural beauty.

As part of its community-wide vision, the County has designated three strategic growth areas called Development Service Districts, or DSDs. The three DSDs are located around and close to the existing population centers of Carrollton, Windsor, and Camptown. The benefits of these strategic growth areas include:

- Existing and planned public water and sewer facilities.
- Ready access to the region's transportation network, including Routes 17, 258, 460, and 58 as well as two rail lines, which provide direct connections to the Virginia Ports.
- Proximity to the nearby population centers of Suffolk, Franklin, Newport News, and Hampton as well as the rest of the Hampton Roads region; and
- Planned, future growth opportunities including a mix of residential, commercial, and industrial land uses.

Even with its historic, low-density land use pattern, the County has maintained a healthy population growth rate for nearly thirty years. Since the 1990 US Census, the County has grown an average of approximately 1.8% per year, which is higher than the State's average growth rate of 1.3% over the same time period. The Weldon Cooper Center projects 45,105 persons by 2040, representing a 17% increase over 2020 for an approximate average annual growth rate of 0.84% over the twenty year period. This average growth rate is slowing, but is still anticipated to be higher than the projected average annual growth rate for the State for the same time period. This slowing of average growth rate is attributed to the wider trend of a slowdown of birthrates and the general aging of the population as well as the general economic turndown that began in 2008. While the economy had been in an expansion phase for several years, the Coronavirus pandemic caused many communities to have a decline in permitting. The County has not seen the same level of reduction in permits, especially residential.

The County's **Public Schools** are operated by a legally distinct governing body and the County provides a significant portion of the funding for a school system recognized for excellence.

Isle of Wight County Schools implement research-based instructional strategies to provide rigorous and engaging learning experiences that ensure student success. The division educates 5,641 students in grades PreK-12 at nine schools: five elementary schools, two middle schools, and two high schools.

All nine schools remain fully accredited by the Virginia Department of Education. Isle of Wight County Schools earned an on-time graduation rate of 93.9 percent for the Class of 2023, according to data released by the Virginia Department of Education. 52 percent of the graduates earned an advanced studies diploma. The Isle of Wight County Schools' on-time graduation rate continues to exceed the state average.

Economic Overview

Isle of Wight County remains a community of choice for homeowners and businesses alike because of its rural aesthetics, affordable tax rates and convenient commuting times to the region's employment centers. As we continue to recover from the Coronavirus pandemic and its continued interruptions to business, the County experienced increases in certain types of tax revenues in FY 2023. Sales tax revenue increased again by 6% from FY 2022. In addition, the County realized an 11% increase in business license revenue. Personal Property tax revenue increased by 14% due to the large increase in the values of vehicles even after the Board of Supervisors lowered the tax rate on personal property. Lodging taxes and Meals taxes continue to rebound with increases of 11% and 18% respectively.

Even during uncertain economic conditions, maintaining and improving the quality of life for residential and commercial residents requires a continued commitment to long-term strategies for economic development.

In the Windsor Development Service District, County leadership continues to make significant investments in Shirley T. Holland Intermodal Park, which is paying off by attracting interest from significantly more developer entities and potential end users than in previous years. In FY23, the Economic Development Authority (EDA) entered into purchase agreements with three development companies on three tracts of available EDA-owned land within the Intermodal Park for distribution and logistics facilities.

Located within Phase III of Shirley T. Holland Intermodal Park, Port 258 Logistics Center is a planned 120,000 square-foot cross dock distribution facility available for lease. The developer will break ground in December 2023 and deliver the building in Spring/Summer 2025.

Located within Phase II of Shirley T. Holland Intermodal Park, 460 Commerce Center is a planned, Class A 352,000 square-foot industrial building suitable for light manufacturing or warehousing and distribution uses. The developer will break ground in early 2024 and the building will be available for lease. Plans are underway to extend William A. Gwaltney Way, the park's access road, which will provide a second entrance for the new building.

Located on U.S. Route 460, Tidewater Logistics Center is a planned Class A speculative industrial development with up to 1.2 million square feet in five buildings suitable for light manufacturing and warehousing and distribution uses. It will be constructed in two phases beginning in 2024. The buildings will be available for lease.

The Intermodal Park is strategically located for Port of Virginia-related businesses and offers some of the largest developable, locality-controlled tracts in the region. Easy and quick access to the Port is possible via U.S. Route 460, U.S. Route 58 or by rail on the adjacent Norfolk Southern Heartland Corridor. The Intermodal Park is already home to three nationally recognized companies that use Port facilities: Keurig Dr Pepper, Safco Products Company and World Market's Virginia Distribution Center. Together these facilities employ over 750 people.

The Intermodal Park is located within Foreign Trade Zone #20, which offers federal incentives. In 2020, its designation within a Virginia Enterprise Zone was reaffirmed by the Commonwealth, so it continues for another five years to offer eligibility for state and local incentive programs for firms that locate or expand there. In FY23, the Economic Development Department, working with the Commonwealth, completed a major expansion of the Enterprise Zone to add new acreage along the U.S. 460 and U.S. 58 (Business) corridors. Along with the Enterprise Zone incentives, businesses may also qualify for Port of Virginia grant programs.

Industrial companies surrounding the International Paper Franklin Mill continue to be major economic drivers in the Camptown Development Service District.

International Paper's Global Cellulose Fibers mill exports nearly 100 percent of the fluff pulp produced. It is shipped to global customers who make super-absorbent products such as baby diapers, adult incontinence and feminine hygiene products and wipes. The company provides more than 330 jobs and continues to add jobs to help meet increasing demand.

In 2021, Franklin Lumber, a sawmill reopened in 2013 by former International Paper employees, invested over \$12 million to expand its facility and install a new log processing machine. The new line began operating in Summer 2022 and achieves major production efficiencies over the legacy International Paper processing machinery formerly used by Franklin Lumber.

In late 2019, M&M Milling, a toll processor specializing in grinding, blending, and sizing of agricultural materials, established its first East Coast location in Isle of Wight County. The company purchased and renovated a dormant industrial facility that ceased operations over a decade ago near the City of Franklin. The new operation represents more than \$2.35 million in capital investment, will employ at least 15 people when fully operational and will purchase hundreds of thousands of bushels of shelled corn from local farmers each year as part of its production processes. Future plans include adding new customers and product lines.

Reflecting its capability to host larger aircraft with its 5,000-foot runway, the County's municipal airport was renamed the Franklin Regional Airport in 2019. The City of Franklin owns the airport and the adjacent 60-acre industrial park, which is jointly marketed with Isle of Wight County. Both the airport and the industrial park were added to the Virginia Enterprise Zone with the 2022 expansion.

The Newport Development Service District is the fastest growing area of Isle of Wight County. Approximately 1,875 housing units are approved or under construction in the Brewers Neck and Carrollton Boulevard corridors. In FY23, Bartlett's Station, a planned commercial development along Route 17/Carrollton Boulevard, began construction on several outparcels, including Royal Farms, Rio Car Wash and Langley Federal Credit Union. A medical office and climate-controlled storage facility are also approved. The new retail center will be anchored by a Publix grocery store, which is projected to open in late 2024.

Since 2016, the County has approved conditional use permits for eight solar facilities with approximately 2,619 acres in panels, or roughly 3.25% of the County's agriculturally zoned land. There are five additional solar farms proposed and currently under review. To date, only one solar farm, Woodland Solar, is operational.

Permits for new single-family houses, to include both detached and attached, totaled 246 in FY 2023 compared to 328 in FY 2022, representing a 33% decrease. There have been no new rental multifamily dwelling units permitted in FY 2023. This number excludes any owner-occupied condominium units which are defined as a multifamily use in the Zoning Ordinance. The value of new single-family construction decreased from \$74.1 million in FY 2022 to \$45.8 million in FY 2023, a 62% decrease. New commercial construction value, however, increased from \$4.9 million in FY 2022 to \$5.1 million in FY 2023, or a 4% increase. Altogether, the total construction value of all building permits, including renovations to existing structures and new structures, increased from \$171.8 million in FY 2022 to \$188.5 million in FY 2023, representing a 9.7% increase. Construction continued on the Bartlett Station mixed use community which includes up to 230 condominiums and seven commercial parcels. Brewers Station will include 162 apartments in the first phase of its development with a commercial site. Construction also began on the South Harbor mixed use community which will include 340 age restricted single family homes and a 3.5 acre commercial site adjacent to the existing Eagle Harbor planned development. The Bennis Grant Apartments broke ground for 240 rental multifamily units. Beginning in FY 2024, construction began on several new commercial projects, including the new Riverside Hospital.

Financial Guidelines

The County prepares an annual Operating Budget that balances revenues and expenditures within available resources to ensure the sustainability of day-to-day operations and essential services for its citizenry.

The County also prepares a Capital Improvement Plan (CIP) annually. The CIP serves as a planning tool for the efficient, effective, and equitable distribution of public improvements throughout the County. The plan represents a balance between finite resources and an increasing number of competing priorities. The County develops a five-year CIP each year inclusive of the capital needs of the Public Schools. The Board of Supervisors approves the first year of the plan as the Capital Budget after legal advertising and public hearing requirements have been met. The CIP also anticipates significant projects that are envisioned beyond the initial five-year period and identifies projects up to ten years out to allow for appropriate long-term planning and financial projections.

The Capital Improvement Program Committee plans for and recommends funding for the County's capital needs in advance of the annual budget preparation through review and submission of the CIP. The CIP represents a fiscally responsible approach in its level of reliance on long-term financing for general County improvement projects. The CIP will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and the associated operating expenses in subsequent years.

The **Debt Guidelines** adopted to meet the fiscal challenges of financing capital projects identified in the Capital Budget are as follows:

- The County's tax-supported debt service will not exceed 12 percent of general governmental expenditures. Tax-supported debt service shall include any debt service on general obligation bonds which are not self-supporting from a user fee revenue stream (i.e. water and sewer fee). A self-supporting revenue stream is defined as a revenue stream that provides coverage of all debt service obligations without general fund support. Any long-term financing lease obligations which may be subject to annual appropriation by the County will also be included in calculations of tax-supported debt service.
- The County's tax-supported debt will not exceed 4 percent of the assessed value of taxable real and personal property in the County.

Major Initiatives and Accomplishments

The Board of Supervisors approved the construction of a water line extension from the Town of Smithfield and a booster pump station to serve the new Hardy Elementary School for a total cost of \$6.5 million. The water line will also serve three neighborhoods in the immediate vicinity of the school. The new water line from the Town of Smithfield will replace the existing wells in the area.

The Isle of Wight Sheriff's Department received a grant in the amount of \$267,743 to fund the addition of Four School Resource Officers for the remainder of the 2023 fiscal year. The County also appropriated \$900,000 to the School System for the addition of security upgrades to the County Schools and \$220,000 to fund vehicles and equipment for the School Resource Officers.

The Wrenn's Mill Refuse and Recycling Center underwent a major rebuild to correct flooding, traffic flow, accessibility, and safety for the site attendants and the County's citizens. The project totaled \$900,000 and was a joint effort between a private contractor, and the County's Public Works and Information Technology departments. The new center has been seen as a model by our citizens and other localities who have visited the site.

The County's Fire Rescue Department was successful in obtaining a Department of Homeland Security Assistance to Firefighters Grant in the amount of \$959,000 to replace the Self-Contained Breathing Apparatus equipment for our Five Volunteer Fire Departments. This was the second largest grant in Virginia for 2022.

Awards

In recognition of its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2022, a Certificate of Achievement for Excellence in Financial Reporting was awarded to Isle of Wight County by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition in governmental accounting and reporting, and its attainment represents a significant accomplishment by a government and its management.

The County also received the GFOA's Distinguished Budget Presentation Award for its budget for the Fiscal Year Beginning July 1, 2022.

Acknowledgement

We would like to express our appreciation to the County staff who contributed to the timely preparation of this report. We would also like to thank the members of the Board of Supervisors for their interest and support in planning and conducting the financial operations of the County in a responsible and professional manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'R. Keaton', with a stylized flourish at the end.

Randy R. Keaton
County Administrator

A handwritten signature in blue ink, appearing to read 'S. Wells', with a stylized flourish at the end.

Stephanie M. Wells
Chief Financial Officer

**Isle of Wight County, Virginia Officials
June 30, 2023**

Primary Government Officials

BOARD OF SUPERVISORS

William M. McCarty, Chairman	District 2
Joel C. Acree, Vice- Chairman	District 4
Rudolph Jefferson	District 3
Richard L. Grice	District 1
Don G. Rosie, II	District 5

CONSTITUTIONAL OFFICERS

Georgette C. Phillips	Commonwealth's Attorney
Gerald H. Gwaltney	Commissioner of the Revenue
Kathleen S. Torrence	Clerk of Circuit Court
James R. Clarke, Jr	Sheriff
Judith C. Wells	Treasurer

ADMINISTRATIVE OFFICERS

Randy R. Keaton	County Administrator
Donald T. Robertson	Assistant County Administrator
Stephanie M. Wells	Chief Financial Officer
Robert W. Jones, Jr	County Attorney
Carey Storm	Clerk to the Board of Supervisors

School Board Officials

SCHOOL BOARD

John Collick, Chairman	District 5
Jason P. Maresh, Vice-Chairman	District 4
Michael Cunningham	District 3
Denise Tynes	District 1
Mark Wooster	District 2

ADMINISTRATIVE OFFICERS

Dr. Theo Cramer.	Superintendent
Susan Goetz	Deputy Superintendent
Dr. Christopher Coleman	Deputy Superintendent
Larisa Harris	Chief Financial Officer
Stacy Haney, Haney Phinyowattanachip PLLC	School Attorney
Patrick T. Andriano, Reed Smith LLP	School Attorney

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Government Finance Officers Association

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**County of Isle of Wight
Virginia**

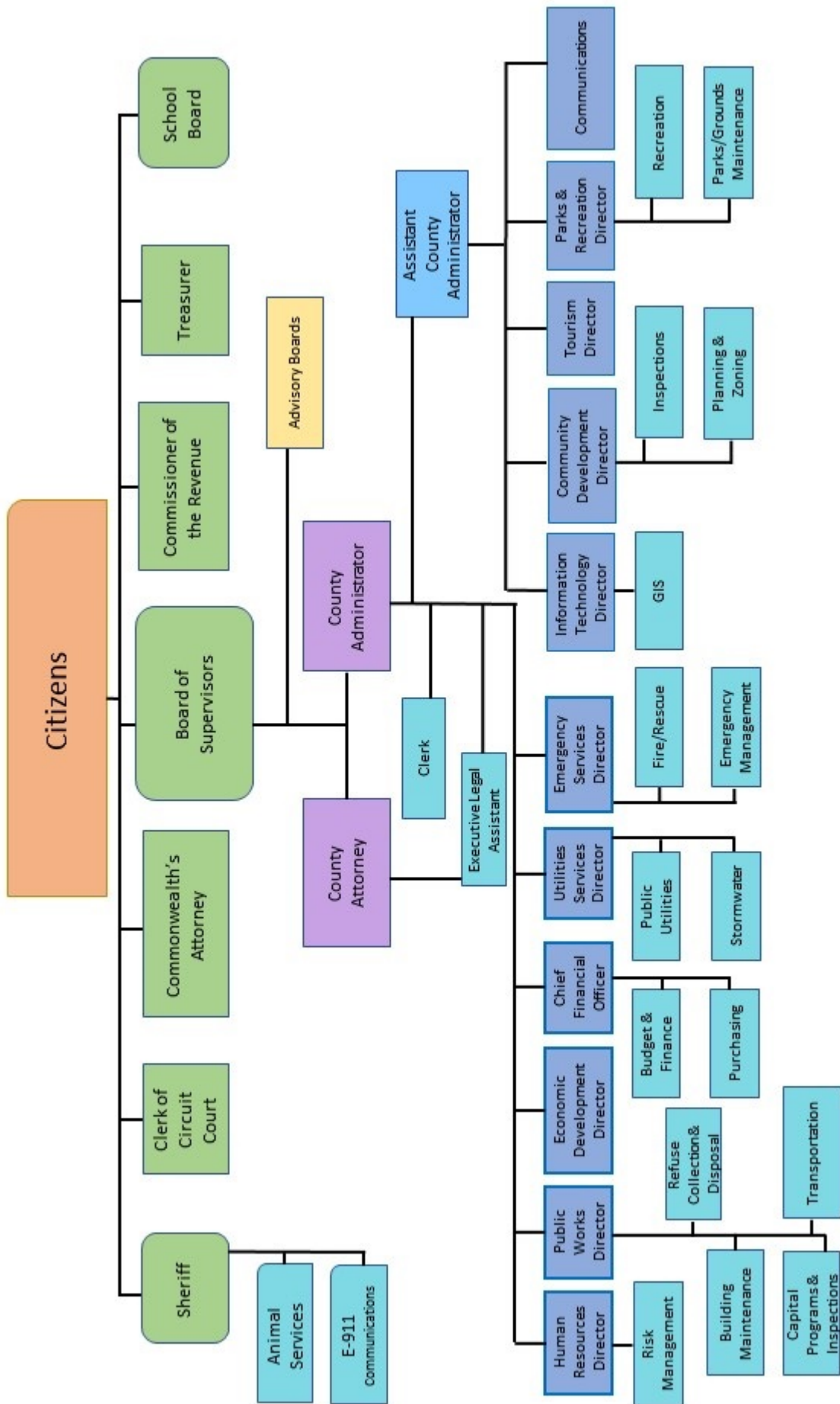
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Isle of Wight, Virginia, as of and for the year ended June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 96, Subscription-Based Information Technology Arrangements (SBITAs). Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of County of Isle of Wight, Virginia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Isle of Wight, Virginia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024, on our consideration of County of Isle of Wight, 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 Isle of Wight, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Isle of Wight, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia

January 2, 2024

Management's Discussion & Analysis

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Introduction

This section of the County of Isle of Wight, Virginia's (County) annual financial report presents our discussion and analysis of the County's financial performance for the fiscal year ended June 30, 2023. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The net position of the County, excluding the component units, as of June 30, 2023 was \$34.9 million, a 28.9% increase from the previous fiscal year mostly attributable to a decrease in liabilities and deferred inflow of resources. The decrease in liabilities is related to payment of long-term debt and the decrease in deferred inflow of resources is from recognition of pension inflows. Of the total net position, \$1.4 million is restricted for capital projects, while \$53.8 million is unrestricted.
- The County's net position for the governmental activities was \$25.3 million, a (29.4)% increase from FY 2022 largely due to a decrease in liabilities and deferred inflow of resources. Net investment in capital assets resulted in a deficit of \$15.8 million, while net position restricted is \$2.0 million and \$39.1 million remains unrestricted.
- The net position of business activities was \$9.6 million resulting from a deficit in net investment in capital assets of \$5.2 million offset by restricted and unrestricted net position of \$14.8 million. This is (175.9)% better than the previous year due to capital contributions for infrastructure land improvements from the General Fund. Business activities has no restricted net position restricted and \$14.8 million unrestricted. Transfers of private infrastructure assets that have been capitalized by the County provided a \$7.65 million reduction in Net Investment in Capital Assets from prior year to the FY 2023 balance of (\$5,216,521).
- The County's General Fund reported a net decrease in fund balance of \$(4.0) million largely attributable to an \$8 million court ordered refund of Machinery & Tools taxes and related interest to the County's largest taxpayer. Of the \$30.8 million FY 2023 General Fund total fund balance, \$26.9 million is unassigned while the remainder is nonspendable, restricted or committed.
- The County's long-term debt at June 30, 2023 was \$178.6 million, an decrease of (5.0)%.
- The County's tax rate on real estate did not increase from the prior year rate of \$0.85 per \$100 of assessed value.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *Management's Discussion and Analysis* (this section), the *basic financial statements*, and *required and other supplementary information*. The basic financial statements include two statements presenting different views of the County:

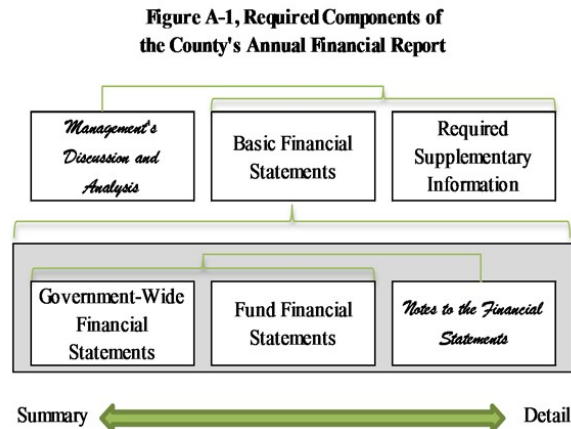
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's operations in more detail than the government-wide statements.
- *The governmental funds* statement tells how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as public utilities.
- *Fiduciary fund* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong, such as Special Welfare.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required and other supplementary information* that further explains and supports the information in the financial statements.

Management's Discussion & Analysis

Components of Financial Report

Figure A-1 shows how the required parts of this annual report are arranged and related to one another.



Statements

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Type of Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary	Activities the County operates similar to private businesses: public utilities	Instances in which the County is the trustee or agent for someone else's resources: Special Welfare
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures & changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows	Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Management's Discussion & Analysis

Government-wide Statements

The *government-wide financial statements* report information about the County using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the County's overall financial status. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to reporting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The two government-wide statements report the County's net position and how they have changed. Net position, the difference between the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County, one needs to consider additional non-financial factors such as changes in the County's tax base.

The government-wide statements of the County include the following:

- **Governmental activities** - Most of the County's basic services are reported here including general government, judicial administration, public safety, public works, education, health and welfare, parks and recreation and economic and community development. Property taxes, other local taxes, and state and federal grants finance most of these activities.
- **Business-type activities** - The County's water, sewer and stormwater services are reported as business-type activities. These services are mostly supported by charges for services based on use.
- **Component Units** - The County includes two separate legal entities in its report - the Isle of Wight County School Board and the Economic Development Authority of the County of Isle of Wight. While legally separate, the County is financially accountable and provides operating and capital funding to these component units.

Fund Financial Statements

The fund financial statements provide additional information about the County's most significant funds. These statements focus on the individual parts of the County government and groupings of related accounts that are used to maintain control over resources that have been segregated for specific purposes. Governments use fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are divided into three categories: governmental funds, proprietary funds and fiduciary funds. These financial statements are supplemented by accompanying Notes to the Financial Statements and Required Supplemental Information.

Governmental funds - Most of the County's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's services. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.

Management's Discussion & Analysis

Proprietary Funds - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. The County's enterprise fund (one type of proprietary fund) is used to report the same functions presented as business-type activities in the government-wide financial statements, but the fund financial statements provide more detail and additional information, such as cash flows. The County's public utilities enterprise fund accounts for the operation of its water and sewer systems while the stormwater enterprise fund accounts for the operation of its stormwater system.

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 services. The accounting used for fiduciary funds is similar to that of the proprietary funds. The County maintained Special Welfare Fund in fiscal year 2021.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

NET POSITION

Table A-1 summarizes the Statement of Net Position at June 30, 2023 and 2022.

Table A-1

	Governmental Activities		Business - Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 88,836,138	\$ 117,187,870	\$ 16,864,660	\$ 20,726,377	\$ 105,700,798	\$ 137,914,247
Capital assets	107,650,795	85,153,001	28,053,189	18,318,355 *	135,703,984	103,471,356
Total assets	196,486,933	202,340,871	44,917,849	39,044,732	241,404,782	241,385,603
Deferred outflows of resources	10,249,702	11,195,948	2,610,965	2,783,872	12,860,667	13,979,820
Current liabilities	16,826,456	19,178,264	5,000,813	3,324,884	21,827,269	22,503,148
Long-term liabilities	143,429,451	148,704,571	32,738,350	34,463,375	176,167,801	183,167,946
Total liabilities	160,255,907	167,882,835	37,739,163	37,788,259	197,995,070	205,671,094
Deferred inflows of resources	21,209,471	9,860,639	210,895	568,722	21,420,366	10,429,361
Net Investment in capital assets	(15,778,664)	(19,239,469)	(5,216,521)	(12,896,428)	(20,995,185)	(32,135,897)
Restricted	1,999,065	44,278,547	650	470,689	1,999,715	44,749,236
Unrestricted	39,050,856	(3,772,310) *	14,794,627	15,897,362	53,845,483	12,125,052 *
Total net position	\$ 25,271,257	\$ 21,266,768	\$ 9,578,756	\$ 3,471,623	\$ 34,850,013	\$ 24,738,391

*Restated FY2022 blance (Note 19-Part A for detail)

As described earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the fiscal year, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$34.9 million, a (11.2)% increase from the previous year. While governmental assets decreased and business activities assets increased, total assets remained neutral when compared to June 30, 2022.

The largest portion of the County's net position at June 30, 2023 is unrestricted net position which increased from the prior year by (344.1) %. The restricted net position of the County in FY 2023 was \$2.0 million, which represents 5.7% of total net position.

County of Isle of Wight, Virginia

Management's Discussion & Analysis

Changes in Net Position (Statement of Activities)

Governmental Activities

Of the total net position of the County, \$25.3 million can be attributed to governmental activities. This is a \$(10.5) million or (29.4)% increase from the prior year. The \$(28.4) million decrease in Current and Other Assets resulted from the \$(25.8) million of bond proceeds that were used to fund various capital improvement projects, but primarily the Hardy Elementary School. In addition, there was a reduction in the County's investments of approximately \$4.7 million. The total long-term liabilities decreased by \$(5.3) million for the fiscal year predominantly due to the \$(7.7) million decrease in net general obligation bonds payable due to the paydown of outstanding debt.

Business-Type Activities

The Public Utilities and Stormwater Funds had a positive net position of \$9.6 million, which is \$6.1 million better than the prior year. The net position includes \$14.8 million which is unrestricted. A deficit of \$5.2 million in net investment in capital assets is attributable to existing debt obligations and depreciation of assets. Total liabilities remained relatively neutral compared to June 30, 2022.

The following summarizes the County's changes in net position for the years ended June 30, 2023 and 2022:

Table A-2

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 4,006,387	\$ 4,137,218	7,727,098	9,181,773	\$ 11,733,485	\$ 13,318,991
Operating grants and contributions	7,478,439	5,175,787	-	-	7,478,439	5,175,787
Capital grants and contributions	1,622,370	9,723,179	6,114,620	-	7,736,990	9,723,179
General Revenue:						
Taxes	70,670,892	74,518,895	-	-	70,670,892	74,518,895
Intergovernmental, non-categorical aid	5,814,983	5,518,795	-	-	5,814,983	5,518,795
Others	3,879,384	1,552,860	92,883	68,975	3,972,267	1,621,835
Total revenues	93,472,455	100,626,734	13,934,601	9,250,748	107,407,056	109,877,482
Expenses						
General government administration	12,739,010	6,812,766	-	-	12,739,010	6,812,766
Judicial administration	2,413,642	2,092,876	-	-	2,413,642	2,092,876
Public safety	18,422,740	16,356,578	-	-	18,422,740	16,356,578
Public works	5,731,653	5,267,674	-	-	5,731,653	5,267,674
Health and welfare	5,601,103	5,436,960	-	-	5,601,103	5,436,960
Education	27,518,658	43,382,111	-	-	27,518,658	43,382,111
Parks, recreation and cultural	4,185,080	3,891,446	-	-	4,185,080	3,891,446
Community development	5,127,640	5,145,183	-	-	5,127,640	5,145,183
Interest on long-term debt	4,382,292	4,520,822	-	-	4,382,292	4,520,822
Public utility	-	-	9,777,597	9,456,664	9,777,597	9,456,664
Stormwater	-	-	1,396,019	1,187,198	1,396,019	1,187,198
Total expenses	86,121,818	92,906,416	11,173,616	10,643,862	97,295,434	103,550,278
Excess (deficiency) before transfers	7,350,637	7,720,318	2,760,985	(1,393,114)	10,111,622	6,327,204
Transfers	(3,346,148)	(8,752,382)	3,346,148	8,752,382	-	-
Change in net position	4,004,489	(1,032,064)	6,107,133	7,359,268	10,111,622	6,327,204
Net position (deficit) - beginning of year	35,793,345	22,298,832	3,471,623	(3,887,645)	24,738,391	18,411,187
Net position (deficit) - end of year	\$ 39,797,834	\$ 21,266,768 *	9,578,756	3,471,623	\$ 34,850,013	\$ 24,738,391

*Restated FY2022 balance (Note 19-Part A for detail)

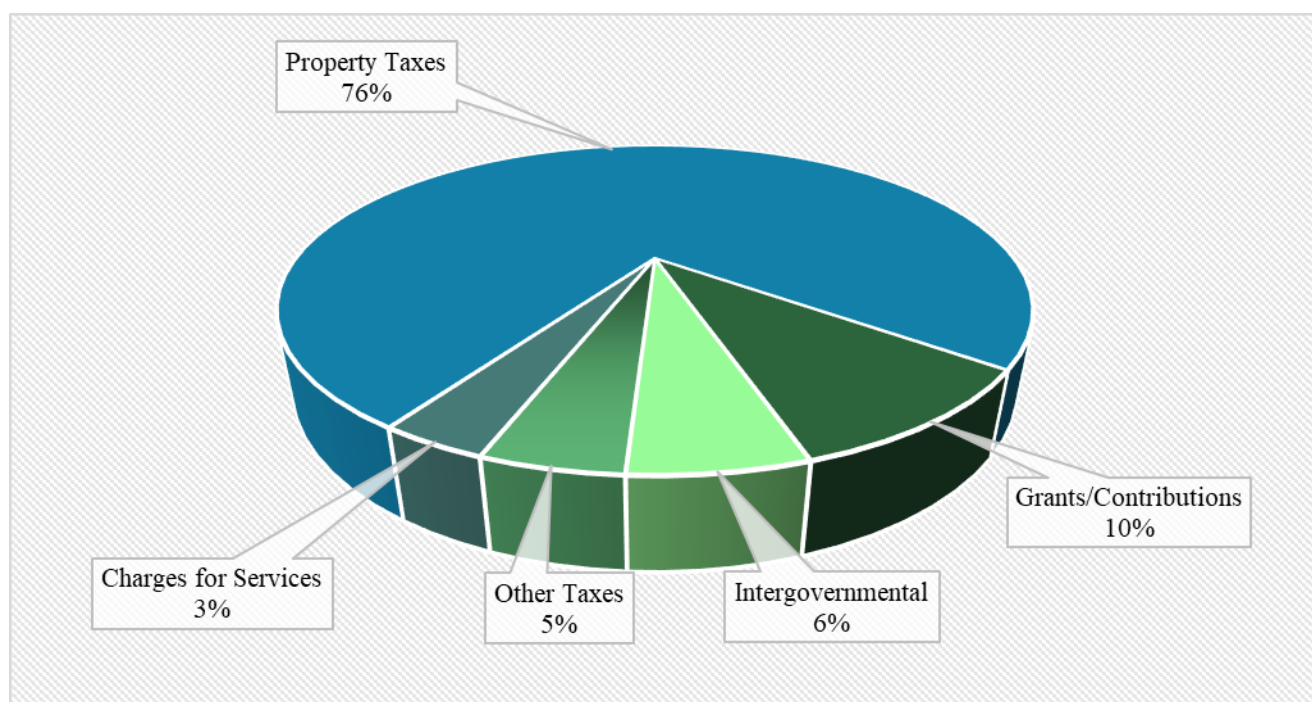
REVENUES

The total revenue of the County was \$107.4 million in the year ended June 30, 2023, which is \$(2.5) million less than the prior year while the total expenses of all programs and services was \$97.3 million which is \$(6.3) million less than FY 2022. A more detailed explanation of the changes in both governmental and business-type activities is given below.

Governmental Activities

The County's total revenues for governmental activities were \$93.5 million, of which a significant portion, 75.6% comes from local taxes. Expenses of all governmental programs and services were \$86.1 million. Charges for services for FY 2023 were \$4.0 million, a decrease from the prior year. Revenues from operating grants increased by \$(2.3) million from the prior year. Capital grants and contributions decreased significantly in FY 2023 by \$(8.1) million. Tax revenues for the governmental funds also decreased \$(3.8) million from the prior year largely due to the refund of machinery and tool tax revenue.

Figure A-3 Government-wide Revenues



Business-Type Activities

Total revenues increased from the prior year by 50.6 %. Overall, the Public Utilities Fund Net Position improved when compared to prior year at a \$6.7 million increase. County management continues to seek ways to diversify and expand the Public Utilities revenue sources. The Utility System customer base is not large enough to allow the Public Utility activity to be self-sufficient. The Stormwater function has sufficient revenue sources to support its function.

Management's Discussion & Analysis

EXPENSES

The total cost of County activities this year was \$97.3 million. A breakdown of expenses by both governmental and business-type activities is presented below.

Governmental Activities

Education continues to be one of the County's highest priorities and commitments representing 32.0% of total costs and 33.5% of General Fund expenditures. The cost of all *governmental* activities this year was \$86.1 million, a (7.3)% increase from the previous year. While increases occurred in several functional areas, the most significant increase was in Education. This increase was largely due to the construction of a new elementary school.

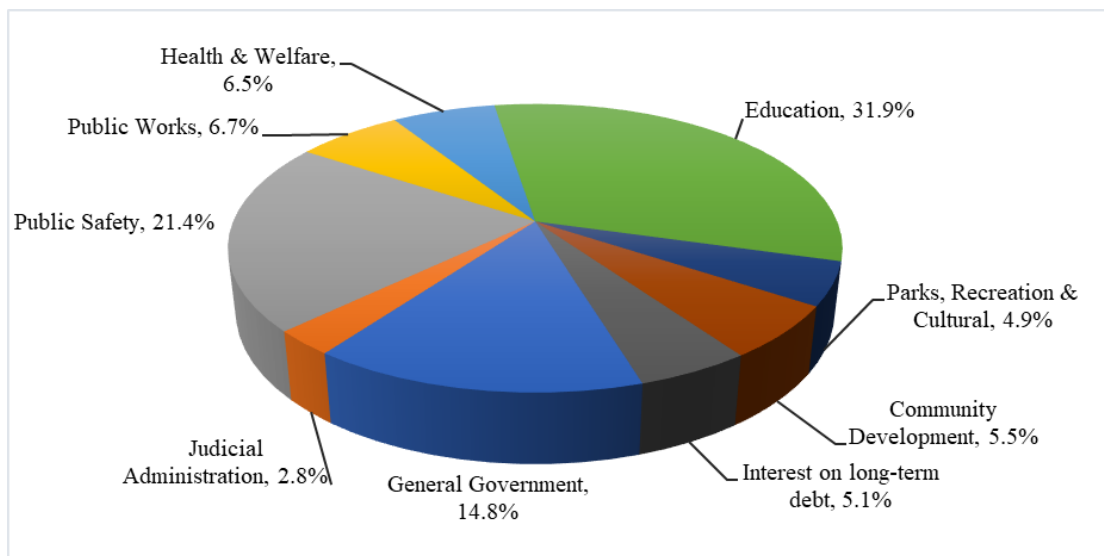
Table A-3a presents the cost of each of the County's governmental functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid).

Table A-3a

	Total Cost of Services			Net Cost of Services		
	2023	2022	% Change	2023	2022	% Change
Governmental Activities:						
General government administration	\$ 12,739,010	\$ 6,812,766	87.0%	\$ 9,612,998	\$ (4,461,760)	315.5%
Judicial administration	2,413,642	2,092,876	15.3%	1,093,274	1,465,196	-25.4%
Public safety	18,422,740	16,356,578	12.6%	14,443,972	12,597,892	14.7%
Public works	5,731,653	5,267,674	8.8%	5,548,024	5,267,674	5.3%
Health and welfare	5,601,103	5,436,960	3.0%	1,910,553	2,763,114	-30.9%
Education	27,518,658	43,382,111	-36.6%	27,518,658	43,382,111	-36.6%
Parks, recreation and cultural	4,185,080	3,891,446	7.5%	3,510,806	3,215,219	9.2%
Community development	5,127,640	5,145,183	-0.3%	4,994,045	5,119,964	-2.5%
Interest on long-term debt	4,382,292	4,520,822	-3.1%	4,382,292	4,520,822	-3.1%
Total expenses	<u>\$ 86,121,818</u>	<u>\$ 92,906,416</u>	<u>-7.3%</u>	<u>\$ 73,014,622</u>	<u>\$ 73,870,232</u>	<u>-1.2%</u>

Figure A-4 presents each of the County's governmental functions as a percentage of total cost.

Figure A-4 Cost of Services by Function

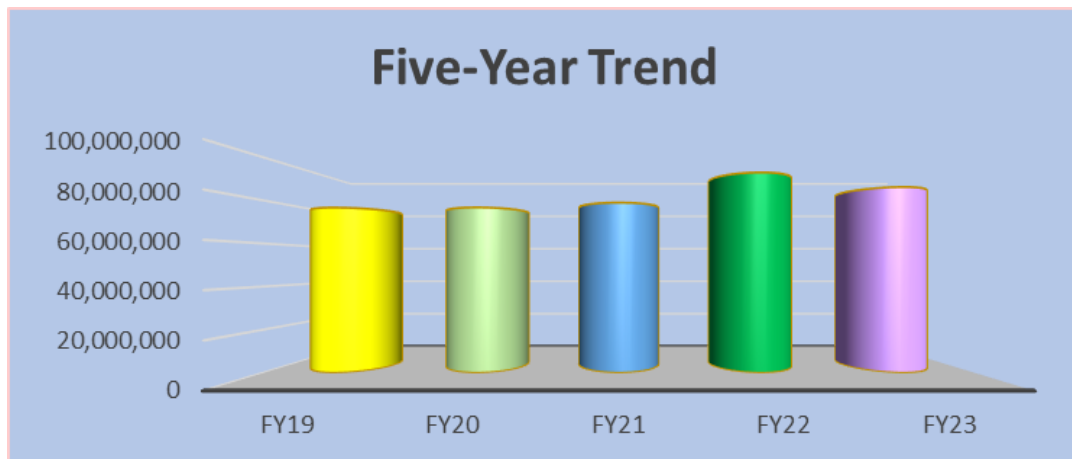


Management's Discussion & Analysis

Governmental Activities (continued)

Expenses for governmental activities have increased 22.1% over the last five fiscal years which is relative to the rate of inflation for the same period. In Fiscal Year 2023 there was a significant increase in expenditures over Fiscal Year 2022 due to capital expenditures in Education for the elementary school currently under construction. Figure A-5 presents the County's governmental activities expenses year over year for the current and last four fiscal years.

Figure A-5 Total Governmental Expenses



Business-type Activities

Expenses for business-type activities had a 4.98 % increase over FY 2022.

Table A-3b presents the cost of each of the County's business-type functions as well as each function's net cost (total cost less fees generated by the activities). A positive number indicates insufficient revenue to cover cost of providing services.

Table A-3b

	Total Cost of Services			Net Cost of Services		
	2023	2022	% Change	2023	2022	% Change
Business-type Activities:						
Public Utilities	\$ 9,777,597	\$ 9,456,664	3.4%	\$ (2,605,127)	\$ 1,756,644	-248.3%
Stormwater	1,396,019	1,187,198	17.6%	(62,975)	(294,555)	-78.6%
Total expense	\$ 11,173,616	\$ 10,643,862	5.0%	\$ (2,668,102)	\$ 1,462,089	-282.5%

The net cost of services for the Public Utilities Fund was 248.3% less than the previous year. The Stormwater Fund had a net cost of services of \$(0.06) million.

In FY 2023, the General Fund combined with the Debt Fund transferred \$4.2 million to support the operations of the Public Utilities fund. Financial support provided by the General Fund has been the practice in prior fiscal years but had started trending down during the last few fiscal years. The increase in the amount transferred was primarily due to fund the Hardy Elementary Water Line and Water Tank projects. The transfer this fiscal year is approximately (61.8)% less than was transferred in the previous fiscal year. The operation of Public Utilities is expected to continue to grow and it is the intent of the County to establish a repayment schedule to the Governmental Funds for previous operating transfers.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The County uses fund accounting to maintain control over resources that have been segregated for specific purposes and to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The primary purpose of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information assists in assessing the County's financing requirements. In particular, unassigned 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 \$59.8 million, of which \$26.9 million or 44.9% is unassigned.

General Fund. The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$26.9 million or (9.1)% higher than FY 2022. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total current expenditures. At June 30, 2023, the unassigned fund balance represented approximately 32.9% of the total General Fund expenditures. For June 30, 2023, the general fund had a total fund balance of \$30.8 million, or (11.5)% lower than the previous year. The committed fund balance was higher than FY 2022 at \$3.0 million. Of this amount, \$2.2 million is committed for the Purchase Agricultural Conservation Easement Program (PACE), and \$0.8 million is earmarked for commitments for the Economic Development Incentive Program. The assigned fund balance is \$0.3 million while the remaining fund balance component is in the nonspendable category (\$0.4 million).

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 in their respective fund. At the end of the current fiscal year, the fund balance was \$24.5 million, a decrease of \$(23.0) million or 48.3% less than FY 2022. The restricted fund balance was \$17.6 million which is restricted for School and County capital projects.

Non-Major Governmental Funds. The County accounts for other programs and services in different funds. These funds include the Department of Social Services, Children's Services Fund, E-911 Funds, Community Development Block Grant Funds, the County Fair, the Grants Fund and the Heritage Park Concert Fund. At June 30, 2023, the combined fund balances were \$0.8 million.

Proprietary funds

The County's proprietary funds consist of the Public Utilities and Stormwater Fund. More detailed information can be found in the government-wide financial statements.

Public Utility Fund. The net position of the Public Utility Fund at the end of the current fiscal year was a surplus of \$(3.4) million, of which a deficit of \$6.8 million is representative of net investment in capital assets and \$- million is restricted for Utility infrastructure projects. Additionally, \$10.2 million in unrestricted net position was significantly higher than FY 2022. Future economic growth within the County will continue to increase the customer base and consequently increase revenue which would reduce the dependence of the Public Utility Fund on the contributions provided by the General Fund.

Stormwater Fund. The net position of the Stormwater Fund for FY 2023 was \$6.2 million which is a (8.3)% decrease over the prior year. The net investment in capital assets for the Stormwater Fund at the end of the current fiscal year was \$1.5 million and the unrestricted net position was \$4.6 million representing a decrease of (1.1)% from FY 2022.

Management's Discussion & Analysis

General Fund Budgetary Highlights

The County's annual budget is prepared on an operating basis and includes estimated revenues and annual appropriations for operations. Actual general fund revenues (excluding other financing sources) were \$4.0 million less than the final budget. The difference between the original budget for FY 2023 and the final budget (excluding other financing sources) was \$0.9 million. Actual General Fund expenditures, excluding interfund transfers and debt service costs, were \$68.8 million. This is approximately \$7.2 million more than the prior year mostly due to an increase public safety expenditures (\$1.7 million) and Debt Service (\$1.3 million) offset by decreases in other areas.

Capital Assets

At the end of fiscal year 2023, the County had invested \$135.7 million, net of accumulated depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.)

Annually, the Board of Supervisors adopts a five (5) year Capital Improvement Plan with a five (5) year horizon. The capital improvement plan begins with a review of requests from departments, agencies and other organizations by a sub-committee, comprised of three (3) members from the Planning Commission and two (2) members from the Board of Supervisors. The funding stream, consisting of operating revenues, reserves and bonded debt is also reviewed in connection with the requests. The proposed plan is then presented to the Planning Commission for discussion and review and subsequently presented to the Board of Supervisors for adoption. More detailed information on the County's capital assets is presented in Note 6 to the basic financial statements.

Table A-4

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Nondepreciable assets						
Land	\$ 11,802,832	\$ 12,752,332	\$ 633,693	\$ 463,013	\$ 12,436,525	\$ 13,215,345
Intangibles	4,338,512	4,338,512	-	-	4,338,512	4,338,512
Construction in progress	41,787,334	16,964,048	7,715,796	3,346,329	49,503,130	20,310,377
Total nondepreciable assets	57,928,678	34,054,892	8,349,489	3,809,342	66,278,167	37,864,234
Depreciable assets						
Land improvements	42,320,952	42,320,397	25,484,547	19,598,655	67,805,499	61,919,052
Buildings	17,873,062	16,453,217	11,645,449	11,645,449	29,518,511	28,098,666
Equipment	13,486,159	14,599,028	2,191,462	2,042,433	15,677,621	16,641,461
Vehicles	6,659,899	5,882,161	736,272	740,887	7,396,171	6,623,048
Total depreciable assets	80,340,072	79,254,803	40,057,730	34,027,424	120,397,802	113,282,227
Total accumulated depreciation	(31,317,289)	(28,626,779)	(20,455,681)	(19,526,218)	(51,772,970)	(48,152,997)
Capital assets net of depreciation	\$ 106,951,461	\$ 84,682,916	\$ 27,951,538	\$ 18,310,548	\$ 134,902,999	\$ 102,993,464
Right to use leased assets						
SBITA Assets	227,904	-	100,367	-	328,271	-
Equipment	467,249	358,121	10,237	10,237	477,486	368,358
Buildings	204,012	193,555	51,325	-	255,337	193,555
Total right to use assets being amortized	899,165	551,676	161,929	10,237	1,061,094	561,913
Less: accumulated amortization:						
SBITA Assets	16,170	-	32,155	-	48,325	-
Equipment	180,939	80,266	4,859	2,430	185,798	82,696
Buildings	2,722	1,325	23,264	-	25,986	1,325
Total accumulated amortization	199,831	81,591	60,278	2,430	260,109	84,021
Capital assets net of amortization	699,334	470,085	101,651	7,807	800,985	477,892
Net capital assets	\$ 107,650,795	\$ 85,153,001	\$ 28,053,189	\$ 18,318,355	\$ 135,703,984	\$ 103,471,356

County of Isle of Wight, Virginia

Management's Discussion & Analysis

Long-Term Debt

At year-end the County had \$144.3 million in bonds, loans, direct borrowings, lease obligations and SBITA liabilities as shown in Table A-5. The Commonwealth of Virginia limits the amount of debt outstanding to 10% of the localities assessed value of real property. At June 30, 2023, the County's debt ratio to assessed value was approximately 2.79% demonstrating the County's conservative debt borrowing policy and management approach. The only new debt issued by the County in the fiscal year ending June 30, 2023, is \$0.5 million as part of the Financing Program to purchase vehicles and equipment for the County. More detailed information on the County's long-term debt is presented in Note 7 to the basic financial statements.

Table A-5

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 129,309,331	\$ 136,968,925	\$ 32,282,375	\$ 33,575,628	\$ 161,591,706	\$ 170,544,553
Bond premium	8,139,352	8,586,819	1,846,001	1,940,744	9,985,353	10,527,563
Subtotal	137,448,683	145,555,744	34,128,376	35,516,372	171,577,059	181,072,116
Installment purchase agreements - PACE	4,326,512	4,326,512	-	-	4,326,512	4,326,512
Direct borrowing	1,759,831	1,905,283	129,891	181,247	1,889,722	2,086,530
Lease liabilities	483,783	473,804	29,353	7,811	513,136	481,615
SBITA liabilities	182,304	-	67,122	-	249,426	-
Total long-term debt	\$ 144,201,113	\$ 152,261,343	\$ 34,354,742	\$ 35,705,430	\$ 178,555,855	\$ 187,966,773

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Recent reviews of fiscal performance by external agencies resulted in both stable and improved bond ratings. County Bond ratings are reviewed periodically by multiple agencies such as Fitch, Standard & Poor's and Moody's. The reviews analyze economic indicators and the performance of the County's financial management. These positive ratings reflect continued economic growth in the County, strong financial management, and conservative budgeting practices all of which allow the County to continue its commitment to protect the financial resources of the citizens of Isle of Wight.

- The County's per capita personal income, as of the latest data available, was \$42,122.
- The unemployment rate for Isle of Wight County for 2023 is 2.80% compared to 2022 which was 3.1%.
- Property tax rates remained at \$0.85 for real estate and \$1.75 for Machinery & Tools and \$3.90 in FY23 for personal property.

These indicators were taken into account when adopting the operating and capital budget for fiscal year 2023-2024. The adopted budget includes the following highlights.

- A reduction in the real estate tax rate from \$.85 to \$.71 was adopted as part of the FY24 budget.
- An increase in the Machinery & Tools to \$1.95 and personal property tax to \$3.90.
- The largest uses of County funds are for Education (\$30.5 million), Public Safety (\$16.7 million), and Debt Service (\$12.2 million).

OTHER FACTORS TO CONSIDER

Isle of Wight County

The County is committed to using its resources wisely and to delivering quality services to its citizens. The County continually strives to enhance the cost-effectiveness of its operations and the services it provides without sacrificing quality.

The Board of Supervisors' strategic plan incorporates a Values Statement, Mission Statement and four primary strategic directions as follows:

Isle of Wight Values Statement

To sustain Isle of Wight County's stature as a COMMUNITY OF CHOICE for people, families, and businesses alike while preserving and protecting our rural heritage, our bountiful mix of natural resources and our natural beauty for present and future generations.

Isle of Wight County Mission Statement

As a COMMUNITY OF CHOICE, Isle of Wight County is committed to providing an excellent quality of life for all citizens through the provision of fiscally responsible services and programs.

Isle of Wight County Slogan

A COMMUNITY OF CHOICE committed to excellence.

Isle of Wight County's Strategic Direction/Agenda

- 1. Effective governance and community partnerships.*
- 2. Economic well-being and quality of life.*
- 3. Managing growth and change.*
- 4. Funding the future.*

Isle of Wight County Schools

Isle of Wight County Schools (IWCS) is committed to preparing our students for excellence in the 21st century by ensuring that they are provided with the knowledge and skills needed to be successful in pursuit of college, careers and citizenship in the global world community. Annually, IWCS educates almost approximately 5552 students in a comprehensive Pre-Kindergarten through twelfth grade instructional program, consisting of five elementary, two middle and two high schools. All IWC schools are fully accredited by the Virginia Department of Education and by the Southern Association of Colleges and Schools.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Department of Finance at 757-365- 6273.

Basic Financial Statements

*County of Isle of Wight, Virginia**Statement of Net Position***June 30, 2023**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Assets					
Cash and cash equivalents	\$ 33,304,995	\$ 15,693,072	\$ 48,998,067	\$ 5,575,344	\$ 820,479
Restricted cash and cash equivalents	17,792,517	88,000	17,880,517	-	-
Investments	11,093,804	-	11,093,804	-	-
Receivables - net	22,306,579	1,059,275	23,365,854	98,726	7,878
Lease receivable, current	130,940	-	130,940	-	26,745
Due from primary government	-	-	-	434,423	-
Due from other governments	1,835,207	-	1,835,207	5,658,799	-
Inventories and prepaid items	-	23,663	23,663	-	-
Loan receivable	87,414	-	87,414	-	-
Lease receivable, non current	1,904,448	-	1,904,448	-	34,980
Net pension asset	-	-	-	388,271	-
Net OPEB asset	5,234	650	5,884	2,404	-
Capital Assets:					
Nondepreciable	57,928,678	8,349,489	66,278,167	1,750,617	376,537
Depreciable - net	49,722,117	19,703,700	69,425,817	75,072,631	1,471,751
Advance to component unit	375,000	-	375,000	-	-
Land held for resale	-	-	-	-	9,011,625
Total assets	196,486,933	44,917,849	241,404,782	88,981,215	11,749,995
Deferred Outflows of Resources					
Deferred losses on refundings	7,221,894	2,398,813	9,620,707	-	-
Pension	2,659,293	180,353	2,839,646	11,110,694	-
OPEB	368,515	31,799	400,314	2,349,397	-
Total deferred outflows of resources	10,249,702	2,610,965	12,860,667	13,460,091	-

*County of Isle of Wight, Virginia**Statement of Net Position***June 30, 2023**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Liabilities					
Accounts payable	\$ 3,363,300	\$ 1,850,082	\$ 5,213,382	\$ 7,926,992	\$ 11,492
Accrued liabilities	2,088,512	265,561	2,354,073	-	-
Amounts held in escrow	142,095	74,643	216,738	-	-
Due to component unit	434,423	-	434,423	-	-
Customer deposits payable	-	352,737	352,737	-	-
Accrued interest payable	1,766,446	469,351	2,235,797	22,087	-
Due to other governments	79,922	-	79,922	208,524	-
Unearned revenues	228,638	-	228,638	-	10,328
Long-term obligations:					
Due within one year	8,723,120	1,988,439	10,711,559	807,564	375,000
Due in more than one year	139,289,523	32,442,964	171,732,487	5,824,319	-
Net pension liabilities	2,178,619	147,745	2,326,364	35,697,485	-
Net OPEB liabilities	1,961,309	147,641	2,108,950	10,657,914	-
Total liabilities	160,255,907	37,739,163	197,995,070	61,144,885	396,820
Deferred Inflows of Resources					
Deferred revenue - property taxes	16,215,227	-	16,215,227	-	-
Leases	1,953,653	-	1,953,653	-	60,497
Pension	2,557,918	173,468	2,731,386	8,246,055	-
OPEB	482,673	37,427	520,100	2,071,682	-
Total deferred inflows of resources	21,209,471	210,895	21,420,366	10,317,737	60,497
Net Position					
Net investment in capital assets	(15,778,664)	(5,216,521)	(20,995,185)	70,780,662	1,473,288
Restricted:					
Opioid abatement	435,232	-	435,232	-	-
Public safety	198,430	-	198,430	-	-
Recreation	2,187	-	2,187	-	-
Capital projects	1,357,982	-	1,357,982	242,978	-
Education	-	-	-	1,395,905	-
Industrial park	-	-	-	-	221,642
Net pension asset	-	-	-	388,271	-
Net OPEB asset	5,234	650	5,884	2,404	-
Unrestricted (deficit)	39,050,856	14,794,627	53,845,483	(41,831,536)	9,597,748
Total net position (deficit)	\$ 25,271,257	\$ 9,578,756	\$ 34,850,013	\$ 30,978,684	\$ 11,292,678

The accompanying notes are an integral part of these financial statements.

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County of Isle of Wight, Virginia

Statement of Activities

For the Fiscal Year Ended June 30, 2023

Function/Program Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Functions:									
Primary Government:									
Governmental Activities:									
General government administration	\$ 12,739,010	\$ 1,321,545	\$ 377,751	\$ 1,426,716	\$ (9,612,998)	\$ -	\$ (9,612,998)	\$ -	\$ -
Judicial administration	2,413,642	267,739	1,052,629	-	(1,093,274)	-	(1,093,274)	-	-
Public safety	18,422,740	1,240,582	2,689,553	48,633	(14,443,972)	-	(14,443,972)	-	-
Public works	5,731,653	-	36,608	147,021	(5,548,024)	-	(5,548,024)	-	-
Health and welfare	5,601,103	435,232	3,255,318	-	(1,910,553)	-	(1,910,553)	-	-
Education	27,518,658	-	-	-	(27,518,658)	-	(27,518,658)	-	-
Parks, recreation and cultural	4,185,080	654,171	20,103	-	(3,510,806)	-	(3,510,806)	-	-
Community development	5,127,640	87,118	46,477	-	(4,994,045)	-	(4,994,045)	-	-
Interest and fiscal charges	4,382,292	-	-	-	(4,382,292)	-	(4,382,292)	-	-
Total governmental activities	86,121,818	4,006,387	7,478,439	1,622,370	(73,014,622)	-	(73,014,622)	-	-
Business-type Activities:									
Public utility	9,777,597	6,268,104	-	6,114,620	-	2,605,127	2,605,127	-	-
Stormwater	1,396,019	1,458,994	-	-	-	62,975	62,975	-	-
Total Business-type Activities	11,173,616	7,727,098	-	6,114,620	-	2,668,102	2,668,102	-	-
Total Primary Government	97,295,434	11,733,485	7,478,439	7,736,990	(73,014,622)	2,668,102	(70,346,520)	-	-
Component Units:									
School Board	77,862,242	929,830	52,746,648	-	-	-	-	(24,185,764)	-
Economic Development Authority	308,591	71,890	-	-	-	-	-	-	(236,701)
Total Component Units	78,170,833	1,001,720	52,746,648	-	-	-	-	(24,185,764)	(236,701)
General Revenues:									
Taxes:									
General property taxes					60,440,657	-	60,440,657	-	-
Local sales and use tax					4,182,782	-	4,182,782	-	-
Consumer utility tax					1,192,880	-	1,192,880	-	-
Other local taxes					4,854,573	-	4,854,573	-	-
Revenue from use of property & money					2,276,710	72,739	2,349,449	423,320	97,960
Miscellaneous					1,602,674	20,144	1,622,818	2,099,024	-
Payment from the Primary Government					-	-	-	27,379,027	-
Intergovernmental, non-categorical aid					5,814,983	-	5,814,983	-	-
Transfers					(3,346,148)	3,346,148	-	-	-
Total General Revenues and Transfers					77,019,111	3,439,031	80,458,142	29,901,371	97,960
Change in net position (deficit)					4,004,489	6,107,133	10,111,622	5,715,607	(138,741)
Net position - beginning of year, as restated (deficit)					21,266,768	3,471,623	24,738,391	25,263,077	11,431,419
Net position - end of year (deficit)	\$	\$			25,271,257	\$ 9,578,756	\$ 34,850,013	\$ 30,978,684	\$ 11,292,678

The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Balance Sheet - Governmental Funds***June 30, 2023**

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 18,436,933	\$ 10,073,454	\$ 3,672,000	\$ 561,974	\$ 32,744,361
Restricted cash and cash equivalents	188,318	17,604,199	-	-	17,792,517
Investments	11,093,804	-	-	-	11,093,804
Receivables - net of allowance for uncollectibles:					
Taxes	20,644,665	-	-	-	20,644,665
Accounts receivable	1,314,166	5,391	-	330,417	1,649,974
Accrued interest receivable	3,440	-	-	-	3,440
Due from other funds	218,637	-	-	-	218,637
Due from other governments	1,079,104	72,196	-	683,907	1,835,207
Lease receivable	2,035,388	-	-	-	2,035,388
Advance to component unit	375,000	-	-	-	375,000
Loan receivable	87,414	-	-	-	87,414
Total assets	\$ 55,476,869	\$ 27,755,240	\$ 3,672,000	\$ 1,576,298	\$ 88,480,407
Liabilities					
Accounts payable	\$ 1,599,395	\$ 1,570,692	\$ -	\$ 145,501	\$ 3,315,588
Accrued liabilities	160,062	1,640,128	-	14,070	1,814,260
Amounts held in escrow	117,034	-	-	25,061	142,095
Due to other funds	-	-	-	218,637	218,637
Due to component unit	434,423	-	-	-	434,423
Due to other governments	61,006	-	-	18,916	79,922
Unearned revenues	189,703	5,391	-	33,544	228,638
Total liabilities	2,561,623	3,216,211	-	455,729	6,233,563
Deferred Inflows of Resources					
Leases	1,953,653	-	-	-	1,953,653
Unavailable revenue-property taxes	20,150,758	-	-	-	20,150,758
Settlements	-	-	-	329,113	329,113
Total deferred inflows of resources	22,104,411	-	-	329,113	22,433,524
Fund Balances					
Nonspendable	375,000	-	-	-	375,000
Restricted	274,093	17,631,602	-	306,736	18,212,431
Committed	3,020,292	-	-	105,000	3,125,292
Assigned	261,886	6,907,427	3,672,000	379,720	11,221,033
Unassigned	26,879,564	-	-	-	26,879,564
Total fund balances	30,810,835	24,539,029	3,672,000	791,456	59,813,320
Total liabilities, deferred inflows of resources, and fund balances	\$ 55,476,869	\$ 27,755,240	\$ 3,672,000	\$ 1,576,298	\$ 88,480,407

The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position***June 30, 2023**

Total fund balances - governmental funds	\$	<u>59,813,320</u>
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Amount reported for governmental activities in the Statement
of Net Position are different because:

Internal service funds are used to charge the costs of equipment and risk management to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position

Net Position	\$	418,524
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Adjustments for items included in governmental activities below:

Depreciable capital assets	(156,770)	
Deferred outflows - pension	(103,144)	
Deferred outflows - OPEB	(16,299)	
Deferred inflows - pension	99,207	
Deferred inflows - OPEB	16,619	
Accrued interest	17	
Unearned revenue	8,500	
Direct borrowing	10,154	
Compensated absences	92,473	
Net pension liability (asset)	84,496	
Net OPEB liabilities (assets)	<u>67,645</u>	

521,422

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

Nondepreciable capital assets	57,928,678	
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Depreciable and amortized capital assets, net including net assets reported in internal service fund of	\$ 156,770	<u>49,722,117</u>
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Capital assets, net		107,650,795
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Net OPEB asset		5,234
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Revenues not collected soon enough

to pay for current-period expenditures		4,264,644
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Deferred outflows of resources:

Losses on refundings		7,221,894
Pension		2,659,293
OPEB		368,515

Deferred inflows:

Pension		(2,557,918)
OPEB		(482,673)

Long-term obligations, including bonds payable, are not due and payable in the current period and are not reported in the funds.

Bonds and PACE obligations		(141,775,195)
Direct borrowing		(1,759,831)
Lease liabilities		(483,783)
Subscription liabilities		(182,304)
Compensated absences		(1,926,872)
Net pension liability		(2,178,619)
Net OPEB liabilities		(1,961,309)
Landfill closure costs		(1,884,658)
Accrued liabilities		(274,252)
Accrued interest payable		<u>(1,766,446)</u>

Total net position - governmental activities	\$	<u><u>25,271,257</u></u>
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The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds***For the Fiscal Year Ended June 30, 2023**

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
General property taxes	\$ 59,266,647	\$ -	\$ -	\$ -	\$ 59,266,647
Other local taxes	9,709,321	-	-	520,914	10,230,235
Permits, privilege fees and regulatory licenses	732,935	501,730	-	-	1,234,665
Fines and forfeitures	94,481	-	-	-	94,481
Revenues from use of money and property	1,527,327	1,151,178	-	42,739	2,721,244
Charges for services	1,572,438	-	-	451,363	2,023,801
Miscellaneous	964,390	-	80	188,925	1,153,395
Recovered costs	832,429	35,831	-	3,800	872,060
Intergovernmental:					
Commonwealth of Virginia	8,399,591	-	-	1,899,076	10,298,667
Federal	371,506	203,732	-	2,254,863	2,830,101
Local	6,250	865,861	-	450,160	1,322,271
Other	-	145,889	-	1,495	147,384
Total revenues	83,477,315	2,904,221	80	5,813,335	92,194,951
Expenditures					
Current:					
General government administration	5,261,741	-	-	-	5,261,741
Judicial administration	2,020,122	-	-	125,671	2,145,793
Public safety	15,271,629	-	-	2,838,078	18,109,707
Public works	5,561,020	-	-	16,441	5,577,461
Health and welfare	1,167,654	-	-	4,584,464	5,752,118
Education	27,379,027	24,784,382	-	-	52,163,409
Parks, recreation and cultural	2,888,977	-	-	472,154	3,361,131
Community development	3,869,309	-	-	82,983	3,952,292
Nondepartmental	5,413,174	-	-	-	5,413,174
Capital outlay	-	3,615,054	-	-	3,615,054
Debt Service	12,828,059	-	-	-	12,828,059
Total expenditures	81,660,712	28,399,436	-	8,119,791	118,179,939
Excess (deficiency) of revenues over (under) expenditures	1,816,603	(25,495,215)	80	(2,306,456)	(25,984,988)
Other financing sources (uses)					
Transfers in	924,012	2,542,960	-	2,513,314	5,980,286
Transfers out	(7,823,972)	-	(1,432,034)	(70,428)	(9,326,434)
Lease liabilities issued	118,963	-	-	-	118,963
SBITA liabilities issued	227,904	-	-	-	227,904
Issuance of debt	525,000	-	-	-	525,000
Proceeds from sale of property	210,503	-	-	-	210,503
Total other financing sources (uses), net	(5,817,590)	2,542,960	(1,432,034)	2,442,886	(2,263,778)
Net change in fund balance	(4,000,987)	(22,952,255)	(1,431,954)	136,430	(28,248,766)
Fund balances - beginning of year	34,811,822	47,491,284	5,103,954	655,026	88,062,086
Fund balances - end of year	\$ 30,810,835	\$ 24,539,029	\$ 3,672,000	\$ 791,456	\$ 59,813,320

*County of Isle of Wight, Virginia****Reconciliation of the Governmental Funds' Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities*****For the Fiscal Year Ended June 30, 2023**

Net change in fund balances - governmental funds	\$ (28,248,766)
Amount reported for governmental activities in the Statement of Activities are different because:	
Internal service funds are used to charge the costs of technology and risk management to individual funds. The net revenues (expenses) of certain activities of internal service funds are reported with governmental activities	140,468
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. Transfers of capital assets to the school board are recorded as additional expenses related to education.	
Capital outlay - capital assets	27,994,335
Capital outlay - right to use assets	357,324
Depreciation and amortization expense	(3,599,712)
Miscellaneous transactions involving capital assets	(2,254,153)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Bond and direct borrowing proceeds, including premiums and discounts	(525,000)
Subscription and lease liabilities	(357,324)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of net position.	
Repayment of subscription and lease liabilities	165,041
Repayment of bonds and direct borrowing principal	8,330,046
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,503,123
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.	
Accrued liabilities	(274,252)
Accrued interest	47,156
Compensated absences	6,351
Pension	669,126
OPEB	100,678
Landfill closure costs	(124,940)
Amortization of bond premiums	447,467
Amortization of deferred loss on refunding	(372,479)
Change in net position of governmental activities	\$ 4,004,489

The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Statements of Net Position - Proprietary Funds***June 30, 2023**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 10,894,094	\$ 4,798,978	\$ 15,693,072	\$ 558,266
Restricted cash and cash equivalents	88,000	-	88,000	-
Accounts Receivable - net of allowance	1,002,545	56,730	1,059,275	10,868
Inventories	23,663	-	23,663	-
Total current assets	12,008,302	4,855,708	16,864,010	569,134
Noncurrent assets				
Capital assets:				
Nondepreciable	8,217,265	132,224	8,349,489	-
Depreciable - net	18,288,797	1,414,903	19,703,700	156,770
Net other post-employment benefits asset	499	151	650	210
Total noncurrent assets	26,506,561	1,547,278	28,053,839	156,980
Total assets	38,514,863	6,402,986	44,917,849	726,114
Deferred outflows of resources				
Deferred losses on bond refundings	2,398,813	-	2,398,813	-
Pension plan	114,318	66,035	180,353	103,144
Other post-employment benefits	21,139	10,660	31,799	16,299
Total deferred outflows of resources	2,534,270	76,695	2,610,965	119,443

*County of Isle of Wight, Virginia**Statements of Net Position - Proprietary Funds***June 30, 2023**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 1,803,051	\$ 47,031	\$ 1,850,082	\$ 47,712
Accrued liabilities	265,561	-	265,561	-
Amount held in escrow	-	74,643	74,643	-
Accrued interest payable	469,351	-	469,351	17
Customer deposits payable	352,737	-	352,737	-
Unearned revenue	-	-	-	8,500
General obligation bonds payable	1,878,865	-	1,878,865	-
Direct borrowing	44,778	-	44,778	5,051
Lease liability	23,106	1,348	24,454	-
SBITA liability	32,676	-	32,676	-
Compensated absences	5,347	2,319	7,666	9,247
Total current liabilities	4,875,472	125,341	5,000,813	70,527
Noncurrent liabilities				
General obligation bonds payable	32,249,511	-	32,249,511	-
Noncurrent direct borrowing	85,112	-	85,112	5,103
Noncurrent lease liability	3,312	1,588	4,900	-
Noncurrent SBITA liability	34,446	-	34,446	-
Compensated absences	48,126	20,869	68,995	83,226
Other post-employment benefits	101,084	46,557	147,641	67,855
Net pension liability	93,649	54,096	147,745	84,496
Total noncurrent liabilities	32,615,240	123,110	32,738,350	240,680
Total liabilities	37,490,712	248,451	37,739,163	311,207
Deferred inflows of resources				
Pension plan	109,954	63,514	173,468	99,207
Other post-employment benefits	25,917	11,510	37,427	16,619
Total deferred inflows of resources	135,871	75,024	210,895	115,826
Net Position				
Net investment in capital assets	(6,763,648)	1,547,127	(5,216,521)	146,616
Restricted - Capital projects	-	-	-	50,495
Unrestricted (deficit)	10,186,198	4,609,079	14,795,277	221,413
Total net position (deficit)	\$ 3,422,550	\$ 6,156,206	\$ 9,578,756	\$ 418,524

The accompanying notes are an integral part of these financial statements.

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*County of Isle of Wight, Virginia**Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds***For the Fiscal Year Ended June 30, 2023**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Operating revenues				
Charges for services	\$ 5,472,612	\$ 1,458,994	\$ 6,931,606	\$ 2,215,598
Connection fees	837,772	-	837,772	-
Other revenue	11,465	-	11,465	-
Local revenue	800,000	-	800,000	-
Total operating revenues	7,121,849	1,458,994	8,580,843	2,215,598
Operating expenses:				
Personnel services	911,674	491,741	1,403,415	683,231
Fringe benefits	286,774	166,139	452,913	208,446
Contractual services	406,757	214,576	621,333	535,964
Purchases	4,897,946	-	4,897,946	-
Other charges	1,628,332	180,615	1,808,947	601,704
Depreciation and amortization	925,286	104,511	1,029,797	57,182
Total operating expenses	9,056,769	1,157,582	10,214,351	2,086,527
Operating income (loss)	(1,934,920)	301,412	(1,633,508)	129,071
Nonoperating revenues (expenses)				
Interest income	35,294	3,844	39,138	-
Interest and fiscal charges	(959,231)	(34)	(959,265)	(252)
Gain on sale of assets	-	-	-	6,651
Total nonoperating revenues (expenses), net	(923,937)	3,810	(920,127)	6,399
Transfers in	4,208,849	-	4,208,849	-
Transfers out	-	(862,701)	(862,701)	-
Capital contributions	5,314,620	-	5,314,620	-
Changes in net position	6,664,612	(557,479)	6,107,133	135,470
Net position (deficit) - beginning of year	(3,242,062)	6,713,685	3,471,623	283,054
Net position (deficit) - end of year	\$ 3,422,550	\$ 6,156,206	\$ 9,578,756	\$ 418,524

The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Statements of Cash Flows – Proprietary Funds***For the Fiscal Year Ended June 30, 2023**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Public Utilities	Stormwater	Total	
Cash flows from operating activities				
Received from customers and users	\$ 7,620,249	\$ 1,456,131	\$ 9,076,380	\$ 2,213,230
Payments to suppliers for goods and services	(5,846,446)	(364,002)	(6,210,448)	(1,100,753)
Payments to employees	(1,245,262)	(694,705)	(1,939,967)	(938,464)
Net cash provided by (used in) operating activities	528,541	397,424	925,965	174,013
Cash flows from non-capital financing activities				
Transfer out	-	(862,701)	(862,701)	-
Transfers in	4,208,849	-	4,208,849	-
Net cash provided by non-capital financing activities	4,208,849	(862,701)	3,346,148	-
Cash flows from capital and related financing activities				
Acquisition of capital assets	(10,612,939)	-	(10,612,939)	(8,888)
Lease Financing	(7,528)	-	-	-
Gain (Loss) from sale of capital assets	-	-	-	6,651
Principal payments on bonds	(1,293,253)	-	(1,293,253)	-
Capital Contribution	5,314,620	-	-	-
Principal payments on leases and subscription liabilities	(54,163)	(1,337)	(55,500)	-
Principal payments on direct borrowings	(51,357)	-	(51,357)	(5,000)
Interest and fiscal charges	(957,102)	(34)	(957,136)	(261)
Net cash used in capital and related financing activities	(7,661,722)	(1,371)	(12,970,185)	(7,498)
Cash flows from investing activities				
Interest received	35,294	3,844	39,138	-
Net cash provided by investing activities	35,294	3,844	39,138	-
Change in cash and cash equivalents	(2,889,038)	(462,804)	(3,351,842)	166,515
Cash and cash equivalents - beginning of year	13,871,132	5,261,782	19,132,914	391,751
Cash and cash equivalents - end of year	\$ 10,982,094	\$ 4,798,978	\$ 15,781,072	\$ 558,266

The accompanying notes are an integral part of these financial statements

*County of Isle of Wight, Virginia**Statements of Cash Flows – Proprietary Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	Enterprise Funds			Governmental Activities - Internal Service
	Public Utilities	Stormwater	Total	Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (1,934,920)	\$ 301,412	\$ (1,633,508)	\$ 129,071
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	925,286	104,511	1,029,797	57,182
Pension and OPEB expense	6,579	14,856	21,435	(168,981)
Change in:				
Accounts receivable	461,308	(2,863)	458,445	(10,868)
Inventory material & supplies	1,603	-	1,603	-
Net pension asset and net OPEB asset	31,430		31,430	
Accounts payable and amounts held in escrow	856,508	31,158	887,666	36,915
Customer deposits payable	37,142	-	37,142	-
Accrued expenses and other liabilities	228,478	32	228,510	-
Unearned revenue	(50)	-	(50)	8,500
Net Pension liability	93,649	54,096	147,745	23,628
Deferred outflows of resources	34,978	23,201	58,179	94,836
Deferred inflows of resources	(223,772)	(134,056)	(357,828)	-
Compensated absences	10,322	5,077	15,399	3,730
Net cash provided by (used in) operating activities	\$ 528,541	\$ 397,424	\$ 925,965	\$ 174,013

The accompanying notes are an integral part of these financial statements

*County of Isle of Wight, Virginia**Statement of Net Position - Fiduciary Funds***June 30, 2023**

	Custodial Fund
	<u> </u>
	Special Welfare
	<u> </u>
Assets	
Cash and cash equivalents	\$ 33,062
Total assets	<u><u>\$ 33,062</u></u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	\$ 33,062
Total net position	<u><u>\$ 33,062</u></u>

The accompanying notes are an integral part of these financial statements.

*County of Isle of Wight, Virginia**Fiduciary Funds**Statement of Changes in Fiduciary Net Position***For the Fiscal Year Ended June 30, 2023**

	Custodial Fund Special Welfare
Additions	
Contributions	\$ 51,895
Investment earnings	
Interest and dividends	350
Total Additions	52,245
Deductions	
Recipient payments	\$ 39,606
Total deductions	39,606
Net increase (decrease) in fiduciary net position	12,639
Net position, beginning	20,423
Net position, ending	\$ 33,062

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***Notes to the
Basic Financial Statements***

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June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The County of Isle of Wight, Virginia (the County) is a municipal corporation 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, general services, community development, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County have been prepared in conformity with the U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (the GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. The County's more significant accounting policies are described herein.

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 the Primary Government'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 (the Primary Government) and its component units. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

The *Isle of Wight County Public School Board* (School Board) members are elected by the citizens of the County of Isle of Wight. 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 source for the School System is the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discretely presented component of the County financial statements.

The *Economic Development Authority of Isle of Wight County* (EDA) was created by the Board of Supervisors and is responsible for industrial and commercial development in the County. The EDA consists of seven members appointed by the primary government's Board of Supervisors. The EDA is fiscally dependent on the County creating a financial benefit/burden relationship. The County Board of Supervisors can impose its will on the Authority. The financial statements of the EDA are presented as a discretely presented component of the County financial statements. The EDA does not issue a separate financial report.

B. Financial Reporting Model and basis of Presentation

Government-wide Financial Statements – The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the County, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities of the County. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Financial Reporting Model and basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are other charges between the County's public utility function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

General – This is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services, and interest income. The services which are administered by the County and accounted for in the General Fund include, among others, County Board, Finance, Administration, Public Safety, and General Services.

Capital Projects – Accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service – Accounts for resources to be used for repayments of principal and interest on the general long-term debt of the County.

The County reports two major proprietary funds, the Enterprise **Public Utilities Fund**, which provides water and sewer services for the County and the **Stormwater Fund** which provides stormwater services for the County.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Financial Reporting Model and basis of Presentation (Continued)

The County reports two Internal Service Funds, the **Information Technology Fund**, which provides implementation and maintenance of the technology infrastructure and the **Risk Management Fund**, which finances property, workers' compensation, auto and general liability coverage.

Additionally, the County reports a **Fiduciary Fund**. Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. This includes Custodial Funds, which consist of the Special Welfare Fund. Fiduciary funds are not included in the government-wide financial statements.

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year in which the taxes are levied. Revenue from grants and other contributions are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 County considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under direct borrowings are reported as other financing sources. Significant revenue sources which are susceptible to accrual include property taxes, miscellaneous taxes, charges for services, grants, and investment income. All other revenue sources including fines and forfeitures, inspection fees, and recreation fees are considered to be measurable and available only when cash is received.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Accounting Changes

In Fiscal Year 2023, the County adopted new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*

GASB 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.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, provides guidance for financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). The Statement defines a PPP as an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The Statement also defines an APA as an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of practice issues, such as requirements related to extension of the use of LIBOR, accounting for SNAP distributions, leases and SBITAs that were identified during implementation and application of certain GASB Statements . The effective periods of Statement No. 99 covered multiple fiscal years. The County implemented some of the requirements of this statement in its fiscal year ended June 30, 2022 financials, and the residual items in the current fiscal year and found that there were no material impacts to the County’s financial statements.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Cash and Cash Equivalents

The County's and School Board's cash and cash equivalents are stated at cost, which approximates fair value. Cash and cash equivalents include cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. Deposit and investment instruments include certificates of deposit, savings accounts, money market funds, Virginia State Non-Arbitrage Program, bankers' acceptances, the Commonwealth Local Government Investment Pool (LGIP) and United States (U.S.) government securities. Investments are generally on deposit with banks and savings and loan institutions and are collateralized under the provisions of the Virginia Security for Public Deposits Act, Section 2.1-359 et seq. Securities are held in safekeeping by the respective financial institutions. Investment income is reported in the same fund that reports the investment.

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements using the consumption method.

G. Investments

Investments for the Primary Government, as well as for its component units, are reported at fair value based upon quoted market prices.

H. Property Taxes

All property tax receivables are shown net of an allowance for uncollectible accounts. The County calculates its allowance for uncollectible accounts using historical collection data, specific account analysis and management's judgment.

The County bills and collects taxes and recognizes such taxes as revenues, when measurable and available in the governmental funds' financial statements and for the period in which they are levied for, in the government-wide financial statements property taxes, net of allowance for uncollectible amounts, not collected within 45 days after year end, are reflected as deferred inflow of resources in the governmental fund financial statements. Real property taxes are budgeted and billed to fund operations occurring within the year they are required to be paid. The County in 2015 changed the billing cycle for personal property tax to April with the first payment due June 5 and second payment due on December 5. The County bills and collects its own property taxes.

The County levies property taxes on the following schedule with due dates, collection dates and lien dates as shown.

	<u>Real property</u>	<u>Personal property</u>
Levy date	July 1	January 1
Due date and collection date	December 5/June 5	June 5/December 5
Lien date for delinquent taxes	90 days after due date	90 days after due date

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Property Taxes (Continued)

While the assessed value of real estate for the County's ten largest taxpayers comprises 6.20% of the County's real estate tax base, credit risk with respect to real estate taxes receivable is limited due to the large number of property owners comprising the County's total tax base.

The Personal Property Tax Relief Act of 1998 (PPTRA) provided for the Commonwealth to reimburse a portion of the personal property tax levied on the first \$20,000 of personal use cars, motorcycles and trucks. During the 2005 Special Session I, the Virginia General Assembly passed Senate Bill 5005. The bill provides for the Commonwealth to reimburse a portion of the tangible personal property tax levied bases on a fixed relief amount. The fixed relief amount was capped at \$950,000,000 in total for all localities with the County's share capped at \$5,115,890, which the County received during the year ended June 30, 2022. The Commonwealth requires localities to record the revenue from PPTRA as received from other governments, not as property taxes.

I. Connection Fees

Connection fees accounted for in the Public Utilities Fund represents charges to new customers for their fair share of the capital cost of the system already in place and/or the cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

J. Unbilled Utility Receivables

Estimated water sales for water usage prior to year-end that are unbilled are recognized as current year revenues and are included in utility receivables.

K. Internal and Intra-entity Activity

The County has the following types of interfund transactions:

Loans – Interfund loan amounts are provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

Services provided and used – Sales and purchases of goods and services between funds for a price approximate their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Reimbursements – Repayments are from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Internal and Intra-entity Activity (Continued)

Transfers – Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

L. Inventory

Inventory of materials and supplies held for future use are stated at cost using the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

M. Capital Assets

Purchased and leased capital assets include land and land improvements, buildings and building improvements, equipment, vehicles and intangibles assets. Any asset or group of assets acquired by the County are considered capital assets if they have an estimated useful life in excess of two years and an acquisition cost (or fair market value when received) of at least \$5,000. Such assets are recorded at historical cost (or estimated historical cost) if constructed or purchased. Donated capital assets are recorded at acquisition value at the date of donation. 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. Accumulated depreciation and amortization are reported as reductions of capital assets. There were no impaired capital assets at June 30, 2023.

The costs of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Purchased and leased capital assets of the Primary Government, as well as the component units, are depreciated or amortized over their estimated useful lives using the straight-line method. The estimated useful lives applied to capital assets are as follows:

	Years
Buildings and building improvements	15-50
Land improvements	15-40
Equipment	5-20
Vehicles	5-16
Intangibles	3-7

The intangible right-to-use lease assets and subscription-based IT assets are measured at the initial amount of the lease or subscription contract liability (i.e. present value of payments expected to be made during the term of the contract), less any payments made, or incentives received at or before the contract commencement date, plus any initial direct costs ancillary to placing the underlying asset in service. The lease and subscription assets are amortized using the straight-line method over the term of the lease or subscription agreement.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Compensated Absences

County and School Board employees are granted vacation and sick leave in varying amounts as services are provided. They may accumulate, subject to certain limitations, unused vacation and sick leave earned and, upon retirement, termination or death, may be compensated for certain amounts at their current rates of pay at the time of separation. The liability for compensated absences reported in the government-wide and proprietary fund financial statements has been calculated using the vesting method, which includes leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination. The liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Expenditure Recognition

The County uses the purchase method to account for health insurance payments. The July premiums are included in the current fiscal year's operating budget. Therefore, the July employer's portion of premiums submitted in June are reported as expenditures for the current period. Some payments for costs applicable to next fiscal year are recorded as prepaid items.

P. Bond Premiums, Discounts, and Deferred Gains and Losses on Refunding

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as gains and losses on refunding, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred Outflows of Resources represents a consumption of net assets that applies to a future period and will not be recognized as an expense or expenditure until that time. In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred Inflows of Resources represents an acquisition of net assets that applies to a future period and will not be recognized as revenue until that time.

R. Pension

The Virginia Retirement System (VRS) County and School Board Non-Professional Plan is a multiple-employer agent plan. The VRS School Board Professional Retirement Plan is a multiple-employer cost-sharing plan. 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 and School Board's Retirement Plans and the additions to/deductions from the County and School Board's Retirement Plans fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Other Postemployment Benefit Plans

Medical Insurance Programs

The County and the IOW County Public Schools Medical Insurance Plans are single-employer plans administered by the County and the Schools. Experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is six years. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.

Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 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 is a defined benefit plan that provides a basic GLI benefit for employees of participating employers. For purposes of measuring the total GLI 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 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.

Health Insurance Credit Program

The County and the School Board Non-professional plans are single employer plans for political subdivisions. The School Board Professional HIC Program is a multiple employer, cost-sharing plan. The HIC programs were established pursuant to Section 51.1-1400 et seq. of the *Code of Virginia* as amended, and which provide the authority under which benefit terms are established or may be amended. For purposes of measuring the HIC Programs' total OPEB liability, deferred outflows of resources and deferred inflows of resources related to the HIC Programs' OPEB, and the HIC Programs' OPEB expense, information about the fiduciary net position of the HIC Programs, and the additions to/deductions from the HIC Programs' net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Virginia Local Disability Program

The County has three Virginia Local Disability Programs (VLDP). The first and second plans are the County and School Board non-professional plans, which are political subdivision employee plans. The third plan is the School Board professional plan, which is a teacher employee plan. The plans are multiple-employer, cost-sharing plans. For purposes of measuring the net VLDP OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB expenses, information about the fiduciary net position of the VLDP, and the additions to/deductions from the VLDPs' net fiduciary positions 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.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation/ amortization, less the outstanding balances of any bonds, mortgages, notes, other borrowings and deferred inflows and outflows that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation (e.g. customers’ deposits, unexpended bond proceeds net of related outstanding liability). When both restricted and unrestricted resources are available for use, generally it is the County’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

U. Fund Balance

In the fund financial statements, fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balances are reported in five components as follows:

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts constrained to specific purposes by their providers (e.g. creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County’s highest level of decision making authority, the County’s Board of Supervisors, which is by board resolution. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (County resolutions) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Supervisors.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Fund Balance (Continued)

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources (committed, assigned and unassigned) first, then unrestricted resources as they are needed.

V. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Subsequent Events

The County has evaluated subsequent events through December 15, 2022, the date on which the financial statements were available to be issued.

X. Pending GASB Statements

At June 30, 2023, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the County. The statements which might impact the County are as follows:

GASB Statement No. 99, *Omnibus 2022*, addresses (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2022 to fiscal years beginning after June 15, 2023.

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

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

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

June 30, 2023

Note 2 – Deposits and Investments

Cash and investments are held separately and in pools by several of the County's funds. The County maintains various cash and investment pools that are available for use by all funds. Income from pooled investments is allocated to the funds based on their proportional share of their investment balance.

A summary of deposits and investments held by the Primary Government at June 30, 2023 is as follows:

Deposits	
Demand deposits	\$ 29,264,832
Cash on hand	1,950
Investments	
LGIP	20,007,603
Zero coupon bond	2,217,570
SNAP	17,604,199
VIP Short Term	8,797,420
VIP Long Term	78,814
Total deposits and investments	<u>\$ 77,972,388</u>
 Reconciliation to Statements of Net Position	
Government-wide:	
Cash and cash equivalents	\$ 48,998,067
Restricted cash and cash equivalents	17,880,517
Investments	11,093,804
Total deposits and investments	<u>\$ 77,972,388</u>

A. Deposits

All cash of the Primary Government and discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (Act), a multiple financial institution collateral pool, Section 2.2-4400 et. Seq. of the *Code of Virginia* or covered by the Federal Depository Insurance Corporation (FDIC). Under the Act, financial institutions, holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board, while savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The State Treasury Board can assess additional collateral from participating financial institutions to cover collateral shortfalls in the event of default and is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by financial institutions. All funds, unless otherwise classified as restricted, are deposited into pooled bank accounts; the major account defined as the General Fund concentration account. As disbursements are made from the payroll, budget, and social services bank accounts, funds from the general fund concentration account are automatically transferred to those bank accounts to cover those disbursements on a daily basis. All cash classified as restricted is related to grantor or debtor requirements.

June 30, 2023

Note 2 - Deposits and Investments (Continued)

B. Investment Policy

In accordance with the *Code of Virginia* and other applicable law and regulations, the County's investment policy (Policy) permits investments in obligations of the U.S. government, an agency thereof, or government sponsored corporations; high quality commercial paper and bankers' acceptances; repurchase agreements and certificates of deposit of Virginia banks and savings institutions; and the Local Government Investment Pool (LGIP) and State Non-Arbitrage Program. The maximum percentage of the portfolio permitted in commercial paper is 35% and not more than 5% can be in commercial paper issued by one corporation.

The LGIP is an externally managed investment pool that is not registered with the Securities Exchange Commission. Pursuant to the *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The LGIP values portfolio securities by the amortized cost method and on a monthly basis this valuation is compared to current market to monitor any variance. The LGIP is in compliance with the requirements of GASB Statement 79 and elects to measure its investments at amortized cost for financial reporting. Therefore, participants (the County) in the LGIP should also measure their investments in the LGIP at amortized cost for financial reporting. The maturity of the LGIP is less than one year and classified as cash and cash equivalents.

According to GASB 72 investments in the LGIP and SNAP should be excluded from measurement at Fair Value and thus exempt from the Fair Value Hierarchy Classifications.

The Virginia State Non-Arbitrage Program's (SNAP) Fund is a commingled investment program that operates in compliance with GASB 79 and that was authorized by the Government Non-Arbitrage Act in 1989 (*Code of Virginia* Section 2.2-4700 et. seq.). Virginia SNAP and the SNAP Fund are administered by the Treasury Board of the Commonwealth of Virginia. Virginia SNAP offers several investment options, including the SNAP Fund, and arbitrage rebate reporting services that are specifically designed for the investment of tax exempt bond proceeds.

The Virginia Investment Pool (VIP) is a commingled investment program organized as an external local government investment pool with oversight provided by a shareholder elected board of trustees. VIP offers a short term daily liquidity pool (NAV), and a 1-3 Year High Quality Bond Fund (HQB) designed for the investment of longer-term monies that are not necessary for near term disbursement. VIP-NAV has a bond fund rating from S&P of AAAM. VIP-HQB has a bond fund rating from S&P of AA+f.

June 30, 2023

Note 2 - Deposits and Investments (Continued)

C. Credit Risk

Credit risk is the risk that the County will not recover their investments due to the inability of the counterparty to fulfill its obligation. As required by state statute, the Policy requires commercial paper have a debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's, Duff and Phelps, Inc., Standard & Poor's, and Fitch Investors' Service. Negotiable Certificates of Deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard and Poor's and "P-1" by Moody's Investor Services.

The Primary Government's investments are rated by Standard & Poor's as follows:

	<u>AAAm / AA+f</u>	<u>AA+</u>	<u>Total</u>
Zero coupon bond	\$ -	\$ 2,217,570	\$ 2,217,570
SNAP	17,604,199	-	17,604,199
VIP Investments	8,876,234	-	8,876,234
LGIP	20,007,603	-	20,007,603
	<u>\$ 46,488,036</u>	<u>\$ 2,217,570</u>	<u>\$ 48,705,606</u>

D. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will decrease as a result of an increase in interest rates. As a means of limiting exposure to fair value losses arising from rising interest rates, the Policy limits the investment of operating funds to investments with a stated maturity of no more than two years from the date of purchase. The average maturity of the operating fund investment portfolio may not exceed 12 months. Proceeds from the sale of bonds must be invested in compliance with the specific requirements of the bond covenants and may be invested in securities with longer maturities.

Custodial Credit Risk (Investments): This is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. If certain investments in any one issuer represent 5 percent of total investments, there must be a disclosure for the amount and issuer. Investments issued or explicitly guaranteed by the U. S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement, therefore, concentration of credit risk does not apply to the LGIP or SNAP.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 2 - Deposits and Investments (Continued)

D. Interest Rate Risk (Continued)

The Primary Government had the following investments and maturities:

	Fair Value	Less than 1 year	More than 1 year
Zero coupon bond	\$ 2,217,570	\$ -	\$ 2,217,570
SNAP	17,604,199	-	17,604,199
LGIP	20,007,603	-	20,007,603
VIP Short Term	8,797,420	8,797,420	-
VIP Long Term	78,814	-	78,814
	<u>\$ 48,705,606</u>	<u>\$ 8,797,420</u>	<u>\$ 39,908,186</u>

E. Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurement as of June 30, 2023.

- U.S. Treasury Zero Coupon bond of \$2,217,570 is valued using a matrix pricing model (Level 2 inputs).
- VIP Short Term and Long Term of \$8,876,234 is typically measured at the net asset value (NAV) not required to be in fair value (FV) hierarchy.

Note 3 - Due from Other Governments

The County and School Board receivables from other governments are as follows:

	Primary Government				Component Unit
	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total	School Board
<u>Amounts Due From:</u>					
Commonwealth of Virginia:					
Operating grants	\$ 43,177	\$ -	\$ 107,024	\$ 150,201	\$ 4,249,669
Compensation Board	233,382	-	-	233,382	-
Social Services	-	-	24,175	24,175	-
Children's Services	-	-	131,909	131,909	-
Communication tax	80,846	-	78,178	159,024	-
Sales and Use Tax	405,999	-	-	405,999	1,318,653
Motor Home	26,490	-	-	26,490	-
Federal government	-	72,196	197,978	270,174	90,477
Town of Windsor	-	-	3,522	3,522	-
Town of Smithfield	288,912	-	141,121	430,033	-
EDA	375,000	-	-	375,000	-
School Board	-	-	-	-	-
Primary Government	-	-	-	-	434,423
Other	298	-	-	298	-
Totals	<u>\$ 1,454,104</u>	<u>\$ 72,196</u>	<u>\$ 683,907</u>	<u>\$ 2,210,207</u>	<u>\$ 6,093,222</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 4 – Interfund Balances and Activity

A. Interfund Balances

These balances result from operating transactions between funds and are repaid during the next fiscal year within the normal course of business. The following balance at June 30, 2023 represents amounts due to/from other funds, consisted of the following:

Primary Government

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 218,637	\$ -
Special Revenue-Children's Services Act	-	27,223
Special Revenue-E-911	-	191,414
Total Primary Government	<u>\$ 218,637</u>	<u>\$ 218,637</u>

Component Unit-School Board

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
School Operating Fund	\$ 2,331,132	\$ -
School Grants Fund	-	2,256,408
School Health Fund	-	8,752
School Capital Projects Fund	-	8,706
School Textbook Fund	-	57,266
School Cafeteria Fund	-	-
Total Component Unit-School Board	<u>\$ 2,331,132</u>	<u>\$ 2,331,132</u>

Note: Represents the reclass of cash deficits in the nonmajor governmental funds to Due to the General Fund and a reduction of cash in the General Fund.

B. Interfund Transfers

Interfund transfers are intended to support the functions provided by the recipient fund. Transfers to the Grant, CSA and Social Services funds provide grant match and program funding. Transfers to the E911 fund include statutory contributions from restricted funding sources as well as a required percent of operating support to the E911 system. The General Fund also contributes to the county's Public Utilities system for operating and capital. Transfers to the Internal Service funds for services outside of those reported as charges for services are rare but would generally be to fund a shortfall or special project or purchase

June 30, 2023

Note 4 – Interfund Balances and Activity (Continued)

B. Interfund Transfers (Continued)

Interfund transfers for the year ended June 30, 2023 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 924,012	\$ 7,823,972
Debt Service Fund	-	1,432,034
County Fair Fund	-	70,428
E-911 Fund	1,082,912	-
Children's Service Act Fund	283,421	-
Grants Fund	59,331	-
Capital Projects Fund	2,542,960	-
Department of Social Services	1,087,650	-
Public Utilities	4,208,849	-
Stormwater Capital	-	862,701
	<u>\$ 10,189,135</u>	<u>\$ 10,189,135</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 5 – Receivables

A. Advance to Component Unit - Industrial Development Authority (EDA)

On September 2012, the County advanced \$500,000 to the Industrial Development Authority to purchase parcels of land for future development. In January 2014, a payment of \$125,000 was made towards the outstanding receivable by Johnson Development Associates. Repayment of this note was to be made within 30 days of the sale of any property owned by the IDA (now EDA). However, no property has been sold by the EDA as repayment. The outstanding principal balance of the note as of June 30, 2023 is \$375,000.

B. Loan Receivable

On January 2023, the County entered into a 120-month note with Ragged Island Oysters for the purchase of property located on Carrollton Blvd (formerly known as the Stoup Property). The purchase price of the property was \$100,000. In January 2023 a \$10,000 payment was made towards the outstanding receivable. The repayment of the sum of \$90,000 together with 3.00% interest is payable in monthly installments of \$869.05 beginning January 25, 2023. The outstanding principal balance as of June 30, 2023 is \$87,414.

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 8,585	\$ 2,494	\$ 11,079
2025	8,176	2,253	10,429
2026	8,424	2,004	10,428
2027	8,680	1,748	10,428
2028	8,944	1,484	10,428
2029-2033	44,605	3,192	47,797
Total	\$ 87,414	\$ 13,175	\$ 100,589

C. Leases Receivable

Primary Government - Governmental Activities

On 07/01/2021, Isle of Wight County, VA entered into a 510-month lease as Lessor for the use of parking space. An initial lease receivable was recorded in the amount of \$46,752. As of June 30, 2023 the value of the lease receivable is \$44,904. The lessee is required to make annual fixed payments of \$1,814. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2023 was \$44,552, and Isle of Wight County recognized lease revenue of \$1,100 during the fiscal year. The lessee has one extension option for 300 months.

On 01/01/2022, Isle of Wight County, VA entered into a 36-month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of \$3,260. As of June 30, 2023, the value of the lease receivable is \$1,086. The lessee is required to make annual fixed payments of \$1,096. The lease has an interest rate of 0.8770%. The value of the deferred inflow of resources as of 06/30/2023 was \$1,630, and Isle of Wight County recognized lease revenue of \$1,086 during the fiscal year.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 5 – Receivables (Continued)

C. Leases Receivable (Continued)

On 07/01/2021, Isle of Wight County, VA entered into a 159 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of \$2,224,065. As of June 30, 2023, the value of the lease receivable is \$1,970,435. The lessee is required to make monthly fixed payments of \$13,685. The lease has an interest rate of 1.8360%. The value of the deferred inflow of resources as of 06/30/2023 was \$1,888,357, and Isle of Wight County recognized lease revenue of \$167,854 during the fiscal year. The lessee has 2 extension options, each for 60 months.

On 07/01/2021, Isle of Wight County, VA entered into a 975 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of \$19,597. As of June 30, 2023, the value of the lease receivable is \$18,963. The lessee is required to make annual fixed payments of \$563. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2023 was \$19,115, and Isle of Wight County recognized lease revenue of \$241 during the fiscal year. The lessee has one extension option for 600 months.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2023 are as follows:

Fiscal Year	Principle Payments	Interest Payments	Total Payments
2024	\$ 130,940	\$ 36,753	\$ 167,693
2025	152,919	34,208	187,127
2026	162,691	31,266	193,957
2027	165,709	28,248	193,957
2028	168,782	25,175	193,957
2029 - 2033	945,179	75,961	1,021,140
2034 - 2038	258,421	10,057	268,478
2039 - 2043	5,613	6,271	11,884
2044 - 2048	6,376	5,508	11,884
2049 - 2053	7,244	4,641	11,885
2054 - 2058	8,229	3,656	11,885
2059 - 2063	9,348	2,537	11,885
2064 - 2068	1,069	1,746	2,815
2069 - 2073	1,214	1,601	2,815
2074 - 2078	1,379	1,436	2,815
2079 - 2083	1,567	1,248	2,815
2084 - 2088	1,780	1,035	2,815
2089 - 2093	2,022	793	2,815
2094 - 2098	2,297	518	2,815
2099 - 2103	2,609	206	2,815
Total	\$ 2,035,388	\$ 272,864	\$ 2,308,252

June 30, 2023

Note 5 – Receivables (Continued)

C. Leases Receivable (Continued)

Discretely Presented Component Units- Economic Development Authority (EDA)

On 07/01/2021, Economic Development Authority entered into a 60 month lease as Lessor for the use of certain parcel of property. An initial lease receivable was recorded in the amount of \$83,098. As of June 30, 2023, the value of the lease receivable is \$51,433. The lessee is required to make annual fixed payments of \$16,022. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of 06/30/2023 was \$50,242, and Economic Development Authority recognized lease revenue of \$16,428 during the fiscal year. The lessee has 4 extension options, each for 12 months.

On 07/01/2021, Economic Development Authority entered into a 30 month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of \$23,406. As of June 30, 2023, the value of the lease receivable is \$4,698. The lessee is required to make semi-annual fixed payments of \$4,715. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2023 was \$4,681, and Economic Development Authority recognized lease revenue of \$9,363 during the fiscal year.

On 07/01/2021, Economic Development Authority entered into a 30 month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of \$14,619. As of June 30, 2023, the value of the lease receivable is \$2,934. The lessee is required to make semi-annual fixed payments of \$2,945. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2023 was \$2,924, and Economic Development Authority recognized lease revenue of \$5,847.49 during the fiscal year.

On 07/01/2021, Economic Development Authority entered into a 30 month lease as Lessor for the use of a parcel of land. An initial lease receivable was recorded in the amount of \$13,249. As of June 30, 2023, the value of the lease receivable is \$2,660. The lessee is required to make semi-annual fixed payments of \$2,669.04. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2023 was \$2,650, and Economic Development Authority recognized lease revenue of \$5,299.55 during the fiscal year.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2023 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 26,745	\$ 582	\$ 27,327
2025	17,137	370	17,507
2026	17,843	189	18,032
Total	\$ 61,725	\$ 1,141	\$ 62,866

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 6 – Noncurrent Assets

The following is a summary of changes in capital assets:

Primary Government

<u>Governmental Activities</u>	<u>Balance July 01, 2022</u>	<u>GASB 96 Implementation</u>	<u>Transfers</u>	<u>Additions</u>	<u>Deletions & Reclassifications</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated:						
Land	\$ 12,752,332	\$ -	\$ -	\$ -	\$ 949,500	\$ 11,802,832
Intangibles	4,338,512	-	-	-	-	4,338,512
Construction in progress	16,964,048	-	-	25,113,783	290,497	41,787,334
Total capital assets not being depreciated:	34,054,892	-	-	25,113,783	1,239,997	57,928,678
Capital assets being depreciated:						
Buildings - County	42,320,397	-	-	51,055	50,500	42,320,952
Land improvements	16,453,217	-	-	1,442,145	22,300	17,873,062
Equipment	14,599,028	-	-	391,578	1,504,447	13,486,159
Vehicles	5,882,161	-	(22,158)	1,286,271	486,375	6,659,899
Total capital assets being depreciated	79,254,803	-	(22,158)	3,171,049	2,063,622	80,340,072
Less - accumulated depreciation:						
Buildings - County	12,318,271	-	-	817,293	13,888	13,121,676
Land improvements	6,377,465	-	-	839,584	13,380	7,203,669
Equipment	6,428,258	-	-	1,061,464	321,491	7,168,231
Vehicles	3,502,785	-	(10,387)	753,296	421,981	3,823,713
Total accumulated depreciation	28,626,779	-	(10,387)	3,471,637	770,740	31,317,289
Total capital assets being depreciated - net	50,628,024	-	(11,771)	(300,588)	1,292,882	49,022,783
Right to use assets being amortized:						
Subscription assets	-	-	-	227,904	-	227,904
Lease- Equipment	358,121	-	-	118,963	9,835	467,249
Lease- Land	193,555	-	-	10,457	-	204,012
Total right to use assets being amortized:	551,676	-	-	357,324	9,835	899,165
Less- accumulated amortization:						
Subscription assets	-	-	-	16,170	-	16,170
Lease- Equipment	80,266	-	-	110,508	9,835	180,939
Lease- Land	1,325	-	-	1,397	-	2,722
Total accumulated amortization	81,591	-	-	128,075	9,835	199,831
Total right to use assets being amortized - net	470,085	-	-	229,249	-	699,334
Governmental activities capital assets - net	\$ 85,153,001	\$ -	\$ (11,771)	\$ 25,042,444	\$ 2,532,879	\$ 107,650,795

June 30, 2023

Note 6 – Noncurrent Assets (Continued)

Depreciation and amortization expense was charged to functions of the Primary Government as follows:

Governmental activities:	Depreciation	Amortization	Total
General Government	\$ 182,005	\$ 28,986	\$ 210,991
Judicial	295,714	8,870	\$ 304,584
Public safety	1,723,692	73,651	\$ 1,797,343
Public works	265,860	1,100	\$ 266,960
Health and welfare	31,077	933	\$ 32,010
Parks, recreation and cultural	875,996	4,402	\$ 880,398
Community development	40,111	10,133	\$ 50,244
Internal Service Fund	57,182	-	\$ 57,182
Total depreciation expense - governmental activities	\$ 3,471,637	\$ 128,075	\$ 3,599,712

Tenancy In Common

* GS.Sec. 15.2-1800.1 of the Code of Virginia provides that whenever a locality has incurred a financial obligation of a public school that is payable over more than one fiscal year, to fund the acquisition, construction or improvement of public school property, the local governing body of the locality shall be deemed to have acquired title to the public school as a tenant in common for the term of the obligation. The code further provides that a local governing body may elect not to acquire tenancy in common to some or all of the public school property in its locality, by adopting a resolution declining such tenancy in common for current and future financial obligations.

The Board of Supervisors determined that for accounting and audit purposes it is in the best interest of the County to decline to claim such tenancy in common to all of the public school property in the County. This was adopted by the Board of Supervisors on June 16, 2022.

June 30, 2023

Note 6 – Noncurrent Assets (Continued)

Business-type activities	Balance July 1, 2022	GASB 96 Implementation	Transfers	Additions	Deletions & Reclassifications	Balance June 30, 2023
Capital assets not being depreciated:						
Land	\$ 463,013	\$ -	\$ -	\$ 170,680	\$ -	\$ 633,693
Construction in progress	3,346,329	-	-	5,124,730	755,263	7,715,796
Total capital assets not being depreciated	3,809,342	-	-	5,295,410	755,263	8,349,489
Capital assets being depreciated:						
Buildings	11,645,449	-	-	-	-	11,645,449
Land improvements	19,598,655	-	-	5,885,892	-	25,484,547
Equipment	2,042,433	-	-	175,129	26,100	2,191,462
Vehicles	740,887	-	22,158	-	26,773	736,272
Total capital assets being depreciated	34,027,424	-	22,158	6,061,021	52,873	40,057,730
Less - accumulated depreciation:						
Buildings	4,775,216	-	-	211,781	-	4,986,997
Land improvements	13,199,606	-	-	584,822	-	13,784,428
Equipment	1,086,723	-	-	109,004	26,100	1,169,627
Vehicles	464,673	-	10,387	66,342	26,773	514,629
Total accumulated depreciation	19,526,218	-	10,387	971,949	52,873	20,455,681
Total capital assets being depreciated - net	14,501,206	-	11,771	5,089,072	-	19,602,049
Right to use assets being amortized:						
Subscription assets	-	-	-	100,367	-	100,367
Lease- Equipment	10,237	-	-	-	-	10,237
Lease- Buildings	-	-	-	51,325	-	51,325
Total capital assets being amortized	10,237	-	-	151,692	-	161,929
Less - accumulated amortization:						
Subscription assets	-	-	-	32,155	-	32,155
Lease- Equipment	2,430	-	-	2,429	-	4,859
Lease- Buildings	-	-	-	23,264	-	23,264
Total accumulated amortization	2,430	-	-	57,848	-	60,278
Total right to use assets being amortized - net	7,807	-	-	93,844	-	101,651
Business-type activities capital assets - net	\$ 18,318,355	\$ -	\$ 11,771	\$ 10,478,326	\$ 755,263	\$ 28,053,189

Depreciation and Amortization expense was charged to Public Utility and Stormwater as follows:

Business-type activities:	Depreciation	Amortization	Total
Public Utilities	\$ 868,767	56,519	925,286
Stormwater	103,182	1,329	104,511
Total depreciation expense- Business-type activities	\$ 971,949	57,848	1,029,797

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 6 – Noncurrent Assets (Continued)

Discretely Present Component Units

School Board	Balance July 1, 2022	GASB 96 Implementation	Additions	Deletions & Reclassifications	Adjustments - Jointly Owned	Balance June 30, 2023
Capital assets not being depreciated						
Land	\$ 1,619,726	\$ -	\$ -	\$ -	\$ -	\$ 1,619,726
Construction in Progress	630,452	-	-	499,561	-	130,891
Total capital assets not being depreciated	2,250,178	-	-	499,561	-	1,750,617
Capital assets being depreciated:						
Buildings and improvements	115,612,933	-	1,104,215	-	-	116,717,148
Land improvements	5,067,325	-	-	-	-	5,067,325
Equipment	19,862,347	-	1,127,081	-	-	20,989,428
Vehicles	7,947,064	-	151,398	456,454	-	7,642,008
Total capital assets being depreciated	148,489,669	-	2,382,694	456,454	-	150,415,909
Less - accumulated depreciation:						
Buildings and improvements	51,970,264	-	2,456,980	-	-	54,427,244
Land improvements	2,784,704	-	188,758	-	-	2,973,462
Equipment	12,622,426	-	898,401	-	-	13,520,827
Vehicles	5,105,965	-	444,244	456,454	-	5,093,755
Total accumulated depreciation	72,483,359	-	3,988,383	456,454	-	76,015,288
Total capital assets being depreciated - net	76,006,310	-	(1,605,689)	-	-	74,400,621
Right to use assets being amortized:						
Lease- Equipment	653,234	-	273,306	46,686	-	879,854
Total right to use assets being amortized	653,234	-	273,306	46,686	-	879,854
Less - accumulated amortization:						
Lease- Equipment	140,260	-	108,477	40,893	-	207,844
Total accumulated amortization	140,260	-	108,477	40,893	-	207,844
Total right to use assets being amortized - net	512,974	-	164,829	5,793	-	672,010
School Board capital assets - net	\$ 78,769,462	\$ -	\$ (1,440,860)	\$ 505,354	\$ -	\$ 76,823,248

Depreciation and amortization expense was charged to functions of the School Board as follows:

Discretely Presented Component Unit - School Board:	Depreciation	Amortization	Total
Instructional services	\$ 3,620,753	\$ -	\$ 3,620,753
Pupil Transportation	367,630	-	367,630
Operation and maintenance	-	108,477	108,477
Total depreciation expense - school board	\$ 3,988,383	\$ 108,477	\$ 4,096,860

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 6 – Noncurrent Assets (Continued)

<u>Economic Development Authority</u>	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 376,537	\$ -	\$ -	\$ 376,537
Total capital assets not being depreciated	<u>376,537</u>	<u>-</u>	<u>-</u>	<u>376,537</u>
Capital assets being depreciated				
Buildings	34,000	-	-	34,000
Land improvements	4,760,733	-	-	4,760,733
Total capital assets being depreciated	<u>4,794,733</u>	<u>-</u>	<u>-</u>	<u>4,794,733</u>
Less - accumulated depreciation				
Buildings	9,180	680	-	9,860
Land improvements	3,074,659	238,463	-	3,313,122
Total accumulated depreciation	<u>3,083,839</u>	<u>239,143</u>	<u>-</u>	<u>3,322,982</u>
Total capital assets being depreciated - net	<u>1,710,894</u>	<u>(239,143)</u>	<u>-</u>	<u>1,471,751</u>
EDA capital assets - net	<u>\$ 2,087,431</u>	<u>\$ (239,143)</u>	<u>\$ -</u>	<u>\$ 1,848,288</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 6 – Noncurrent Assets (Continued)

Construction in Progress

Governmental Activities

In accordance with the County's accounting policies, these projects will not be transferred from Construction in Progress until completion. Construction in progress is comprised of the following:

<u>Government Activities</u>	<u>Expended Through June 30, 2023</u>	<u>Outstanding Commitments</u>
Broadband	\$ 1,200,000	\$ 1,518,750
Buildings & Grounds	1,377,933	223,953
Economic Development	13,685,577	1,721,973
Education	40,410,042	8,399,873
Parks & Recreation	10,320,600	4,879,031
Public Facility Improvements	996,555	2,806,528
Public Safety	8,016,941	312,336
Transportation	110,480	15,914,778
Total Other Capital Assets at Historical Cost	<u>\$ 76,118,128</u>	<u>\$ 35,777,222</u>

Business-Type Activities

In accordance with the County's accounting policies, these projects will not be transferred from Construction in Progress into the various capital asset accounts until substantially completed. Construction in Progress for Business-Type Activities is comprised of the following at June 30, 2023:

<u>Business-Type Activities</u>	<u>Expended Through June 30, 2023</u>	<u>Outstanding Commitments</u>
Water & Sewer Utility Projects	\$ 8,370,563	\$ 7,504,433
Stormwater	957,282	3,843,798
Total Business-Type Activities	<u>\$ 9,327,845</u>	<u>\$ 11,348,231</u>

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations

The following is a summary of changes in long-term obligations during the year ended June 30, 2023:

	Balance July 1, 2022	GASB 96 Implementation	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Governmental Activities						
General obligation bonds	\$ 136,968,925	\$ -	\$ -	\$ (7,659,594)	\$ 129,309,331	\$ 7,381,346
Bond premiums	8,586,819	-	-	(447,467)	8,139,352	446,381
Subtotal	145,555,744	-	-	(8,107,061)	137,448,683	7,827,727
PACE program	4,326,512	-	-	-	4,326,512	-
Direct borrowing	1,905,283	-	525,000	(670,452)	1,759,831	551,822
Lease liability	473,804	-	129,420	(119,441)	483,783	108,451
Subscription liability	-	-	227,904	(45,600)	182,304	42,433
Compensated absences	1,933,223	-	1,142,612	(1,148,963)	1,926,872	192,687
Landfill closure costs	1,759,718	-	248,357	(123,417)	1,884,658	-
Net OPEB liability	1,718,907	-	1,025,973	(783,571)	1,961,309	-
Net pension liability	-	-	13,960,667	(11,782,048)	2,178,619	-
Total Governmental Activities	\$ 157,673,191	\$ -	\$ 17,259,933	\$ (22,780,553)	\$ 152,152,571	\$ 8,723,120
Business-Type Activities						
General obligation bonds	\$ 33,575,628	\$ -	\$ -	\$ (1,293,253)	\$ 32,282,375	\$ 1,784,122
Bond premiums	1,940,744	-	-	(94,743)	1,846,001	94,743
Subtotal	35,516,372	-	-	(1,387,996)	34,128,376	1,878,865
Direct borrowing	181,247	-	-	(51,356)	129,891	44,778
Lease liability	7,811	-	43,797	(22,255)	29,353	24,454
Subscription liability	-	-	100,367	(33,245)	67,122	32,676
Compensated absences	61,262	-	117,237	(101,838)	76,661	7,666
Net OPEB liability	144,603	-	63,716	(60,678)	147,641	-
Net pension liability	-	-	973,320	(825,575)	147,745	-
Total Business-Type Activities	\$ 35,911,295	\$ -	\$ 1,298,437	\$ (2,482,943)	\$ 34,726,789	\$ 1,988,439
Discretely Presented Component Units						
School Board						
Direct borrowing	\$ 5,929,869	\$ -	\$ -	\$ (567,362)	\$ 5,362,507	\$ 596,494
Lease liability	515,278	-	273,306	(108,505)	680,079	152,141
Subscription liability	-	-	-	-	-	-
Compensated absences	524,731	-	517,177	(452,611)	589,297	58,929
Net OPEB liability	10,258,236	-	4,966,700	(4,567,022)	10,657,914	-
Net pension liability	28,180,044	-	27,948,286	(20,430,845)	35,697,485	-
Total School Board	\$ 45,408,158	\$ -	\$ 33,705,469	\$ (26,126,345)	\$ 52,987,282	\$ 807,564

The County's outstanding bonds, PACE Program, direct borrowings, lease and subscription liabilities related to governmental activities and business type activities of \$144,201,113 and \$34,354,742 respectively, contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the County is unable to make payment or does not make payment either by refusal or non-appropriation.

The School Board's outstanding direct borrowings, lease and subscription liabilities related to educational activities of \$6,042,586 contain an event of default clause that changes the timing of repayment of outstanding amounts to become immediately due if the School Board is unable to make payment or does not make payment either by refusal or non-appropriation.

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

A. General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities and are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued with varied amounts of principal maturing each year. No Sinking fund covenants currently exist. General obligation bonds currently outstanding are as follows:

	Amount Outstanding
<i>General Obligation Public Improvement Bonds, Series 2022</i>	\$ 16,955,000
On February 24, 2022 the County issued \$16,955,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.25%-5.00% until maturity. These bonds were issued at a premium of \$1,889,277 which is being amortized over the life of the bonds.	
<i>General Obligation Public Improvement Refunding Bonds, Series 2020A</i>	30,585,000
On October 27, 2020 the County issued \$32,020,000 in General Obligation Public Improvement Bonds to finance various capital projects and Hardy Elementary School for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.00%-5.00% until maturity. These bonds were issued at a premium of \$2,713,997 which is being amortized over the life of the bonds.	
<i>General Obligation Public Improvement Bonds Series 2020B</i>	52,930,000
On October 27, 2020, the County issued \$54,405,000 in General Obligation Public Improvement Refunding Bonds with a true interest cost of 1.96% to refund various bond series. In addition, a portion of the proceeds will be used to purchase United States Treasury Securities (State and Local Government Series (SLGS) which will be placed in an irrevocable trust together with an initial cash deposit to be used solely to refund the County's Series 2011A, Series 2012, Series 2014A and Series 2014B. The refunding of the bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,169,281. This difference, reported in the accompanying government-wide financial statements is being amortized over the life of the new debt. The refunding resulted in an overall present value savings of \$5,702,814 in debt service over the next 23 years. Interest is payable semiannually commencing on January 1, 2021 at a rate which varies from 2.00-2.40%. These bonds were issued at a premium of \$1,533,679 which is being amortized over the life of the bonds.	
<i>General Obligation Public Improvement Refunding Bonds, Series 2017B</i>	28,144,996
On September 21, 2017, the County issued \$30,700,000 in General Obligation Public Improvement Refunding Bonds to advance refund Series 2010D and a portion of Series 2011A & 2012. Interest is payable semiannually commencing on January 1, 2018 at a rate which varies from 3.00-5.00%. These bonds were issued at a premium of \$4,324,168 which is being amortized over the life of the bonds.	

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

A. General Obligation Bonds (Continued)

VRA Refunding of Isle of Wight BAB Series 2010C, Series 2017C \$ 7,605,000

On November 15, 2017, the Virginia Resources Authority (VRA) issued \$9,260,000 of bonds to refund the Series 2010C (Taxable - Build America Bonds). A portion of the proceeds was used to purchase the Restricted Escrow Fund Securities and to provide the cash that will be placed in various escrow funds to refund the bonds. Interest is payable semiannually commencing on July 1, 2018 at a rate which varies from 4.43% to 5.13%. These bonds were issued at a premium of \$1,804,027 which is being amortized over the life of the bonds.

General Obligation Public Improvement Bonds Series 2017 4,562,425

On May 5, 2017, the County issued \$7,900,000 in General Obligation Public Improvement Bonds to finance various capital projects related to career and technical education for Isle of Wight County Schools. Interest on the bonds is due semiannually at a rate of 2.4% until maturity.

General Obligation Public Improvement Bonds Series 2016 3,359,285

On July 29, 2016, the County issued \$8,000,000 in General Obligation Public Improvement Bonds, Series 2016 with a semi-annual interest payable at a rate of 1.651% over the life of the bond. The bonds were issued to finance the acquisition, construction and equipping of facilities and equipment related to public safety purposes and uses and to pay the cost of issuance.

General Obligation Refunding Bonds of 2015 (tax exempt bonds) 14,950,000

On June 9, 2015, the County issued \$17,395,000 in General Obligation Refunding Bonds with principal payable in various annual installments through 2031. Interest is payable semi-annually at a rate of 2.79% over the life of the bond. The bonds were used to advance refund prior issues.

General Obligation Bonds of 2011 VPSA (tax exempt bonds) 2,500,000

\$7,500,000 dated June 2011 with principal payable in various annual installments beginning June 2014 through June 2027. These bonds were obtained through the Virginia Public School Authority pooled Qualified School Construction Bonds (QSCB). The QSCBs are tax credit bonds such that the interest component of the bond is subject entirely to the federal subsidy reimbursement which offsets completely the interest on these bonds. The bonds are being used for the school construction and renovation projects.

Total General Obligation Bonds Outstanding \$ 161,591,706

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

Maturities of General Obligation Bonds, including future interest payments, are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-Type Activities		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	7,381,346	3,693,650	1,784,122	903,875	9,165,468	4,597,525
2025	7,597,922	3,463,038	1,845,735	839,630	9,443,657	4,302,668
2026	8,320,243	3,211,210	1,912,180	772,708	10,232,423	3,983,918
2027	8,599,843	2,936,944	1,986,933	702,909	10,586,776	3,639,853
2028	7,580,812	2,656,416	2,165,856	629,015	9,746,668	3,285,431
2029-2033	35,061,379	9,454,028	9,185,335	2,318,968	44,246,714	11,772,996
2034-2038	24,611,068	5,247,427	7,978,932	1,285,385	32,590,000	6,532,812
2039-2043	20,874,272	2,373,864	5,295,728	345,472	26,170,000	2,719,336
2044-2049	9,282,446	410,415	127,554	1,531	9,410,000	411,946
Total	<u>\$ 129,309,331</u>	<u>\$ 33,446,992</u>	<u>\$ 32,282,375</u>	<u>\$ 7,799,493</u>	<u>\$ 161,591,706</u>	<u>\$ 41,246,485</u>

Debt service requirements for general obligation bonds are principally met by the General Fund. The Governmental Activities, including Landfill Closure will also be liquidated by the General Fund. Compensated Absences (except for School Board and Proprietary Funds) will be liquidated by the General Fund. Internal Service Funds predominantly serve the Governmental Funds. Accordingly, long-term obligations for them are included as part of the totals for Governmental Activities. The net pension liability and net OPEB liability are liquidated by the correlating funds in respect to the departmental costs and are reflected, based on allocation, on Internal Services Fund, Enterprise Funds and Entity-Wide Fund statements. Claims and Judgements are liquidated by the Risk Management Fund.

B. Refunded Debt

Defeased Obligations

In prior years, the County defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2023, the outstanding balance of the defeased debt, including current year defeased debt, is \$39,400,340.

C. Purchase Agricultural Conservation Easement Program

On May 19, 2005, Board of Supervisors adopted an ordinance establishing the Purchase Agricultural Conservation Easement Program (PACE). The primary purpose of the ordinance is to promote and encourage the preservation of farmland in Isle of Wight County. Through PACE, the County acquires development rights in designated areas within the County through the purchase of agricultural land preservation easements. Landowners who meet certain eligibility criteria may sell an easement to the County while holding fee simple title to the land and continuing to farm. The County acquires development rights by executing installment purchase agreements with the landowners. These agreements provide for the payment of the principal balance to be paid in a single installment due approximately thirty years after execution of the agreement. Interest on the unpaid principal balance is payable semi-annually and interest expense was \$209,836 for June 30, 2023.

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

C. Purchase Agricultural Conservation Easement Program (Continued)

These obligations are constituted within the meaning of Article VII, Section 10 of the Virginia Constitution and are general obligations of the County, pledging the full faith and credit and unlimited taxing power of the County. By policy, interest will be paid from a dedicated portion of real estate taxes with principal payments being made from a maturing zero coupon Treasury securities purchased from the dedicated portion of real estate taxes. At June 30, 2023, two installment purchase agreements totaling 619.08 acres at a total purchase price of \$4,326,512 are outstanding.

The following is a summary of the repayment schedules:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	-	209,836
2025	-	209,836
2026	-	209,836
2027	-	209,836
2028	-	209,836
2029-2033	-	1,049,179
2034-2038	-	1,049,179
2039	-	314,754
2040	4,326,512	-
	<u>\$ 4,326,512</u>	<u>\$ 3,462,292</u>

D. Primary Government- Direct Borrowings

During the fiscal year 2023, the County entered into a non-cancellable direct borrowing agreement for equipment in the amount of \$525,000. The cost of equipment put in service during the year was \$436,594. At June 30, 2023, the accumulated depreciation on this equipment was \$58,976. In addition, the County has non-cancellable direct borrowing agreements for communications equipment for multiple years. The future minimum direct borrowing agreements payments and the present value of minimum payments for the Primary Government as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2024	\$ 580,155	\$ 46,212
2025	528,880	46,011
2026	361,633	22,221
2027	296,804	18,023
2028	57,279	-
Total minimum lease payments	1,824,751	132,467
less amounts representing interest	(64,920)	(2,576)
Present value of minimum lease payments	<u>\$ 1,759,831</u>	<u>\$ 129,891</u>

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

E. School Board - Direct Borrowings

During fiscal year 2021, the School Board entered into a non-cancellable refunding direct borrowing agreement to finance the costs to acquire, construct and install certain energy savings. The cost of the asset placed in service was in the amount of \$6,599,223. At June 30, 2023, the accumulated depreciation was in the amount of \$2,755,099. The future minimum agreement payments and the present value of minimum payments for School Board direct borrowing agreement as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	
2024	\$ 465,785
2025	484,120
2026	502,025
2027	524,500
2028	546,459
Thereafter	3,058,491
Total minimum lease payments	5,581,380
less amounts representing interest	(501,380)
Present value of minimum lease payments	<u>\$ 5,080,000</u>

During the fiscal year 2016, the School Board entered into a non-cancellable direct borrowing agreement to finance the purchase of food service equipment in the amount of \$620,000. The cost of items meeting the County's capitalization threshold totaled \$620,000. At June 30, 2023, the accumulated depreciation was in the amount of \$327,222.

Future minimum direct borrowing agreement payments are as follows:

Fiscal Year Ending June 30,	
2024	\$ 67,188
2025	67,188
Total minimum lease payments	134,376
less amounts representing interest	(3,503)
Present value of minimum lease payments	<u>\$ 130,873</u>

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

E. School Board- Direct Borrowings (continued)

During the fiscal year 2021, the School Board entered into a non-cancellable direct borrowing agreement to finance the purchase of equipment in the amount of \$618,770.

Future minimum direct borrowing agreement payments are as follows:

	Fiscal Year Ending June 30,	
	2024	
		\$ 154,693
Total minimum payments		154,693
less amounts representing interest		(3,059)
Present value of minimum payments		<u>\$ 151,634</u>

F. Primary Government- Lease Liabilities

On 07/01/2021, Isle of Wight County entered into a 50-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of \$190,809. As of 06/30/2023, the value of the lease liability is \$100,072. The County is required to make monthly fixed payments of \$3,887.78. The lease has an interest rate of 0.8930%.

On 07/01/2021, Isle of Wight County entered into a 1752-month lease as Lessee for the use of a parcel of land. An initial lease liability was recorded in the amount of \$193,555. As of 06/30/2023, the value of the lease liability is \$194,313. Isle of Wight County is required to make annual fixed payments of \$5,000. Additionally, the lease payments shall be adjusted to reflect a CPI adjustment which shall not exceed three percent (3%) for every five years of the Initial Term and any Renewal Terms, beginning July 1, 2022. The lease has an interest rate of 2.5830%.The County has 5 extension options, each for 300 months.

On 07/01/2021, Isle of Wight County entered into a 33-month lease as Lessee for the use of DL400 High Speed Letter Opener. An initial lease liability was recorded in the amount of \$4,534. As of 06/30/2023, the value of the lease liability is \$1,301. The County is required to make quarterly fixed payments of \$445.08. The lease has an interest rate of 5.2270%.

On 07/26/2021, Isle of Wight County entered into a 60-month lease as Lessee for the use of Axon Tasers. An initial lease liability was recorded in the amount of \$163,184. As of 06/30/2023, the value of the lease liability is \$105,513. The County is required to make annual fixed payments of \$35,920.00. The lease has an interest rate of 1.0590%.

On 07/01/2022, Isle of Wight County entered into a 48 month lease as Lessee for the use of Flock Cameras. An initial lease liability was recorded in the amount of \$118,963. As of 06/30/2023, the value of the lease liability is \$87,952. The County is required to make annual fixed payments of \$30,500.00. The lease has an interest rate of 2.0040%. The County has 1 extension option for 24 months.

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Liabilities (Continued)

On 09/08/2022, Isle of Wight County entered into a 24 month lease as Lessee for the use of Wilmot Modular- Trailer (10x50). An initial lease liability was recorded in the amount of \$23,541. As of 06/30/2023, the value of the lease liability is \$13,825. The County is required to make monthly fixed payments of \$1,000.00. The lease has an interest rate of 2.0240%.

On 07/01/2022, Isle of Wight County entered into a 24 month lease as Lessee for the use of Wilmot Modular- Trailer (10x44). An initial lease liability was recorded in the amount of \$20,255. As of 06/30/2023, the value of the lease liability is \$10,160. The County is required to make monthly fixed payments of \$850.00. The lease has an interest rate of 0.7270%.

Principal and interest requirements to maturity for all Primary Government lease obligations are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 108,451	\$ 8,605	\$ 117,056
2025	108,490	7,229	115,719
2026	72,934	5,994	78,928
2027	141	5,009	5,150
2028	145	5,005	5,150
2029	783	24,967	25,750
2034 - 2038	889	24,861	25,750
2039 - 2043	1,010	24,740	25,750
2044 - 2048	1,148	24,602	25,750
2049 - 2053	1,304	24,446	25,750
2054 - 2058	1,481	24,269	25,750
2059 - 2063	1,683	24,067	25,750
2064 - 2068	1,911	23,839	25,750
2069 - 2073	2,171	23,579	25,750
2074 - 2078	2,467	23,283	25,750
2079 - 2083	2,802	22,948	25,750
2084 - 2088	3,183	22,567	25,750
2089 - 2093	3,616	22,134	25,750
2094 - 2098	4,108	21,642	25,750
2099 - 2103	4,667	21,083	25,750
2104 - 2108	5,301	20,449	25,750
2109 - 2113	6,022	19,728	25,750
2114 - 2118	6,841	18,909	25,750
2119 - 2123	7,772	17,978	25,750
2124 - 2128	8,829	16,921	25,750
2129 - 2133	10,029	15,721	25,750
2134 - 2138	11,393	14,357	25,750
2139 - 2143	12,943	12,807	25,750
2144 - 2148	14,703	11,047	25,750
2149 - 2153	16,702	9,048	25,750
2154 - 2158	18,974	6,776	25,750
2159 - 2163	21,554	4,196	25,750
2164 - 2168	19,336	1,264	20,600
	\$ 483,783	\$ 554,070	\$ 1,037,853

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Liabilities (Continued)

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 24,454	\$ 248	\$ 24,702
2025	4,482	21	4,503
2026	417	-	417
	<u>\$ 29,353</u>	<u>\$ 269</u>	<u>\$ 29,622</u>

G. School Board- Lease Liabilities

On 05/01/2023, Isle of Wight County School Board entered into a 60-month lease as Lessee for the use of Xerox copiers. An initial lease liability was recorded in the amount of \$273,306. As of June 30, 2023, the value of the lease liability is \$264,204. The School Board is required to make monthly fixed payments of \$4,599. The lease has an interest rate of 0.3870%.

On 07/01/2021, Isle of Wight County School Board entered into a 55-month lease as Lessee for the use of Konica Minolta Copiers. An initial lease liability was recorded in the amount of \$130,608. As of June 30, 2023, the value of the lease liability is \$74,366. The School Board is required to make monthly fixed payments of \$2,432. The lease has an interest rate of 1.0590%.

On 07/01/2021, Isle of Wight County School Board entered into a 96-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of \$419,931. As of June 30, 2023, the value of the lease liability is \$322,417. The School Board is required to make monthly fixed payments of \$4,848. The lease has an interest rate of 2.6490%.

On 07/01/2021, Isle of Wight County School Board entered into a 36-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of \$56,009. As of June 30, 2023, the value of the lease liability is \$19,092. The School Board is required to make monthly fixed payments of \$1,612. The lease has an interest rate of 2.4650%.

Principal and interest requirements to maturity for all School Board lease obligations are as follows:

Component Unit- School Board			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	\$ 152,141	\$ 9,765	\$ 161,906
2025	134,910	7,648	142,558
2026	124,626	5,768	130,394
2027	109,288	4,075	113,363
2028	101,761	2,405	104,166
2029	57,353	826	58,179
	<u>\$ 680,079</u>	<u>\$ 30,487</u>	<u>\$ 710,566</u>

June, 30, 2023

Note 7 – Long-Term Obligations (Continued)

H. Primary Government- Subscription Liabilities

On 07/15/2022, Isle of Wight County entered into a 36 month subscription for the use of Cartegraph Asset Management Software. An initial subscription liability was recorded in the amount of \$100,367. As of June 30, 2023, the value of the subscription liability is \$67,122. The County is required to make annual fixed payments of \$33,245.00. The subscription has an interest rate of 2.1840%.

On 07/01/2022, Isle of Wight County entered into a 45 month subscription for the use of Debtbook Platform software. An initial subscription liability was recorded in the amount of \$37,497. As of June 30, 2023, the value of the subscription liability is \$25,139. The County is required to make annual fixed payments of \$13,000.00. The subscription has an interest rate of 2.2750%.

On 04/21/2023, Isle of Wight County entered into a 72 month subscription for the use of 365 Labs Software for Body-Worn Cameras & Dashboard Cameras. An initial subscription liability was recorded in the amount of \$190,407. As of June 30, 2023, the value of the subscription liability is \$157,165. The County is required to make annual fixed payments of \$33,660.00. The subscription has an interest rate of 2.3260%.

Principal and interest requirements to maturity for all Primary Government subscription obligations are as follows:

Governmental Activities					
Fiscal Year	Principal Payments		Interest Payments		Total Payments
2024	\$	42,433	\$	4,227	\$ 46,660
2025		43,413		3,247	46,660
2026		31,416		2,244	33,660
2027		32,147		1,513	33,660
2028		32,895		765	33,660
	\$	182,304	\$	11,996	\$ 194,300

Business-Type Activities					
Fiscal Year	Principal Payments		Interest Payments		Total Payments
2024	\$	32,676	\$	1,466	\$ 34,142
2025		34,446		752	35,198
	\$	67,122	\$	2,218	\$ 69,340

June 30, 2023

Note 8 – Pension Plan

A. Plan Description

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

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

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	About Plan 2 Same as Plan 1	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none"> • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.</p>	<p>Eligible Members Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> •Political subdivision employees* • School division employees (teachers) •Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1April 30, 2014; the plan's effective date for opt-in members was July 1, 2014 <p><i>* Non-Eligible Members</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> •Political subdivision employees who are covered by enhanced benefits for hazardous duty employees <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Retirement Contributions Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.	Retirement Contributions Same as Plan 1.	Retirement Contributions A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
Service Credit Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.	Service Credit Same as Plan 1.	Service Credit Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p>Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p>Defined Contributions Component: Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> •After two years, a member is 50% vested and may withdraw 50% of employer contributions. •After three years, a member is 75% vested and may withdraw 75% of employer contributions. •After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distributions not required, except as governed by law.</p>

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Calculating the Benefit The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	Calculating the Benefit See definition under Plan 1.	Calculating the Benefit Defined Benefit Component: See definition under Plan 1. Defined Contribution Component: The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for nonhazardous duty members is 1.70%. Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.	Service Retirement Multiplier: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. Sheriffs and regional jail superintendents: Same as Plan 1. Political subdivision hazardous duty employees: Same as Plan 1.	Service Retirement Multiplier: Defined Benefit Component: The retirement multiplier for the defined benefit component 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. Sheriffs and regional jail superintendents: Not applicable. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Normal Retirement Age: Age 65. Political subdivision hazardous duty employees: Age 60.	Normal Retirement Age: Normal Social Security retirement age. Political subdivision hazardous duty employees: Same as Plan 1.	Normal Retirement Age: Defined Benefit Component: Same as Plan 2. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. Political subdivision hazardous duty employees: Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	Earliest Unreduced Retirement Eligibility: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90. Political subdivision hazardous duty employees: Same as Plan 1.	Earliest Unreduced Retirement Eligibility: Defined Benefit Component: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90. Political subdivision hazardous duty employees: Same as Plan 1. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. Political subdivision hazardous duty employees: Age 50 with at least five years of service credit.	Earliest Reduced Retirement Eligibility: Age 60 with at least five years (60 months) of service credit. Political subdivision hazardous duty employees: Same as Plan 1.	Earliest Reduced Retirement Eligibility: Defined Benefit Component: Age 60 with at least five years (60 months) of service credit. Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> •The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. •The member retires on disability. •The member retires directly from shortterm or long-term disability. •The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. •The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. •The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPIU and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement</p> <p>Defined Benefit Component: Same as Plan 2. Defined Contribution Component: Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.</p>

June 30, 2023

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Disability Coverage Employees of political subdivisions and school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employerpaid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-workrelated disability benefits.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

June 30, 2023

Note 8 - Pension Plan (Continued)

B. Employees Covered by Benefit Terms

County Plan (Agent Plan)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>213</u>
<i>Inactive members:</i>	
Vested inactive members	51
Non-vested Inactive members	89
LTD	-
Inactive members active elsewhere in VRS	<u>137</u>
Total inactive members	<u>490</u>
Active members	<u>299</u>
Total covered employees	<u><u>789</u></u>

School Board Non-Professional Plan (Agent Plan)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>70</u>
<i>Inactive members:</i>	
Vested inactive members	11
Non-vested Inactive members	60
LTD	-
Inactive members active elsewhere in VRS	<u>24</u>
Total inactive members	<u>165</u>
Active members	<u>70</u>
Total covered employees	<u><u>235</u></u>

June 30, 2023

Note 8 - Pension Plan (Continued)

C. Contributions

County (Agent Plan)

The contribution requirement for active employees is governed by Section 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 contribution rate for the year ended June 30, 2023, was 11.47% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$2,110,085 and \$1,604,862 for the years ended June 30, 2023, and 2022, respectively.

School Board Non-Professional Plan (Agent Plan)

The contribution requirement for active employees is governed by Section 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 School Board non-professional's contractually required contribution rate for the year ended June 30, 2023, was 6.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the non-professional plan were \$140,821 and \$125,410 for the years ended June 30, 2023, and 2022, respectively.

June 30, 2023

Note 8 - Pension Plan (Continued)

C. Contributions (Continued)

School Board Professional Plan (Cost-Sharing Plan)

The contribution requirement for active employees is governed by Section 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. The School Board professional's contractually required contribution rate for the year ended June 30, 2023 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$6,271,814 and \$5,570,195 for the years ended June 30, 2023, and June 30, 2022, respectively.

In June 2022, the Commonwealth made a special contribution of approximately \$442.4 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a non-employer contribution.

D. Net Pension Liability

County and School Board Non-Professional Plans (Agent Plans)

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. For political subdivisions, the net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2023, the School Board reported a liability for the professional plan of \$35,697,485 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The School Board's proportion of the net pension liability was based on the School Board's actuarially determined employer contributions to the pension plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board's proportion was 0.37495% as compared to 0.36300% at June 30, 2021.

June 30, 2023

Note 8 - Pension Plan (Continued)

D. Net Pension Liability (Continued)

School Board Professional Plan (Cost-Sharing Plan)

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

	Teacher Employee Retirement Plan
Total pension liability	\$ 54,732,329
Plan fiduciary net position	45,211,731
Employers' net pension liability	\$ 9,520,598
Plan fiduciary net position as a percentage of the total pension liability	82.61%

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

E. Actuarial Assumptions

County and School Board Non-Professional Plans (Agent Plans)

General Employees

The total pension liability for General Employee’s in the County’s retirement plan and the total pension liability for the General Employees in the School Board non-professional retirement plan were based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

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

June 30, 2023

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

<i>Mortality rates:</i>	15% of deaths are assumed to be service-related
<i>Pre-Retirement:</i>	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
<i>Post-Retirement:</i>	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
<i>Post-Disablement:</i>	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
<i>Beneficiaries and Survivors:</i>	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
<i>Mortality Improvement:</i>	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Rates	No change
Line of Duty Disability	No change
Discount Rate	No change

June 30, 2023

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Public Safety Employees with Hazardous Duty Benefits

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

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

<i>Mortality rates:</i>	45% of deaths are assumed to be service-related
<i>Pre-Retirement:</i>	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years
<i>Post-Retirement:</i>	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years
<i>Post-Disablement:</i>	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
<i>Beneficiaries and Survivors:</i>	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years
<i>Mortality Improvement:</i>	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

June 30, 2023

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Rates	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan (Cost-Sharing Plan)

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

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

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

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

June 30, 2023

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Rates	No change
Line of Duty Disability	No change
Discount Rate	No change

F. Long-Term Expected Rate of Return

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

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 estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.000%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return**		7.83%

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

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

June 30, 2023

Note 8 - Pension Plan (Continued)

G. Discount Rate

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

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

H. Changes in the Net Pension Liability (Asset)

County Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 59,473,574	\$ 60,180,036	\$ (706,462)
Changes for the Year:			
Service cost	1,834,839	-	1,834,839
Interest	4,054,437	-	4,054,437
Change in benefit terms	467,309	-	467,309
Difference between expected and actual experience	(1,079,614)	-	(1,079,614)
Contributions - employer	-	1,604,941	(1,604,941)
Contributions - employee	-	753,803	(753,803)
Net investment income	-	(78,884)	78,884
Benefit payments, including refunds of employee contributions	(2,485,361)	(2,485,361)	-
Pension Plan Administrative expense	-	(37,123)	37,123
Other changes	-	1,408	(1,408)
Net changes	2,791,610	(241,216)	3,032,826
Balances at June 30, 2022	\$ 62,265,184	\$ 59,938,820	\$ 2,326,364

June 30, 2023

Note 8 - Pension Plan (Continued)

H. Changes in the Net Pension Liability (Asset) (Continued)

School Board Non-Professional Plan (Agent Plan)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at June 30, 2021	\$ 7,055,249	\$ 7,709,114	\$ (653,865)
Charges for the Year:			
Service cost	163,694	-	163,694
Interest	473,134	-	473,134
Difference between expected and actual experience	(170,239)	-	(170,239)
Changes of assumptions	-	-	-
Contributions - employer	-	125,409	(125,409)
Contributions - employee	-	87,534	(87,534)
Net investment income	-	(7,306)	7,306
Benefit payments, including refunds of employee contributions	(419,115)	(419,115)	-
Pension Plan Administrative expense	-	(4,818)	4,818
Other changes	-	176	(176)
Net changes	47,474	(218,120)	265,594
Balances at June 30, 2022	\$ 7,102,723	\$ 7,490,994	\$ (388,271)

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

County and School Board Non-Professional Plans (Agent Plans) and the School Board Professional Plan (Cost-Sharing Plan)

The following presents the net pension liabilities of the County, the School Board non-professional plan, and the School Board professional plan, using the discount rate of 6.75%, as well as what the County and the District, the School Board non-professional plan, and the School Board professional plan's net pension liabilities would be if they were calculated using a discount rate that is 1-percentage-point lower 5.75% or 1-percentage-point higher 7.75% than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
County net pension liability (asset)	\$ 10,483,940	\$ 2,326,364	\$ (4,337,179)
School Board non-professional net pension liability (asset)	\$ 407,828	\$ (388,271)	\$ (1,047,544)
School Board professional net pension liability (asset)	\$ 63,758,440	\$ 35,697,485	\$ 12,849,696

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 8 - Pension Plan (Continued)

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

County Plan (Agent Plan)

For the year ended June 30, 2023, the County recognized pension expense of \$1,376,213. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

County:

	Deferred Outflows of Deferred Inflows of Resources Resources	
Difference between expected and actual experience	\$ 15,999	\$(1,048,476)
Changes in assumptions	\$ 713,562	-
Net differences between projected and actual earnings on pension plan investments	-	\$(1,682,910)
Employer contribution subsequent to the measurement date	\$ 2,110,085	-
Total	\$ 2,839,646	\$(2,731,386)

The \$2,110,085 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (620,738)
2025	(1,051,400)
2026	(1,156,800)
2027	827,113
2028	-
Thereafter	-
	\$ (2,001,825)

June 30, 2023

Note 8 - Pension Plan (Continued)

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

School Board Non-Professional Plan (Agent Plan)

For the year ended June 30, 2023, the School Board recognized pension expense related to its non-professional plan of \$(51,492). At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for its non-professional plan from the following sources:

School Board Non-Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$(74,059)
Changes in assumption	-	-
Net difference between projected and actual earnings on pension plan investments	-	\$(221,941)
Employer contributions subsequent to the measurement date	\$ 140,821	-
Total	\$ 140,821	\$(296,000)

The \$140,821 reported as deferred outflows of resources related to pensions resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ended June 30	Amount
2024	\$ (160,321)
2025	(89,718)
2026	(150,073)
2027	104,112
2028	-
Thereafter	-
	\$ (296,000)

June 30, 2023

Note 8 - Pension Plan (Continued)

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

School Board Professional Plan (Cost-Sharing)

For the year ended June 30, 2023, the School Board recognized pension expense related to the professional plan of \$1,939,851. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions. Beginning with the June 30, 2022 measurement date, the difference between expected and actual contributions is included with the pension expense calculation.

At June 30, 2023, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

School Board Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$(2,461,483)
Net difference between projected and actual earnings on pension plan investments	-	\$(4,654,204)
Changes in assumptions	\$ 3,365,554	-
Changes in proportionate share	\$ 1,332,505	\$(834,368)
Employer contributions subsequent to the measurement date	\$ 6,271,814	-
Total	\$ 10,969,873	\$(7,950,055)

The \$6,271,814 reported as deferred outflows of resources related to pensions resulting from the School Board's contributions for the professional plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (1,045,637)
2025	(1,515,473)
2026	(3,057,078)
2027	2,366,192
2028	-
Thereafter	-
	\$ (3,251,996)

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 8 - Pension Plan (Continued)

K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan and the VRS Teacher Retirement Plan's Fiduciary Net Position is also available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

L. Aggregate Pension Information

	<i>Primary Government</i>			
	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense/(Revenue)
County Plan	\$ 2,326,364	\$ 2,839,646	\$ 2,731,386	\$ 1,376,213
Total County Plan	\$ 2,326,364	\$ 2,839,646	\$ 2,731,386	\$ 1,376,213

	<i>Component Unit- School Board</i>			
	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense/(Revenue)
School Board Non-Professional Plan	\$ (388,271)	\$ 140,821	\$ 296,000	\$ (51,492)
School Board Professional Plan	35,697,485	10,969,873	7,950,055	1,939,851
Total Component Unit Plans	\$ 35,309,214	\$ 11,110,694	\$ 8,246,055	\$ 1,888,359

June 30, 2023

Note 9 – Other Post Employment Benefits Medical Insurance Program

A. Plan Description

The County and the Isle of Wight County School Board (School Board) have defined benefit other postemployment benefit (OPEB) – medical insurance plans that provide OPEB for all permanent full-time employees of the County and the School Board. The plans have separate plan provisions. The plans were established by the respective Boards and any amendments to the plans must be approved by the Boards. These plans are single-employer defined benefit OPEB plan administered by the County and School Board. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. These plans do not issue stand-alone financial reports.

The specific information for Medical Insurance Program’s OPEB, including eligibility, is set out in the tables below:

County

Isle of Wight County employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements and have 15 years of service. Retirees are required to contribute 100% of the health benefit premium. Spouses are not eligible for retiree health care benefits.

School Board

Isle of Wight County School Board employees are eligible for retiree health benefits until Medicare eligibility once they meet Virginia Retirement System (VRS) pension eligibility requirements and have 15 years of service. Spouses are eligible to participate in the plan while the retiree is eligible for coverage by paying full cost of coverage. Coverage ends when retiree reaches Medicare age or passes away.

B. Employees Covered by Benefit Terms

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

County:

	<i>Number</i>
Active Participants	277
Retiree participants	-
Spouses of Retirees	-
Beneficiaries	-
Total	277

June 30, 2023

Note 9 – Other Post Employment Benefits Medical Insurance Program (Continued)

B. Employees Covered by Benefit Terms (continued)

School Board:

	<i>Number</i>
Active Participants	611
Retiree participants	17
Spouses of Retirees	-
Beneficiaries	-
Total	628

C. Total Medical Insurance Program OPEB Liability

The County's total Medical Insurance OPEB liability of \$1,135,201 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021. The School Board's total Medical Insurance OPEB liability of \$3,850,614 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

D. Actuarial Assumptions and Other Inputs

The total Medical Insurance Program OPEB liabilities were based on an actuarial valuation as of July 1, 2021, using the Entry Age Normal actuarial cost method and the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%	
Salary increases	3.50%	per annum
Discount rate	3.65%	per annum
Healthcare cost trend rates	5.20%	graded down to 4.50% over 10 years

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)

E. Changes in the Total Medical Insurance OPEB Liability

County

	Total Medical Insurance OPEB Liability
Balance at June 30, 2022	\$ 983,423
<u><i>Charges for the year:</i></u>	
Service cost	94,728
Interest on total OPEB Liability	37,874
Effect of economic/ demographic gains or losses	-
Effect of assumption changes or inputs	35,896
Benefit Payments	(16,720)
Net changes	151,778
Balance at June 30, 2023	\$ 1,135,201

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2022	\$ 3,632,606
<u><i>Charges for the year:</i></u>	
Service cost	188,349
Interest on total OPEB Liability	131,273
Effect of economic/ demographic gains or losses	-
Effect of assumption changes or inputs	125,723
Benefit Payments	(227,337)
Net changes	218,008
Balance at June 30, 2023	\$ 3,850,614

June 30, 2023**Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)****F. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in the Discount Rate**

The following presents the total OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate (3.65%):

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
County	\$ 1,231,904	\$ 1,135,201	\$ 1,046,135
School Board	\$ 4,105,134	\$ 3,850,614	\$ 3,606,604

G. Sensitivity of the Total Medical Insurance OPEB Liabilities to Changes in Healthcare Cost Trend Rate

The following represents the total Medical Insurance OPEB liabilities of the County and the School Board calculated using the stated discount rate, as well as what the County's and the School Board's total Medical Insurance OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Trend Rate	1% Increase
County	\$ 980,113	\$ 1,135,201	\$ 1,320,204
School Board	\$ 3,411,294	\$ 3,850,614	\$ 4,363,586

H. Medical Insurance OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical Insurance OPEB

For the year ended June 30, 2023, the County recognized Medical Insurance OPEB expense of \$(11,211) and the School Board recognized Medical Insurance OPEB expense of \$279,551.

June 30, 2023

Note 9 - Other Postemployment Benefits – Medical Insurance Program (Continued)

At June 30, 2023, the County and School Board recognized deferred inflows and outflows of resources from the following sources:

	County		School Board	
	Deferred Outflows of Resource	Deferred Inflows of Resources	Deferred Outflows of Resource	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,824	\$(146,950)	\$ 553,964	\$(927,902)
Changes in assumptions	\$ 34,105	\$(152,118)	\$ 337,311	\$(330,918)
	<u>\$ 37,929</u>	<u>\$(299,068)</u>	<u>\$ 891,275</u>	<u>\$(1,258,820)</u>

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

Reporting Year Ending June 30	County	School Board
2024	\$ (110,839)	\$ (40,075)
2025	(76,489)	(50)
2026	(56,778)	(50)
2027	(17,033)	(61,417)
2028	-	(204,580)
Thereafter	-	(61,373)
	<u>\$ (261,139)</u>	<u>\$ (367,545)</u>

I. Medical OPEB Expense Detail

Year Ending June 30, 2023	County	School Board
Service Cost	\$ 94,728	\$ 188,349
Interest on total OPEB Liability	37,874	131,273
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of economic/demographic gains or losses	(83,846)	(81,154)
Recognition of assumption changes or inputs	(59,967)	41,083
OPEB Expense / (Income)	\$ (11,211)	\$ 279,551

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program

Group Life Insurance

The Virginia Retirement System (VRS) Group Life Insurance Program is a multiple employer, costsharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance 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 Group Life Insurance 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 Group Life Insurance Program OPEB Liability, deferred outflows of resources and deferred inflows of resources related to the Group Life Insurance Program OPEB, and Group Life Insurance Program OPEB expense, information about the fiduciary net position of the VRS Group Life Insurance program OPEB and the additions to/deductions from the VRS Group Life Insurance Program OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. Plan Description

All full-time, salaried permanent employees of the County and the School Board non-professional and the School Board professional employees are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is 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 Program. For members who elect the optional GLI coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from the 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 OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS	
Eligible Employees	
The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.	
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.	

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (continued)

A. Plan Description (continued)

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
<p>Benefit Amounts</p> <p>The benefits payable under the GLI Program have several components.</p> <ul style="list-style-type: none">• Natural Death Benefit: The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.• Accidental Death Benefit: The accidental death benefit is double the natural death benefit.• Other Benefit Provisions: In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:<ul style="list-style-type: none">o Accidental dismemberment benefito Safety belt benefito Repatriation benefito Felonious assault benefito Accelerated death benefit option
<p>Reduction in Benefit Amounts</p> <p>The benefit amounts provided to members covered under the Group Life Insurance Program 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.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,984 as of June 30, 2023.</p>

B. Contributions

The contribution requirements for the Group Life Insurance Program 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 Group Life Insurance Program 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, 2023, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021.

June 30, 2023**Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)****B. Contributions (continued)**

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

Contributions to the GLI from the County and School Board for the years ended June 30, 2023 and June 30, 2022 were as follows.

	FY 2023	FY 2022
County	\$ 99,360	\$ 85,453
School Board Non-Professional	\$ 11,803	\$ 10,299
School Board Professional	\$ 204,299	\$ 188,426

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB

At June 30, 2023, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	FY 2023	FY 2022
County	\$ 882,723	\$ 837,111
School Board Non-Professional	\$ 105,599	\$ 84,875
School Board Professional	\$ 1,931,491	\$ 1,804,620

The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2021. The covered employers' proportion of the net GLI OPEB liability was based on the covered employer's actuarially determined employer contributions to the GLI for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, comparisons of the participating employers' proportions to June 30, 2021 are as follows:

	FY 2022	FY 2021
County	0.07331%	0.07190%
School Board Non-Professional	0.00877%	0.00729%
School Board Professional	0.16041%	0.15500%

June 30, 2023**Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)****C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)**

For the year ended June 30, 2023, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense of \$37,880, \$3,325, and \$68,973, respectively. Since there was a change in the proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, the employers reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

County:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,901	\$(35,413)
Net difference between projected and actual earnings on GLI OPEB program investments	-	\$(55,157)
Change in assumptions	\$ 32,924	\$(85,981)
Changes in proportion	\$ 29,994	\$(3,912)
Employer contributions subsequent to the measurement date	\$ 99,360	-
Total	\$ 232,179	\$(180,463)

The \$99,360 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (5,782)
2025	(8,127)
2026	(40,866)
2027	10,460
2028	(3,329)
Thereafter	-
Total	\$ (47,644)

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

School Board Non-Professional:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,362	\$(4,236)
Net difference between projected and actual earnings on GLI OPEB program investments	-	\$(6,598)
Change in assumptions	\$ 3,939	\$(10,286)
Changes in proportion	\$ 32,582	\$(32,309)
Employer contributions subsequent to the measurement date	\$ 11,803	-
Total	\$ 56,686	\$(53,429)

The \$11,803 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (1,654)
2025	(1,051)
2026	(8,806)
2027	323
2028	2,642
Thereafter	-
Total	\$ (8,546)

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB (Continued)

School Board Professional

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 152,950	\$(77,487)
Net difference between projected and actual earnings on GLI OPEB program investments	-	\$(120,690)
Change in assumptions	\$ 72,042	\$(188,135)
Changes in proportion	\$ 80,237	\$(41,725)
Employer contributions subsequent to the measurement date	\$ 204,299	-
Total	\$ 509,528	\$(428,037)

The \$204,299 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (25,699)
2025	(22,110)
2026	(91,582)
2027	18,484
2028	(1,901)
Thereafter	-
Total	\$ (122,808)

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions

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

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

Mortality Rates – Teachers

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

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/ Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality Rates – General Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/ Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

June 30, 2023**Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)****D. Actuarial Assumptions (Continued)*****Mortality Rates – Hazardous Duty Employees***

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

The net OPEB liability (NOL) for the GLI 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 June 30, 2022, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	\$ 3,672,085
Plan Fiduciary Net Position	2,467,989
GLI Net OPEB Liability (Asset)	\$ 1,204,096

Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability 67.21%

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

F. Long-Term Expected Rate of Return

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

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

June 30, 2023

Note 10 - Other Postemployment Benefits – Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return (Continued)

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

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

G. Discount Rate

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

H. Sensitivity of the Participating Employers' Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the participating employers' proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the participating employers' 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:

	1% Decrease (5.75)%	Current Discount Rate (6.75)%	1% Increase (7.75)%
County	\$ 1,284,465	\$ 882,723	\$ 558,060
School Board Non-Professional	\$ 153,659	\$ 105,599	\$ 66,760
School Board Professional	\$ 2,810,546	\$ 1,931,491	\$ 1,221,095

I. Group Life Insurance Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program

A. Plan Description

The County has two types of Health Insurance Credit Program (HIC) OPEB plans: (1) a multiple-employer, agent defined benefit plan for political subdivisions (County and School Board Non-Professional Plan), and (2) a multiple-employer, cost-sharing plan for VRS teacher employees (School Board professional plan). For the County plan, all full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision Health Insurance Credit Program (HIC) upon employment. For the School Board professional Plan, all full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the VRS Teacher Employee Health Insurance Credit Program. These plans are 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 health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

County & School Board Non-Professional Plan

The specific information about the County Health Insurance Credit (HIC) OPEB, including eligibility, coverage and benefits is set out in the table below:

POLITICAL SUBDIVISION HIC PLAN PROVISIONS
<p><i>Eligible Employees</i></p> <p>The Political Subdivision Retiree HIC was established July 1, 1993, for retired political subdivision employees of employers who elect the benefit and who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">•Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.
<p><i>Benefit Amounts</i></p> <p>The political subdivision's Retiree HIC provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">•At Retirement: 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.•Disability Retirement: 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.
<p><i>Health Insurance Credit Program Notes</i></p> <ul style="list-style-type: none">•The monthly HIC benefit cannot exceed the individual premium amount.•No HIC for premiums paid and qualified under Line of Duty Act (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.

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

A. Plan Description (Continued)

School Board Professional Plan

The specific information for the Teacher Employee HIC OPEB, including eligibility, coverage, and benefits is set out in the table below:

TEACHER EMPLOYEE HIC PLAN PROVISIONS
<p><i>Eligible Employees</i></p> <p>The Teacher Employee Retiree Health Insurance Credit Program was established July 1, 1993, for retired Teacher Employees covered under VRS who retire with at least 15 years of service credit.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <ul style="list-style-type: none">•Full-time permanent (professional) salaried employees of public school divisions covered under VRS.
<p><i>Benefit Amounts</i></p> <p>The Teacher Employee Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none">•At Retirement: 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•Disability Retirement: 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:<ul style="list-style-type: none">◦ \$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
<p><i>Health Insurance Credit Program Notes</i></p> <ul style="list-style-type: none">•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 year of service credit to qualify for the HIC as a retiree.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

B. Employees Covered by Benefit Terms

County Plan

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	<u>June 30, 2021</u>
Active	162
Total Inactive	39
Retirees ¹	37
Disabled	-
Inactive, Vested	2
Inactive, Active Elsewhere in VRS	-
Total Participants²	<u><u>201</u></u>

¹The 2021 count of retirees is a combination of retiree and disabled retiree counts.

School Board Non-Professional Plan

As of the June 30, 2021 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan.

	<u>June 30, 2022</u>
Active	70
Total Inactive	<u>17</u>
Total Participants²	<u><u>87</u></u>

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

C. Contributions

The contribution requirement for active employees is governed by Section 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. For the year ended June 30, 2023, the contractually required employer contribution rates for the County, School Board non-professional and School Board professional were 0.16%, 0.69% and 1.21%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC Program from the participating employers for the years ended June 30, 2023, and June 30, 2022, were as follows:

		FY 2023	FY 2022
County	\$	16,326	\$ 17,952
School Board Professional		456,612	421,174
School Board Non-Professional		14,857	9,189

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act, and is classified as a nonemployer contribution.

D. Net HIC OPEB Liability

County & School Board Non-Professional Plans

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

School Board Professional Plan

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

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

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

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

E. Actuarial Assumptions

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

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

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (continued)

Mortality Rates – General Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (continued)

Mortality Rates – Hazardous Duty Employees

Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

E. Actuarial Assumptions (continued)

Mortality Rates – Teachers

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

F. Long-Term Expected Rate of Return

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

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

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

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

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

G. 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 ending June 30, 2022, the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2022, on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

H. Changes in Net HIC OPEB Liability

County Plan

	Increase (Decrease)		
	Total HIC OPEB Liability	Plan Fiduciary Net Position	Net HIC OPEB Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2021	\$ 276,682	\$ 233,705	\$ 42,977
Changes for the year:			
Service cost	11,123	-	11,123
Interest	18,663	-	18,663
Changes of assumptions	59,323	-	59,323
Difference between expected and actual experiences	(13,471)	-	(13,471)
Contributions-employer	-	17,951	(17,951)
Net investment income	-	390	(390)
Benefit payments	(22,621)	(22,621)	-
Administrative expenses	-	(409)	409
Other changes	-	9,657	(9,657)
Net changes	53,017	4,968	48,049
Balance at June 30, 2022	\$ 329,699	\$ 238,673	\$ 91,026

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

H. Changes in Net HIC OPEB Liability (continued)

School Board Non-Professional Plan:

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
<i>Balance at June 30, 2021</i>	\$ 112,921	\$ 8,161	\$ 104,760
Changes for the year:			
Service cost	2,674	-	2,674
Interest	7,708	-	7,708
Changes of assumptions	12,790	-	12,790
Difference between expected and actual experiences	(13,270)	-	(13,270)
Contributions-employer	-	9,189	(9,189)
Net investment income	-	(183)	183
Benefit payments	(2,806)	(2,806)	-
Administrative expenses	-	(26)	26
Other changes	-	286	(286)
Net changes	7,096	6,460	636
<i>Balance at June 30, 2022</i>	<i>\$ 120,017</i>	<i>\$ 14,621</i>	<i>\$ 105,396</i>

I. Sensitivity of the HIC Net OPEB Liabilities to Changes in the Discount Rate

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

	1% Decrease (5.75)%	Current Discount Rate (6.75)%	1% Increase (7.75)%
School Board Professional	\$ 5,257,299	\$ 4,664,814	\$ 4,162,580
School Board Non-Professional	\$ 116,925	\$ 105,396	\$ 95,482
County	\$ 124,714	\$ 91,026	\$ 62,169

June 30, 2023**Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)****J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB****County Plan**

For the year ended June 30, 2023, the County plan recognized HIC OPEB expense of \$9,010. At June 30, 2023, the County plan reported deferred outflows of resources and deferred inflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,680	\$(19,944)
Net difference between projected and actual earnings on investments	-	\$(5,751)
Change in assumptions	\$ 55,288	\$(57)
Employer contributions subsequent to the measurement date	\$ 16,326	-
Total	\$ 74,294	\$(25,752)

The \$16,326 reported as deferred outflows of resources related to the HIC OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30	Amount
2024	\$ 5,176
2025	3,384
2026	4,386
2027	12,013
2028	7,257
Thereafter	-
Total	\$ 32,216

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

- J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

School Board Non-Professional Plan

For the year ended June 30, 2023, the School Board Non-Professional plan recognized HIC OPEB expense of \$11,216. At June 30, 2023, the School Board Non-Professional plan reported deferred outflows of resources related to the HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$(10,416)
Net difference between projected and actual earnings on investments	\$ 352	-
Change in assumptions	\$ 14,756	-
Employer contributions subsequent to the measurement date	\$ 14,857	-
Total	\$ 29,965	\$(10,416)

The \$14,857 reported as deferred outflows of resources related to the HIC OPEB resulting from the School Board Non-Professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the total HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Reporting Year Ending June 30	Amount
2024	\$ 1,869
2025	1,869
2026	832
2027	122
2028	-
Thereafter	-
Total	\$ 4,692

June 30, 2023**Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)****J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)****School Board Professional Plan**

At June 30, 2023, the School Board professional plan reported a liability of \$4,664,814 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, 2022 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. The School Board professional plan's proportion of the Net VRS Teacher Employee HIC OPEB liability was based on the School Board professional plan's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the School Board professional plan's proportion of the VRS Teacher Employee HIC was 0.37347% as compared to 0.36082% at June 30, 2021.

For the year ended June 30, 2023, the School Board professional plan recognized VRS Teacher Employee HIC OPEB expense of \$376,007. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportionate share and differences between actual and expected contributions.

At June 30, 2023, the School Board professional plan reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$(190,145)
Net difference between projected and actual earnings on program investments	-	\$(4,682)
Change in assumptions	\$ 136,283	\$(11,912)
Changes in proportionate share	\$ 168,998	\$(105,222)
Employer contributions subsequent to the measurement date	\$ 456,612	-
Total	\$ 761,893	\$(311,961)

June 30, 2023

Note 11 - Other Postemployment Benefits – Health Insurance Credit Program (Continued)

J. HIC OPEB Liabilities, HIC OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC OPEB (Continued)

School Board Professional Plan (Continued)

The \$456,612 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the School Board professional plan’s contributions subsequent to the measurement date will be recognized as a reduction of the total Teacher Employee HIC OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (11,032)
2025	(5,805)
2026	179
2027	11,231
2028	(8,262)
Thereafter	7,009
Total	\$ (6,680)

K. Health Insurance Credit Program Plan Data

Detailed information about the VRS County and School Board Health Insurance Credit is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program

A. Plan Description

The County has two types of Virginia Local Disability Programs (VLDP) OPEB plans. The first plan, for the County and School Board non-professional employees, is a multiple-employer cost-sharing plan for political subdivisions. The second plan, for the School Board professional employees, is a multiple-employer cost-sharing plan for VRS teacher employees. For the County and School Board non-professional plans, all full-time, salaried general employees, including local law enforcement officers, firefighters, or emergency medical technicians of the County and School Board non-professional plans who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee VLDP. For the School Board professional plan, all full-time, salaried permanent (professional) employees of public school divisions who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Teacher Employee VLDP. These plans are administered by the System, along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. These plans are required by Title 51.1 of the Code of Virginia, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

POLITICAL SUBDIVISION AND TEACHER EMPLOYEE VLDP PLAN PROVISIONS
County and School Board Non-Professional Plans
<i>Eligible Employees</i> The Political Subdivision Employee VLDP was implemented January 1, 2014 to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with Hybrid retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: <ul style="list-style-type: none">• Full-time general employees; including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.
School Board Professional Plan
<i>Eligible Employees</i> The Teacher Employee Virginia Local Disability Program was implemented January 1, 2014, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: <ul style="list-style-type: none">• Teachers and other full-time permanent (professional) salaried employees of public school divisions covered under VRS.

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

A. Plan Description (Continued)

Benefit Amounts

The Political Subdivision Employee and the Teacher Employee VLDP provides the following benefits for eligible employees:

Short-Term Disability:

- The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation.
- During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability.
- Once the five-year eligibility period is satisfied, employees are eligible for higher income replacement levels.

Long-Term Disability:

- The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work or are working fewer than 20 hours per week.
- Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Virginia Local Disability Program Notes

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

B. Contributions

The contribution requirement for active hybrid plan employees is governed by Section 51.1-1178(C) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to the County, School Board non-professional, and School Board professional plans by the Virginia General Assembly. For the year ended June 30, 2023, the contractually required employer contribution rates of covered employee compensation for employees in the VLDP for the County, School Board non-professional, and School Board professional plans were 0.85%, 0.85%, and 0.47%, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VLDP from the County, School Board non-professional plan, and School Board professional plan to the VLDP from the participating employers for the years ended June 30, 2023, and June 30, 2022 were as follows:

	FY 2023	FY 2022
County	\$ 47,357	\$ 38,924
School Board Non-Professional	\$ 8,143	\$ 5,174
School Board Professional	\$ 66,050	\$ 54,565

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB

At June 30, 2023, the County, School Board non-professional, and School Board professional plans reported OPEB assets of \$5,884, \$782 and \$1,622, respectively for their proportionate share of their VLDP Net OPEB liabilities. The VLDP Net OPEB liabilities were measured as of June 30, 2022, and the total VLDP OPEB liabilities used to calculate the VLDP net OPEB liabilities were determined by actuarial valuations as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The County, School Board non-professional, and School Board professional plans' proportions of the VLDP Net OPEB liabilities were based on the County, School Board non-professional, and School Board professional plans' actuarially determined employer contributions to their VLDP OPEB plans for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, comparisons of the participating employers' proportions to June 30, 2021 are as follows:

	FY 2022	FY 2021
County	1.00081%	0.99627%
School Board Non-Professional	0.13306%	0.09363%
School Board Professional	1.44244%	1.28996%

For the year ended June 30, 2023, the County, School Board non-professional, and School Board professional plans recognized VLDP OPEB expenses of \$32,142, \$4,314 and \$41,313, respectively. Since there was a change in proportionate share between measurement dates, a portion of the VLDP net OPEB expenses were related to deferred amounts from changes in proportion.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB (continued)

County Plan

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,273	\$(12,591)
Net difference between projected and actual earnings on investments	-	\$(26)
Changes in proportion	\$ 57	\$(89)
Change in assumptions	\$ 225	\$(2,111)
Employer contributions subsequent to the measurement date	\$ 47,357	-
Total	\$ 55,912	\$(14,817)

The \$47,357 reported as deferred outflows of resources related to the VLDP OPEB resulting from the County plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Political Subdivision Employee VLDP OPEB will be recognized in the Political Subdivision Employee VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (465)
2025	(545)
2026	(2,749)
2027	312
2028	(408)
Thereafter	(2,407)
Total	\$ (6,262)

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB (continued)

School Board Non-Professional Plan

At June 30, 2023, the School Board non-professional reported deferred outflows of resources and deferred inflows of resource related to VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,100	\$(1,674)
Net difference between projected and actual earnings on investments	-	\$(3)
Changes in proportion	\$ 501	\$(924)
Change in assumptions	\$ 30	\$(281)
Employer contributions subsequent to the measurement date	\$ 8,143	-
Total	\$ 9,774	\$(2,882)

The \$8,143 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board non-professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ (21)
2025	(45)
2026	(469)
2027	(39)
2028	(127)
Thereafter	(550)
Total	\$ (1,251)

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

C. VLDP OPEB Liability, VLDP OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the VLDP OPEB (continued)

School Board Professional Plan

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,127	\$(4,921)
Net difference between projected and actual earnings on investments	-	\$(451)
Changes in proportion	\$ 261	\$(765)
Change in assumptions	\$ 4,838	-
Employer contributions subsequent to the measurement date	\$ 66,050	-
Total	\$ 90,276	\$(6,137)

The \$66,050 reported as deferred outflows of resources related to the VLDP OPEB resulting from the School Board professional plan's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Reporting Year Ending June 30	Amount
2024	\$ 1,220
2025	1,234
2026	923
2027	3,172
2028	1,750
Thereafter	9,790
Total	\$ 18,089

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

D. Actuarial Assumptions

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

Inflation	2.50%
Salary increases, including inflation:	
Political Subdivision Employees	3.50%-5.35%
Teacher Employees	3.50%-5.95%
Investment rate of return	6.75%, including inflation

County and School Board Non-Professional Plan

Mortality Rates – General and Non-Hazardous Duty Employees

Pre-Retirement	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years
Post-Retirement	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years
Beneficiaries and Survivors	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

June 30, 2023**Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)****D. Actuarial Assumptions (continued)**

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in 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 are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional PlanMortality Rates – Teachers

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

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

D. Actuarial Assumptions (continued)

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

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

E. Net VLDP OPEB Liability

The net OPEB liabilities (NOL) for the County, School Board non-professional and School Board professional plans VLDP represents the programs' total OPEB liabilities determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of June 30, 2022, NOL amounts for the County, School Board non-professional and School Board professional plans VLDP is as follows (amounts expressed in thousands):

	County and School Board Non-Professional Plans	School Board Professional Plan
	VLDP OPEB Plans	
Total Employee VLDP OPEB liability	\$ 7,360	\$ 7,207
Plan fiduciary net position	7,948	7,320
Employers' net VLDP OPEB liability (asset)	\$ (588)	\$ (113)
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	107.99%	101.57%

The total VLDP OPEB liabilities are calculated by the System's actuary, and the plan's fiduciary net positions are reported in the System's financial statements. The net VLDP OPEB liabilities are disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to financial statements and required supplementary information.

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

F. Long-Term Expected Rate of Return

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

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

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

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

G. Discount Rate

The discount rate used to measure the total VLDP 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 at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by the County and School Board non-professional and professional plans for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2022, on, all agencies are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the School Board non-professional and School board professional plans VLDP OPEB plans' fiduciary net positions were 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 School Board non-professional School Board professional plans VLDP OPEB liabilities.

June 30, 2023

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)

H. Sensitivity of the VLDP Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net VLDP OPEB liabilities using the discount rate of 6.75%, as well as what the proportionate share of the net VLDP OPEB liabilities would be if they were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County	\$ 624	\$(5,884)	\$(11,535)
School Board Non-Professional	\$ 83	\$(782)	\$(1,534)
School Board Professional	\$ 11,750	\$(1,622)	\$(13,187)

I. VLDP OPEB Fiduciary Net Position

Detailed information about the School Board non-professional plan VLDP’s Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2022-annual-report.pdf, or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Aggregate Other Post Employment Benefits (OPEB) Information

	Primary Government			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense/(Revenue)
<i>County OPEB Plans</i>				
Medical Insurance Program	\$ 1,135,201	37,929	299,068	(11,211)
Group Life Insurance Program	882,723	232,179	180,463	37,880
Health Insurance Credit Program	91,026	74,294	25,752	9,010
Virginia Local Disability Program	(5,884)	55,912	14,817	32,142
Total County Plans	\$ 2,103,066	\$ 400,314	\$ 520,100	\$ 67,821
	Component Unit School Board			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense/(Revenue)
<i>School Board Non-Professional Plans</i>				
Medical Insurance Program	\$ -	-	-	-
Group Life Insurance Program	105,599	56,686	53,429	3,325
Health Insurance Credit Program	105,396	29,965	10,416	11,216
Virginia Local Disability Program	(782)	9,774	2,882	4,314
Total School Board Non-Professional	\$ 210,213	\$ 96,425	\$ 66,727	\$ 18,855
<i>School Board Professional Plans</i>				
Medical Insurance Program	\$ 3,850,614	891,275	1,258,820	279,551
Group Life Insurance Program	1,931,491	509,528	428,037	68,973
Health Insurance Credit Program	4,664,814	761,893	311,961	376,007
Virginia Local Disability Program	(1,622)	90,276	6,137	41,313
Total School Board Professional	\$ 10,445,297	\$ 2,252,972	\$ 2,004,955	\$ 765,844
Total Component Unit Plans	\$ 10,655,510	\$ 2,349,397	\$ 2,071,682	\$ 784,699

June 30, 2023

Note 13 – Commitments and Contingent Liabilities

A. Joint Ventures

Southeastern Public Service Authority (SPSA)

The County is a member of the Southeastern Public Authority ("SPSA"), together with the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach and the County of Southampton. SPSA operates a regional system for the reception, transfer, processing and disposal of solid waste. Under intergovernmental contracts with SPSA ("Use and Support Agreements"), each member government is required to dispose of 95% of the waste generated within its jurisdiction and to pay SPSA's costs through "tipping fees" payments. Due to certain in-kind contributions, Suffolk is not subject to these tipping fees, and Virginia Beach's tipping fee payment obligations are capped. The effect of this structure is that Chesapeake, Franklin, Isle of Wight, Norfolk, Portsmouth and Southampton are contractually obligated to provide for the break-even operations of SPSA's solid waste system, based on relative population.

Western Tidewater Water Authority (WTWA)

In September 2009, the County amended its agreement with the Western Tidewater Water Authority ("WTWA") which provides for construction of the Western Branch Pipeline used to convey purchased raw water. The amendment to the contract contains provisions for the Authority to negotiate a water supply agreement between the Cities of Suffolk and Norfolk and the County. In addition, the County pays a fixed charge as an outside customer to the City of Suffolk to reserve the capacity for County's annual water resource requirements. The County pays a fixed charge to the Western Tidewater Water Authority for access to its water supply reservoir. In fiscal year 2023, the County contributed approximately \$1,190,812 to the Authority for the City of Norfolk and \$1,745,021 to the City of Suffolk. The County also contributed \$32,510 during the year for its share of costs incurred by the Authority.

B. Post Closure Landfill Costs

State and federal laws and regulations require the County to perform certain continuing maintenance and monitoring functions subsequent to the closure of a landfill site. The County ceased accepting solid waste at its landfill in 1987 and completed initial closure measures in that same year. The County closed its landfill prior to the date mandated by state and federal law and regulation and, therefore, the County is only liable for post-closure monitoring. During fiscal year 2006, the County was deemed to be in violation of the Virginia Solid Waste Management Regulations and the approved Closure Plan. The County submitted a corrective action plan to the Commonwealth's Department of Environmental Quality. During 2008, the County provided for additional financial assurance in the amount of \$1,000,000. This amount was reduced to the actual cost of implementation of the CAP, upon approval of VDEQ. The current estimated future annual total cost of the post-closure monitoring and maintenance is \$1,884,658 based on the expected cost for all equipment, facilities and services required to monitor and maintain the landfill post-closure.

During the fiscal year ended June 30, 2023, the County expended \$123,417 in post-closure costs. The current costs of landfill closure and post-closure care is an estimate subject to changes resulting from inflation, technology or change in applicable laws or regulations.

June 30, 2023

Note 13 – Commitments and Contingent Liabilities (Continued)

C. Risk Management

The County and School Board are exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For general liability, automobile liability and workers compensation and employers' liability, the County participates with other localities in the Virginia Association of Counties (VACO) Risk Management Program. The VACO Risk Management Program provides counties and county related agencies with insurance coverage for property and liability insurance and risk management services through the Virginia Association of Counties Group Self- Insurance Risk Pool (VACoRP).

The County pays an annual premium for its share of the cost of the insurance which includes general liability, product liability and personal injury with a limit of \$5,000,000 for each occurrence; \$5,000,000 combined limit for auto liability and \$1,000,000 limit for workers compensation coverage and Cyber Risk \$3,000,000 per claim.

The School Board participates in the Virginia School Boards Association Property & Casualty Pool for its general liability and automobile liability with limits of \$1,000,000, respectively, for each occurrence.

The School Board's workers' compensation coverage is \$500,000 and the School board has additional excess liability coverage and there have not been any reductions in insurance coverage for the County or the School Board from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The School Health Benefits Internal Service Fund was established to account for the School Board's group health insurance. The School Board provides insurance benefits from this fund through its third-party administrator. The School Board pays the basic premiums for the employees' coverage into the fund and allows employees to select additional benefits for themselves and their dependents with premiums paid by the employees for such additional benefits. Contracted insurance providers receive disbursements from the fund based on monthly enrollment and premium calculations. All funds are available to pay claims, claim reserves and administrative costs of the program.

The changes in medical claims liability for the three years ended June 30, 2023 are as follows:

	2023	2022	2021
Claims liabilities, beginning of year	\$ 413,660	\$ 296,180	\$ 516,992
Claims and changes in estimates	7,135,425	6,163,366	5,993,195
Claims payments and changes in estimates	(6,989,106)	(6,045,886)	(6,214,007)
Claims liabilities, end of year	<u>\$ 559,979</u>	<u>\$ 413,660</u>	<u>\$ 296,180</u>

June 30, 2023

Note 13 – Commitments and Contingent Liabilities (Continued)

D. Encumbrances

Outstanding encumbrances at year end represent the estimated amount of the expenditures required to complete contracts, purchase orders and other commitments in process of completion at fiscal year end. Encumbrances are reflected in the financial statements as a part of Assigned Fund Balance. Outstanding encumbrances as of June 30, 2023 for the County are as follows:

<u>Governmental Funds</u>	
General Fund	\$ 261,886
Capital Projects	10,251,510
County Fair	56
E-911	7,847
Total	<u>\$ 10,521,299</u>

E. Pension and Other Post Employment Benefits

Pension and Other Post Employment Benefits (OPEB) are long term liabilities created by a commitment to provide benefits to employees post employment. The Net Pension Liability and Net OPEB Liability are determined by an actuarial assessment and presented on the face of the financial statements. Amounts for deferred inflows and deferred outflows are also presented on the face of the financial statements. Details about the actuarial assessment and inflows and outflows are presented in the Pension and OPEB note disclosures. Individual plan expenses are also presented in those notes. Aggregate amounts of the recognized pension expense and OPEB expense for the Fiscal Year ended June 30, 2023 are presented below.

Aggregate pension expense recognized for the fiscal year ended June 30, 2023

	County	School Board Professional	School Board Non-Professional	Total
Pension Expense	<u>\$ 1,376,213</u>	<u>\$ 1,939,851</u>	<u>\$ (51,492)</u>	<u>\$ 3,264,572</u>

Aggregate other post employment benefits expense recognized as of June 30, 2023

	County	School Board Professional	School Board Non-Professional	Total
Medical Insurance	\$ (11,211)	\$ 279,551	\$ -	\$ 268,340
Group Life	37,880	68,973	3,325	110,178
Health Insurance Credit	9,010	376,007	11,216	396,233
Disability Program	32,142	41,313	4,314	77,769
	<u>\$ 67,821</u>	<u>\$ 765,844</u>	<u>\$ 18,855</u>	<u>\$ 852,520</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 13 – Commitments and Contingent Liabilities (Continued)

F. Contingencies

Amounts received or receivable for grants or contracts from outside agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed amounts, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, which may be disallowed by any grantors, cannot be determined at this time, but management of the County believes any such amounts will be immaterial to its financial position.

G. Litigation

The County is a defendant in litigation filed by a party alleging the County's failure to maintain a drainage easement resulting in erosion and unlawful taking of their real property. The County is vigorously defending the case. The facts and legal basis of this case are similar to a matter in which the County received a favorable decision. The County believes that it will also prevail in this matter and no contingency has been recognized in the financial statements. The possible outcome ranges from a verdict for the County to a loss of approximately \$150,000.

Note 14 – Deferred and Unavailable Revenue

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$	\$ 3,935,531
Assessments intended to fund future expenditures	16,065,696	16,065,696
Prepaid property taxes due in future periods but paid in advance by taxpayers	149,531	149,531
	<u>\$ 16,215,227</u>	<u>\$ 20,150,758</u>

Note 15 – Annexation Agreement

The County has entered into an agreement with the City of Franklin (City) whereby the City waived any and all of its rights and power to seek the annexation of the County's territory within a designated area adjacent to the City. In return, the County agreed to share local tax revenues collected by the County within the designated area using a predetermined formula. For the year ended June 30, 2023, the payments made to the City were \$816,565 for collections through June 30, 2022.

Note 16 - Tax Abatements

Isle of Wight County negotiates performance agreements on an individual basis with private entities to stimulate investments and job creation. There were no tax abatements in fiscal year 2023.

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2023

Note 17 – Fund Balances

The County has the following fund balance classifications at June 30, 2023:

	General	Capital Projects	Debt Service	Other Governmental	Total
Nonspendable					
Advance to component unit	\$ 375,000	\$ -	\$ -	\$ -	\$ 375,000
Restricted for:					
Animal Control	-	-	-	75,563	75,563
RAD	-	-	-	32,672	32,672
Asset Forfeiture	-	-	-	41,884	41,884
Parks & Recreation Scholarships	-	-	-	2,187	2,187
Drug Court - Suffolk match	-	-	-	48,311	48,311
Opioid Settlement	-	-	-	106,119	106,119
Lease proceeds	177,527	-	-	-	177,527
Forestry Sustainability Funds	15,568	-	-	-	15,568
Fire & Rescue ATL Funds	25,761	-	-	-	25,761
Four-4-Life	55,237	-	-	-	55,237
Capital Projects	-	17,631,602	-	-	17,631,602
Total Restricted	<u>274,093</u>	<u>17,631,602</u>	<u>-</u>	<u>-</u>	<u>17,905,695</u>
Committed for:					
Technology Fees	26,386	-	-	-	26,386
Debt service - PACE	2,217,570	-	-	-	2,217,570
Economic Development	776,336	-	-	-	776,336
Drug Court	-	-	-	105,000	105,000
Total Committed	<u>3,020,292</u>	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>3,125,292</u>
Assigned to:					
Capital Projects	-	6,907,427	-	-	6,907,427
Encumbrances	261,886	-	-	-	261,886
Special Revenue	-	-	-	379,720	379,720
Debt Service	-	-	3,672,000	-	3,672,000
Total Assigned	<u>261,886</u>	<u>6,907,427</u>	<u>3,672,000</u>	<u>379,720</u>	<u>11,221,033</u>
Unassigned	<u>26,879,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,879,564</u>
	<u>\$ 30,810,835</u>	<u>\$ 24,539,029</u>	<u>\$ 7,344,000</u>	<u>\$ 791,456</u>	<u>\$ 92,065,340</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 18 - Net Investment in Capital Assets

Net Investment in Capital Assets Calculation

Governmental Activities

Net carrying value of capital assets		\$ 107,650,795
Less:		
Capital-related debt	\$ 127,440,906	
Capital refunding debt	-	
Capital-related liabilities	3,210,447.00	
Unamortized balance of original issue premiums on outstanding capital-related debt	-	
Unamortized balance of capital-related deferred inflows of resources	-	
		<u>130,651,353</u>
Plus:		
Unamortized balance of original issue discounts on outstanding capital debt	-	
Unamortized balance of capital-related deferred outflows of resources	\$ 7,221,894	
		<u>7,221,894</u>
Net investment in capital assets		<u><u>\$ (15,778,664)</u></u>

Business-Type Activities

Net carrying value of capital assets		\$ 28,053,188
Less:		
Capital-related debt excluding unspent proceeds	\$ 34,258,266	
Capital refunding debt	-	
Capital-related liabilities	1,498,256.00	
Unamortized balance of original issue premiums on outstanding capital-related debt	-	
Unamortized balance of capital-related deferred inflows of resources	-	
		<u>35,756,522</u>
Plus:		
Unamortized balance of original issue discounts on outstanding capital debt	-	
Unamortized balance of capital-related deferred outflows of resources	2,486,813	
		<u>2,486,813</u>
Net investment in capital assets		<u><u>\$ (5,216,521)</u></u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2023

Note 18 - Net Investment in Capital Assets (Continued)

Component Units

School Board

Net carrying value of capital assets		\$ 76,823,248
Less:		
Capital-related debt	\$ 6,042,586	
Capital refunding debt	-	
Capital-related liabilities	-	
Unamortized balance of original issue premiums on outstanding capital-related debt	-	
Unamortized balance of capital-related deferred inflows of resources	-	
		6,042,586
Plus:		
Unamortized balance of original issue discounts on outstanding capital debt	-	
Unamortized balance of capital-related deferred outflows of resources	-	
		-
Net investment in capital assets		<u><u>\$ 70,780,662</u></u>

Economic Development Authority

Net carrying value of capital assets		\$ 1,848,288
Less:		
Capital-related debt	\$ 375,000	
Capital refunding debt	-	
Capital-related liabilities	-	
Unamortized balance of original issue premiums on outstanding capital-related debt	-	
Unamortized balance of capital-related deferred inflows of resources	-	
		375,000
Plus:		
Unamortized balance of original issue discounts on outstanding capital debt	-	
Unamortized balance of capital-related deferred outflows of resources	-	
		-
Net investment in capital assets		<u><u>\$ 1,473,288</u></u>

June 30, 2023

Note 19- Prior Period Adjustment

A. Restatements

When prior period adjustments are recorded, the resulting effects are disclosed in the notes to the financial statements. For single-period statements, the disclosure must indicate the effects of these adjustments on the beginning net position for the current reporting period and on the change in net position for the immediately preceding period (prior fiscal year). The County's Governmental Activities had an adjustment to beginning net position related to an error in reporting Deferred Inflow of Resources for property taxes.

The County levies taxes on assessed personal property, machinery and tools (M&T), and business equipment on a calendar year basis. The assessment is determined by property values as of January 1st of each year and the levy is determined by the tax rates adopted by the County Board of Supervisors (the "Board") around April of that same year. The County operates on a June 30th fiscal year, with a budget adopted by the Board comprised of one-half of each calendar year's personal property taxes (that overlap the fiscal year) and a full calendar year of M&T and business equipment that funds, and is collected during the fiscal year that begins July 1.

For example, the County's budget for the year ended June 30, 20X2 is comprised of one-half of calendar year 20X1 personal property taxes and one-half of calendar year 20X2 personal property taxes, with the second half of calendar year 20X2 personal property taxes budgeted to fund fiscal year 20X3. Additionally, M&T and business equipment taxes levied for calendar year 20X2 are budgeted to fund fiscal year 20X3. The second half of personal property tax is due in December 20X2 and M&T and business equipment are due in August and December of 20X2 and provides funding for the adopted budget of the 20X3 fiscal year.

The adoption of the budget to use the calendar year tax levy for expenditures of the following fiscal year creates the start of the period for which levied. Therefore, the County reports the second half of the personal property tax levy and all of the M&T and business equipment tax as a Deferred Inflow of Resources in the Fund Statements. For this same reason, the County will also report a Deferred Inflow of Resources in the Government Wide Statements for the second half of the tax levy which is a change from prior years' accounting practices.

Governmental Activities

Net Position, July 1, 2022, as previously stated	\$ 35,793,345
Prior period adjustments:	
Error correction, deferred revenue	(14,526,577)
Net Position, July 1, 2022, as restated	\$ 21,266,768

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Required Supplementary Information

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*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Primary Government				
General fund:				
Revenues and Other Financing Sources				
Revenue from local sources:				
General property taxes:				
Real property	\$ 42,370,000	\$ 42,370,000	\$ 40,583,818	\$ (1,786,182)
Real and personal public service corporation property	1,402,000	1,402,000	1,462,882	60,882
Personal property	14,000,000	14,000,000	14,632,288	632,288
Boat/Airplane	125,000	125,000	127,879	2,879
Mobile home	165,000	165,000	178,278	13,278
Machinery and tools	5,140,000	5,140,000	(349,385)	(5,489,385)
Equipment	1,775,000	1,775,000	1,767,472	(7,528)
Penalties	400,000	400,000	601,420	201,420
Interest and other costs	170,000	170,000	261,995	91,995
Total general property taxes	65,547,000	65,547,000	59,266,647	(6,280,353)
Other local taxes:				
Local sales and use	4,000,000	4,000,000	4,182,782	182,782
Communications sales and use	600,000	600,000	500,183	(99,817)
Consumer's utility	900,000	900,000	1,192,880	292,880
Consumption	120,000	120,000	143,604	23,604
Business license	915,000	915,000	1,205,887	290,887
Motor vehicle licenses	1,130,000	1,130,000	1,015,337	(114,663)
Recordation and wills	850,000	850,000	586,902	(263,098)
Lodging	84,000	84,000	93,247	9,247
Meals tax	675,000	675,000	758,693	83,693
Bank franchise	12,000	12,000	16,290	4,290
Local penalties	7,000	7,000	8,732	1,732
Local interest	2,000	2,000	4,784	2,784
Total other local taxes	9,295,000	9,295,000	9,709,321	414,321
Permits, fees and licenses:				
Animal licenses	40,000	40,000	30,875	(9,125)
Land use application and transfer fees	1,000	1,000	1,452	452
Zoning and subdivision fees	75,000	75,000	79,540	4,540
Electronic Summons Assessment fees	-	-	8,618	8,618
Building permits	550,000	550,000	511,231	(38,769)
Concealed weapon permits	40,000	40,000	37,490	(2,510)
Misc permits/fees	50,000	50,000	63,729	13,729
Total permits, fees and licenses	756,000	756,000	732,935	(23,065)
Fines and forfeitures	89,000	89,000	94,481	5,481
Total fines and forfeitures	89,000	89,000	94,481	5,481

See accompanying Notes to Required Supplementary Information

Continued

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues from use of money and property:				
Revenues from use of money	\$ 100,000	\$ 100,000	\$ 1,213,924	\$ 1,113,924
Revenues from use of property	185,000	185,000	313,403	128,403
Total revenues from use of money and property	285,000	285,000	1,527,327	1,242,327
Charges for services:				
Charges for Commonwealth's Attorney	13,000	13,000	14,557	1,557
Charges for parks and recreation	233,939	233,939	202,808	(31,131)
Charges for building construction court fee	35,000	35,000	34,207	(793)
Charges for law enforcement and other protections	119,000	119,000	124,494	5,494
Charges for emergency medical services	1,000,000	1,000,000	954,595	(45,405)
Charges for other services	102,000	102,000	177,027	75,027
Total charges for services	1,502,939	1,502,939	1,507,688	4,749
Miscellaneous:				
Miscellaneous	368,580	368,580	602,206	233,626
Farmers market	82,920	100,529	74,450	(26,079)
Total miscellaneous	451,500	469,109	676,656	207,547
Recovered costs:				
Indirect cost allocation	321,321	321,321	424,030	102,709
Recovered costs	388,056	456,059	511,108	55,049
Total recovered costs	709,377	777,380	935,138	157,758
Other local sources:				
Salty Southern Route	5,500	5,500	6,250	750
Total other local sources	5,500	5,500	6,250	750
Total revenues from local sources	78,641,316	78,726,928	74,456,443	(4,270,485)
Revenue from the Commonwealth:				
Noncategorical aid:				
State personal property tax relief	5,115,890	5,115,890	5,115,891	1
Other revenue from the Commonwealth	337,000	337,000	379,512	42,512
Total noncategorical aid	5,452,890	5,452,890	5,495,403	42,513
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	421,529	421,529	450,805	29,276
Sheriff	1,416,259	1,416,259	1,482,788	66,529
Commissioner of the Revenue	158,295	158,295	163,838	5,543
Treasurer	140,162	140,162	139,182	(980)
Registrar/electoral board	58,290	58,290	74,731	16,441
Clerk of the Circuit Court	291,573	300,407	343,309	42,902
Technology Trust Fund	40,284	41,310	78,483	37,173
Total shared expenses	2,526,392	2,536,252	2,733,136	196,884

See accompanying Notes to Required Supplementary Information

Continued

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other categorical aid:				
State grants	\$ 138,807	\$ 149,639	\$ 171,052	\$ 21,413
Total other categorical aid	138,807	149,639	171,052	21,413
Total categorical aid	2,665,199	2,685,891	2,904,188	218,297
Total revenues from the Commonwealth	8,118,089	8,138,781	8,399,591	260,810
Revenue from the federal government:				
Homeland security	-	-	51,926	51,926
QSCB Federal Tax Credit	337,500	337,500	319,580	(17,920)
Total revenues from the federal government	337,500	337,500	371,506	34,006
Other financing sources:				
Interfund transfers	1,322,254	1,322,254	1,173,787	(148,467)
Lease liabilities issued	-	-	118,963	118,963
SBITA liabilities issued	-	-	227,904	227,904
Issuance of debt	540,000	540,000	525,000	(15,000)
Proceeds from sale of assets	20,000	20,000	210,503	190,503
Appropriated Fund Balance	-	11,535,344	-	(11,535,344)
Total other financing sources	1,882,254	13,417,598	2,256,157	(11,161,441)
Total General Fund revenues and other financing sources	88,979,159	100,620,807	85,483,697	(15,137,110)
Expenditures and Other Financing Uses				
General government administration				
Legislative:				
Board of Supervisors	345,718	381,144	345,709	35,435
Total legislative	345,718	381,144	345,709	35,435
General and financial administration:				
Budget and finance	826,149	944,010	876,202	67,808
Admin - Commissioner of the Revenue	799,137	859,954	796,754	63,200
County Administrator	490,509	508,596	502,201	6,395
County Attorney	674,903	684,349	360,878	323,471
Human resources	378,407	451,926	418,934	32,992
Purchasing	164,303	170,407	80,343	90,064
Real estate assessment	119,800	575,520	446,281	129,239
Admin - Treasurer	917,299	1,018,538	944,820	73,718
Total general and financial administration	4,370,507	5,213,300	4,426,413	786,887
Board of Elections:				
Registrar/electoral board and officials	361,218	385,749	368,937	16,812
Total Board of Elections	361,218	385,749	368,937	16,812
Total general government administration	5,077,443	5,980,193	5,141,059	839,134
Judicial administration:				
Courts:				
Circuit Court	90,839	102,887	101,695	1,192
General District Court	28,601	28,601	23,470	5,131
Fifth District Court services unit	218,895	268,955	235,929	33,026
Juvenile and Domestic Relations District Court	15,142	15,272	8,558	6,714
Expenses - Clerk of the Circuit Court	630,317	781,922	741,268	40,654
Total courts	983,794	1,197,637	1,110,920	86,717
Commonwealth's Attorney	843,540	916,005	909,202	6,803
Total Commonwealth's Attorney	843,540	916,005	909,202	6,803
Total judicial administration	1,827,334	2,113,642	2,020,122	93,520

See accompanying Notes to Required Supplementary Information

Continued

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 5,857,758	\$ 7,129,196	\$ 7,163,150	\$ (33,954)
Total law enforcement and traffic control	5,857,758	7,129,196	7,163,150	(33,954)
Fire and rescue services:				
Emergency services	526,885	584,549	580,399	4,150
Fire and rescue response	3,612,472	4,188,295	4,105,632	82,663
Total fire and rescue services	4,139,357	4,772,844	4,686,031	86,813
Fire & Rescue - Station Services	1,567,352	1,591,434	1,562,334	29,100
Other protection:				
Animal control	629,548	647,278	566,781	80,497
Western Tidewater Regional Jail	1,293,333	1,293,333	1,293,333	-
Total other protection	1,922,881	1,940,611	1,860,114	80,497
Total public safety	13,487,348	15,434,085	15,271,629	162,456
Public works:				
Administration:				
General Administration	320,744	330,828	317,747	13,081
Transportation	356,038	463,723	362,909	100,814
Total administration	676,782	794,551	680,656	113,895
Sanitation and waste removal:				
Programs and inspections	85,963	106,005	105,746	259
Refuse collection	2,965,138	3,331,352	3,093,181	238,171
Total sanitation and waste removal	3,051,101	3,437,357	3,198,927	238,430
Maintenance of general buildings and grounds:				
General Properties (Bldg&Grds)	1,525,335	1,726,371	1,681,437	44,934
Total maintenance of general buildings and grounds	1,525,335	1,726,371	1,681,437	44,934
Total public works	5,253,218	5,958,279	5,561,020	397,259
Health and welfare:				
Court Appointed Special Advocate	25,000	25,000	25,000	-
Genieve Shelter	20,000	20,000	20,000	-
Independence Center of Tidewater	10,000	10,000	10,000	-
IOW Christian Outreach	35,000	35,000	35,000	-
Senior Services of Southeastern Hampton Roads	138,440	138,440	138,440	-
Western Tidewater Health District	575,000	575,000	575,000	-
Western Tidewater Community Service Board	289,214	289,214	289,214	-
Western Tidewater Free Clinic	75,000	75,000	75,000	-
Total health and welfare	1,167,654	1,167,654	1,167,654	-
Parks and recreation:				
Parks and recreation	\$ 350,899	\$ 380,406	\$ 346,180	\$ 34,226
Parks and recreation programs	720,557	801,915	657,540	144,375
Parks and gateways	958,002	1,032,455	925,959	106,496
Total parks and recreation	2,029,458	2,214,776	1,929,679	285,097

See accompanying Notes to Required Supplementary Information

Continued

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Cultural enrichment:				
Isle of Wight Arts	4,500	4,500	4,500	-
Total cultural enrichment	4,500	4,500	4,500	-
Library:				
Library administration	962,508	962,508	959,298	3,210
Total library	962,508	962,508	959,298	3,210
Total parks, recreation and cultural	2,996,466	3,181,784	2,893,477	288,307
Community development:				
Planning:				
Planning & Zoning	854,603	944,652	802,992	141,660
Inspections - building	749,583	856,856	820,788	36,068
Economic Development	1,059,589	1,357,846	527,668	830,178
Tourism	672,476	719,820	676,562	43,258
Communications	79,351	138,226	120,682	17,544
Other Public Service Organizations	139,137	139,137	139,137	-
Annexation settlement payment	1,071,000	1,071,000	816,565	254,435
Total planning	4,625,739	5,227,537	3,904,394	1,323,143
Cooperative extension program	83,515	83,620	81,097	2,523
Total cooperative extension program	83,515	83,620	81,097	2,523
Total community development	4,709,254	5,311,157	3,985,491	1,325,666
Nondepartmental	8,674,094	12,461,869	5,413,174	7,048,695
Debt Service	12,772,154	12,790,617	12,828,059	(37,442)
Education	25,522,248	27,329,027	27,379,027	(50,000)
Total education	38,294,402	40,119,644	40,207,086	(87,442)
Other financing uses:				
Transfers out	7,491,946	8,892,500	7,823,972	1,068,528
Total other financing uses	7,491,946	8,892,500	7,823,972	1,068,528
Total General Fund expenditures and other financing uses	88,979,159	100,620,807	89,484,684	11,136,123
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	(4,000,987)	(4,000,987)
Fund balance-beginning of year	-	-	34,811,822	34,811,822
Fund balance-end of year	\$ -	\$ -	\$ 30,810,835	\$ 30,810,835

See accompanying Notes to Required Supplementary Information

Required Supplementary Information

June 30, 2023

Notes to Budget and Actual Required Supplementary Information

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

1. On or before April 1, 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 General and Capital Projects Fund budgets include 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 fund level or classification level. Only the Board of Supervisors can revise the appropriation for each fund or classification. The County Administrator is authorized to transfer budgeted amounts within general government funds. However, the School Board is authorized to transfer budgeted amounts within the school system's classifications.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General, Special Revenue, Capital Projects, and Proprietary funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.
7. Appropriations lapse on June 30 for all County units with the exception of funds, contracts, projects that have been restricted, committed or assigned may be carried over ("ROLLED OVER") annually. This process is authorized by the annual budget ordinance Section 10 and meets the budget and appropriation requirements mandated by state law. All unexpended appropriations of the School Board revert back to the County at the end of each fiscal year.
8. The Primary Government has assigned fund balance for encumbrances.

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*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Changes in County Net Pension Liability and Related Ratios**Virginia Retirement System***June 30, 2023**

County	For Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 1,834,839	\$ 1,699,060	\$ 1,687,629	\$ 1,568,075	\$ 1,568,714
Interest	4,054,437	3,660,599	3,405,540	3,251,497	3,051,817
Differences between expected and actual experience	(612,305)	(1,002,611)	1,215,874	63,445	341,990
Changes of assumptions	-	2,200,152	-	1,475,910	-
Benefit payments, including refunds of employee contributions	(2,485,361)	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)
Net change in total pension liability	2,791,610	3,927,763	3,877,694	4,077,400	3,024,137
Total pension liability - beginning	59,473,574	55,545,811	51,668,117	47,590,717	44,566,580
Total pension liability - ending (a)	\$ 62,265,184	\$ 59,473,574	\$ 55,545,811	\$ 51,668,117	\$ 47,590,717
Pension fiduciary net position					
Contributions - employer	\$ 1,604,941	\$ 1,428,117	\$ 1,345,369	\$ 1,306,667	\$ 1,153,033
Contributions - employee	753,803	702,117	715,155	684,102	701,159
Net investment income	(78,884)	13,064,315	912,953	2,971,352	3,075,982
Benefit payments, including refunds of employee contributions	(2,485,361)	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)
Administrative expense	(37,123)	(32,089)	(30,468)	(28,973)	(26,131)
Other changes	1,408	1,236	(1,074)	(1,881)	(2,761)
Net change in plan fiduciary net position	(241,216)	12,534,259	510,586	2,649,740	2,962,898
Plan fiduciary net position - beginning	60,180,036	47,645,777	47,135,191	44,485,451	41,522,553
Plan fiduciary net position - ending (b)	\$ 59,938,820	\$ 60,180,036	\$ 47,645,777	\$ 47,135,191	\$ 44,485,451
County's net pension liability - ending (a)-(b)	\$ 2,326,364	\$ (706,462)	\$ 7,900,034	\$ 4,532,926	\$ 3,105,266
Plan fiduciary net position as a percentage of the total pension liability	96.26%	101.19%	85.78%	91.23%	93.48%
Covered payroll	\$ 15,928,979	\$ 14,841,845	\$ 13,176,974	\$ 13,512,585	\$ 13,087,775
County's net pension liability as a percentage of covered payroll	14.60%	(4.76)%	59.95%	33.55%	23.73%

*Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Changes in County Net Pension Liability and Related Ratios**Virginia Retirement System (Continued)***June 30, 2023**

County	For Fiscal Year Ended June 30			
	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 1,541,242	\$ 1,495,249	\$ 1,458,672	\$ 1,417,914
Interest	2,826,947	2,716,218	2,533,894	2,390,589
Differences between expected and actual experience	928,085	(818,238)	306,482	-
Changes of assumptions	(131,919)	-	-	-
Benefit payments, including refunds of employee contributions	(1,965,461)	(1,657,309)	(1,731,525)	(1,791,060)
Net change in total pension liability	3,198,894	1,735,920	2,567,523	2,017,443
Total pension liability - beginning	41,367,686	39,631,766	37,064,243	35,046,800
Total pension liability - ending (a)	\$ 44,566,580	\$ 41,367,686	\$ 39,631,766	\$ 37,064,243
Pension fiduciary net position				
Contributions - employer	\$ 1,103,715	\$ 1,232,527	\$ 1,131,871	\$ 1,354,797
Contributions - employee	623,563	615,182	568,417	663,795
Net investment income	4,543,101	645,055	1,604,942	4,757,268
Benefit payments, including refunds of employee contributions	(1,965,461)	(1,657,309)	(1,731,525)	(1,791,060)
Administrative expense	(25,913)	(22,272)	(21,686)	(25,127)
Other changes	(4,058)	(272)	(340)	251
Net change in plan fiduciary net position	4,274,947	812,911	1,551,679	4,959,924
Plan fiduciary net position - beginning	37,247,606	36,434,695	34,883,016	29,923,092
Plan fiduciary net position - ending (b)	\$ 41,522,553	\$ 37,247,606	\$ 36,434,695	\$ 34,883,016
County's net pension liability - ending (a)-(b)	\$ 3,044,027	\$ 4,120,080	\$ 3,197,071	\$ 2,181,227
Plan fiduciary net position as a percentage of the total pension liability	93.17%	90.04%	91.93%	94.12%
Covered payroll	\$ 12,527,980	\$ 11,803,972	\$ 11,257,635	\$ 10,876,942
County's net pension liability as a percentage of covered payroll	24.30%	34.90%	28.40%	20.05%

*Note to Schedule:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

*County of Isle of Wight, Virginia***Required Supplementary Information****Schedule of Changes in School Board Non-Professional Net Pension Liability and Related Ratios
Virginia Retirement System****June 30, 2023**

School Board Non-Professional	For Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Total Pension Liability					
Service cost	\$ 163,694	\$ 162,388	\$ 183,305	\$ 166,758	176,448
Interest	473,134	435,245	406,986	408,944	392,476
Differences between expected and actual experience	(170,239)	(8,675)	220,047	(166,696)	18,586
Changes of assumptions	-	208,317	-	153,119	-
Benefit payments, including refunds of employee contributions	(419,115)	(380,212)	(403,153)	(346,353)	(358,161)
Net change in total pension liability	47,474	417,063	407,185	215,772	229,349
Total pension liability - beginning	7,055,249	6,638,186	6,231,001	6,015,229	5,785,880
Total pension liability - ending (a)	\$ 7,102,723	\$ 7,055,249	\$ 6,638,186	\$ 6,231,001	\$ 6,015,229
Pension fiduciary net position					
Contributions - employer	\$ 125,409	\$ 100,854	\$ 122,034	\$ 152,872	94,286
Contributions - employee	87,534	70,312	81,207	100,355	74,828
Net investment income	(7,306)	1,684,755	118,171	400,739	422,832
Benefit payments, including refunds of employee contributions	(419,115)	(380,212)	(403,153)	(346,353)	(358,161)
Administrative expense	(4,818)	(4,277)	(4,167)	(3,958)	(3,734)
Other changes	176	158	(141)	(252)	(374)
Net change in plan fiduciary net position	(218,120)	1,471,590	(86,049)	303,403	229,677
Plan fiduciary net position - beginning	7,709,114	6,237,524	6,323,573	6,020,170	5,790,493
Plan fiduciary net position - ending (b)	\$ 7,490,994	\$ 7,709,114	\$ 6,237,524	\$ 6,323,573	\$ 6,020,170
School Board non-professional net pension liability (asset) - ending (a)-(b)	\$ (388,271)	\$ (653,865)	400,662	(92,572)	(4,941)
Plan fiduciary net position as a percentage of the total pension liability (asset)	105.47%	109.27%	93.96%	101.49%	100.08%
Covered payroll	\$ 1,875,339	\$ 1,481,467	\$ 1,685,917	\$ 1,670,732	1,496,603
School Board non-professional net pension liability (asset) as a percentage of covered payroll	(20.70)%	(44.14)%	23.77%	(5.54)%	(0.33)%

*Note to Schedule:

Schedule is intended to show information for 10 years. Since 2022 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of Changes in School Board Non-Professional Net Pension Liability and Related Ratios
Virginia Retirement System (Continued)***June 30, 2023**

School Board Non-Professional		For Fiscal Year Ended June 30			
		2017	2016	2015	2014
Total Pension Liability					
Service cost	\$	176,414	\$ 184,282	\$ 191,347	\$ 220,250
Interest		379,508	375,141	382,347	371,046
Differences between expected and actual experience		(11,537)	(159,890)	(328,165)	-
Changes of assumptions		(6,991)	-	-	-
Benefit payments, including refunds of employee contributions		(346,120)	(328,182)	(362,980)	(515,046)
Net change in total pension liability		191,274	71,351	(117,640)	76,673
Total pension liability - beginning		5,594,606	5,523,255	5,640,895	5,564,222
Total pension liability - ending (a)	\$	5,785,880	\$ 5,594,606	\$ 5,523,255	\$ 5,640,895
Pension fiduciary net position					
Contributions - employer	\$	95,514	\$ 135,297	\$ 136,787	\$ 183,059
Contributions - employee		81,403	77,177	78,445	80,042
Net investment income		640,604	91,464	237,020	723,316
Benefit payments, including refunds of employee contributions		(346,120)	(328,182)	(362,980)	(515,146)
Administrative expense		(3,788)	(3,342)	(3,349)	(4,085)
Other changes		(566)	(39)	(49)	38
Net change in plan fiduciary net position		467,047	(27,625)	85,874	467,324
Plan fiduciary net position - beginning		5,323,446	5,351,071	5,265,197	4,797,873
Plan fiduciary net position - ending (b)	\$	5,790,493	\$ 5,323,446	\$ 5,351,071	\$ 5,265,197
School Board non-professional net pension liability (asset) - ending (a)-(b)	\$	(4,613)	\$ 271,160	\$ 172,184	\$ 375,698
Plan fiduciary net position as a percentage of the total pension liability (asset)		100.08%	95.15%	96.88%	93.34%
Covered payroll	\$	1,516,095	\$ 1,602,936	\$ 1,595,356	\$ 2,121,914
School Board non-professional net pension liability (asset) as a percentage of covered payroll		(0.30)%	16.91%	10.79%	17.71%

*Note to Schedule:

Schedule is intended to show information for 10 years. Since 2022 is the ninth year for this presentation, there are only nine years available. However, additional years will be included as they become available.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of County and School Board Non-Professional Pension Contributions**Virginia Retirement System***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<i>County</i>					
2023	\$ 2,110,085	\$ 2,110,085	\$ -	\$ 18,396,558	11.47%
2022	1,604,862	1,604,862	-	15,928,979	10.08%
2021	1,427,654	1,427,654	-	14,841,845	9.62%
2020	1,345,369	1,345,369	-	13,176,974	10.21%
2019	1,306,667	1,306,667	-	13,512,585	9.67%
2018	1,153,033	1,153,033	-	13,087,775	8.81%
2017	1,103,715	1,103,715	-	12,527,980	8.81%
2016	1,232,527	1,232,527	-	11,803,972	10.44%
2015	1,307,818	1,307,818	-	11,257,635	11.62%
2014	1,354,797	1,354,797	-	10,876,942	12.46%

School Board Non-professional

2023	\$ 140,821	\$ 140,821	\$ -	\$ 2,153,219	6.54%
2022	125,410	125,410	-	1,875,339	6.69%
2021	100,854	100,854	-	1,481,467	6.81%
2020	149,840	149,840	-	1,685,917	8.89%
2019	152,872	152,872	-	1,670,732	9.15%
2018	94,286	94,286	-	1,496,603	6.30%
2017	95,514	95,514	-	1,516,095	6.30%
2016	135,297	135,297	-	1,602,936	8.44%
2015	238,553	238,553	-	1,595,356	14.95%
2014	183,059	183,059	-	2,121,914	8.63%

Notes to Schedule:

* Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid Retirement Plan.

* As of January 1, 2024, VRS will require separation of defined benefit and defined contribution rates and the plans will be required to be administered separately. As a result, this schedule will not reflect the hybrid portion going forward.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of School Board Professional Net Pension Liability - Proportionate Share of Cost Sharing Plan
Teacher Retirement - Virginia Retirement System***June 30, 2023***For the Measurement Dates of June 30, 2014 through June 30, 2022*

	2022	2021	2020	2019	2018
School Board's proportion of the net pension liability	0.37495%	0.36300%	0.37339%	0.37230%	0.36836%
School Board's proportionate share of the net pension liability	\$ 35,697,485	\$ 28,180,044	\$ 54,338,051	\$ 48,996,795	\$ 43,318,672
School Board's covered payroll	\$ 34,807,795	\$ 31,910,325	\$ 40,959,209	\$ 36,170,924	\$ 38,245,518
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	102.56%	88.31%	132.66%	135.46%	113.26%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	85.46%	71.47%	73.51%	74.81%

	2017	2016	2015	2014
School Board's proportion of the net pension liability	0.36865%	0.37766%	0.37104%	0.37652%
School Board's proportionate share of the net pension liability	\$ 45,337,000	\$ 51,998,000	\$ 47,534,000	\$ 45,501,000
School Board's covered payroll	\$ 33,773,247	\$ 28,290,036	\$ 25,481,507	\$ 24,619,814
School Board's proportionate share of the net pension liability as a percentage of its covered payroll	134.24%	183.80%	186.54%	184.81%
Plan fiduciary net position as a percentage of the total pension liability	72.92%	68.28%	70.68%	70.88%

Note to schedule:

This schedule is intended to show information for 10 years. Since 2022 is the ninth year for this presentation, there are only nine years available. However additional years will be included as they become available.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of School Board Professional Pension Contributions – Virginia Retirement System***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<i>Component Unit School Board (Professional)</i>					
2023	\$ 6,271,814	\$ 6,271,814	\$ -	\$ 37,736,545	16.62%
2022	5,570,195	5,570,195	-	34,807,795	16.00%
2021	5,303,496	5,303,496	-	31,910,325	16.62%
2020	6,422,404	6,422,404	-	40,959,209	15.68%
2019	5,671,601	5,671,601	-	36,170,924	15.68%
2018	5,606,793	5,606,793	-	38,245,518	14.66%
2017	4,951,158	4,951,158	-	33,773,247	14.66%
2016	3,977,579	3,977,579	-	28,290,036	14.06%
2015	6,114,064	6,114,064	-	25,481,507	23.99%
2014	3,210,607	3,210,607	-	24,619,814	13.04%

*Notes to schedule:

Includes contributions (mandatory and match on voluntary) to the defined contribution portion of the Hybrid Retirement Plan.

County of Isle of Wight, Virginia

Notes to Required Supplementary Information Virginia Retirement System

June 30, 2023

Note 1. Change of benefit terms: There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

Note 2. Changes of assumptions: The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

NON-HAZARDOUS DUTY EMPLOYEES:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

HAZARDOUS DUTY EMPLOYEES:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Rates Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

TEACHER (PROFESSIONAL) EMPLOYEES:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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County of Isle of Wight, Virginia

Schedule of Changes in County OPEB Liability and Related Ratios - Medical Insurance

June 30, 2023

County	Fiscal Year Ended June 30		
	2023	2022	2021
Total Medical Insurance OPEB liability:			
Service cost	\$ 94,728	\$ 118,688	\$ 129,197
Interest	37,874	28,159	25,793
Differences between expected and actual experience	-	(220,152)	-
Changes in assumptions	35,896	(125,011)	4,632
Benefit payments	(16,720)	(6,343)	(18,833)
<i>Net change in total OPEB liability</i>	151,778	(204,659)	140,789
Total Medical Insurance OPEB liability - beginning	983,423	1,188,082	1,047,293
County total Medical Insurance OPEB liability - ending	\$ 1,135,201	\$ 983,423	\$ 1,188,082
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 14,931,202	\$ 14,931,202	\$ 14,129,222
Total OPEB liability as a percentage of covered-employee payroll	7.60%	6.59%	8.41%

County	Fiscal Year Ended June 30		
	2020	2019	2018
Total Medical Insurance OPEB liability:			
Service cost	\$ 139,510	\$ 74,762	\$ 86,867
Interest	45,025	44,404	44,679
Differences between expected and actual experience	14,748	(59,249)	(210,999)
Changes in assumptions	(286,514)	30,516	13,156
Benefit payments	(17,342)	(22,183)	(22,304)
<i>Net change in total OPEB liability</i>	(104,573)	68,250	(88,601)
Total Medical Insurance OPEB liability - beginning	1,151,866	1,083,616	1,172,217
County total Medical Insurance OPEB liability - ending	\$ 1,047,293	\$ 1,151,866	\$ 1,083,616
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 14,129,222	\$ 14,150,662	\$ 13,728,179
Total OPEB liability as a percentage of covered-employee payroll	7.41%	8.14%	7.98%

Note to Schedule:

- (1) Schedule is intended to show information for 10 years. Since 2023 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22. 101 or P52. 101 to pay related benefits for the OPEB plan.

County of Isle of Wight, Virginia

Schedule of Changes in School Board OPEB Liability and Related Ratios - Medical Insurance

June 30, 2023

School Board Professional	Fiscal Year Ended June 30		
	2023	2022	2021
Total Medical Insurance OPEB liability:			
Service cost	\$ 188,349	\$ 228,784	\$ 269,721
Interest	131,273	113,731	113,752
Changes in assumptions	125,723	(455,792)	15,937
Differences between expected and actual experience	-	(1,183,320)	-
Benefit payments	(227,337)	(213,520)	(266,847)
<i>Net change in total OPEB liability</i>	218,008	(1,510,117)	132,563
Total Medical Insurance OPEB liability - beginning	3,632,606	5,142,723	5,010,160
School Board total Medical Insurance OPEB liability - ending	\$ 3,850,614	\$ 3,632,606	\$ 5,142,723
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB Liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 30,465,545	\$ 30,465,545	\$ 31,436,981
Total OPEB liability as a percentage of covered-employee payroll	12.64%	11.92%	16.36%

School Board Professional	Fiscal Year Ended June 30		
	2020	2019	2018
Total Medical Insurance OPEB liability:			
Service cost	\$ 209,882	\$ 238,851	\$ 223,772
Interest	120,191	134,560	113,449
Changes in assumptions	403,709	80,182	107,739
Differences between expected and actual experience	1,152,848	(350,492)	(72,529)
Benefit payments	(180,126)	(74,462)	(84,490)
<i>Net change in total OPEB liability</i>	1,706,504	28,639	287,941
Total Medical Insurance OPEB liability - beginning	316,580	287,941	-
School Board total Medical Insurance OPEB liability - ending	\$ 2,023,084	\$ 316,580	\$ 287,941
Plan fiduciary net position as a percentage of the total Medical Insurance Plan OPEB Liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 31,436,981	\$ 38,276,178	\$ 31,256,259
Total OPEB liability as a percentage of covered-employee payroll	6.44%	0.83%	0.92%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.
- (2) There are no assets accumulated in a trust that meets the criteria of GASB codification P22. 101 or P52. 101 to pay related benefits for the OPEB Plan.

County of Isle of Wight, Virginia**Schedule of Employer Share of Net OPEB Liability - Group Life Insurance****June 30, 2023**

	Measurement Date June 30		
	2022	2021	2020
<u>County:</u>			
Employer's proportion of the net GLI OPEB liability	0.07331%	0.07190%	0.07149%
Employer's proportionate share of the net GLI OPEB liability	\$ 882,723	\$ 837,111	\$ 1,193,052
Employer's covered payroll	\$ 15,945,823	\$ 14,712,526	\$ 14,712,526
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.54%	5.69%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	54.00%	54.00%
<u>School Board Non-Professional:</u>			
Employer's proportion of the net GLI OPEB liability	0.00877%	0.00729%	0.00827%
Employer's proportionate share of the net GLI OPEB liability	\$ 105,599	\$ 84,875	\$ 138,013
Employer's covered payroll	\$ 1,907,253	\$ 1,504,937	\$ 1,702,088
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	67.45%	54.00%
<u>School Board Professional:</u>			
Employer's proportion of the net GLI OPEB liability	0.16041%	0.15500%	0.15828%
Employer's proportionate share of the net GLI OPEB liability	\$ 1,931,491	\$ 1,804,620	\$ 2,641,434
Employer's covered payroll	\$ 34,893,690	\$ 32,001,948	\$ 32,574,973
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	5.54%	5.64%	8.11%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21%	67.45%	54.00%

Note to Schedule:

(1) Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

*County of Isle of Wight, Virginia**Schedule of Employer Share of Net OPEB Liability - Group Life Insurance (Continued)***June 30, 2023**

	Measurement Date June 30		
	2019	2018	2017
<u>County:</u>			
Employer's proportion of the net GLI OPEB liability	0.07197%	0.07142%	0.06975%
Employer's proportionate share of the net GLI OPEB liability	\$ 1,171,000	\$ 1,085,000	\$ 1,049,000
Employer's covered payroll	\$ 14,091,398	\$ 13,578,462	\$ 12,865,047
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.31%	7.99%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%
<u>School Board Non-Professional:</u>			
Employer's proportion of the net GLI OPEB liability	0.01102%	0.00842%	0.00871%
Employer's proportionate share of the net GLI OPEB liability	\$ 179,324	\$ 128,000	\$ 131,000
Employer's covered payroll	\$ 2,160,740	\$ 1,600,657	\$ 1,606,998
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.30%	8.00%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%
<u>School Board Professional:</u>			
Employer's proportion of the net GLI OPEB liability	0.15880%	0.15596%	0.15715%
Employer's proportionate share of the net GLI OPEB liability	\$ 2,584,099	\$ 2,369,000	\$ 2,365,000
Employer's covered payroll	\$ 31,129,745	\$ 29,655,602	\$ 28,986,478
Employer's proportionate share of the net GLI OPEB liability as a percentage of its covered payroll	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	52.00%	51.22%	48.86%

Note to Schedule:

(1) Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

*County of Isle of Wight, Virginia**Schedule of Employer OPEB Contributions - Group Life Insurance***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<i>County Plan:</i>					
2023	\$ 99,360	\$ 99,360	\$ -	\$ 18,400,047	0.54%
2022	85,453	85,453	-	15,945,823	0.54%
2021	80,421	80,421	-	14,712,526	0.55%
2020	76,554	76,554	-	14,712,526	0.52%
2019	73,368	73,368	-	14,091,398	0.52%
2018	70,608	70,608	-	13,578,462	0.52%
2017	66,898	66,898	-	12,865,047	0.52%
2016	60,109	60,109	-	12,522,770	0.48%
2015	54,945	54,945	-	11,446,842	0.48%
2014	55,687	55,687	-	11,601,386	0.48%

School Board- Non- Professional Plan:

2023	\$ 11,803	\$ 11,803	\$ -	\$ 2,185,651	0.54%
2022	10,299	10,299	-	1,907,253	0.54%
2021	8,127	8,127	-	1,504,937	0.54%
2020	8,851	8,851	-	1,702,088	0.52%
2019	11,236	11,236	-	2,160,740	0.52%
2018	8,323	8,323	-	1,600,657	0.52%
2017	8,356	8,356	-	1,606,998	0.52%
2016	7,730	7,730	-	1,610,420	0.48%
2015	7,861	7,861	-	1,637,741	0.48%
2014	7,808	7,808	-	1,626,702	0.48%

School Board- Professional Plan:

2023	\$ 204,299	\$ 204,299	\$ -	\$ 37,833,114	0.54%
2022	188,426	188,426	-	34,893,690	0.54%
2021	172,811	172,811	-	32,001,948	0.54%
2020	169,390	169,390	-	32,574,973	0.52%
2019	161,875	161,875	-	31,129,745	0.52%
2018	154,209	154,209	-	29,655,602	0.52%
2017	150,730	150,730	-	28,986,478	0.52%
2016	136,004	136,004	-	28,334,241	0.48%
2015	135,062	135,062	-	28,137,894	0.48%
2014	132,709	132,709	-	27,647,631	0.48%

*County of Isle of Wight, Virginia**Schedule of Changes in County Net OPEB Liability and Related Ratios - Health Insurance Credit***June 30, 2023**

	Measurement Date June 30					
	2022	2021	2020	2019	2018	2017
Total HIC OPEB liability:						
Service cost	\$ 11,123	\$ 8,576	\$ 7,137	\$ 6,822	\$ 6,588	\$ 6,296
Interest	18,663	17,166	17,035	18,494	17,356	17,128
Differences between expected and actual experience	59,323	1,551	(917)	(24,287)	10,069	-
Changes in assumptions	(13,471)	5,815	-	6,129	-	(4,905)
Benefit payments	(22,621)	(21,471)	(21,155)	(16,834)	(18,665)	(11,866)
Net change in total OPEB liability	53,017	11,637	2,100	(9,676)	15,348	6,653
Total HIC OPEB liability - beginning	276,682	265,045	262,945	272,621	257,273	250,620
Total HIC OPEB liability - ending (a)	\$ 329,699	\$ 276,682	\$ 265,045	\$ 262,945	\$ 272,621	\$ 257,273
Plan Fiduciary Net Position:						
Contributions - employer	\$ 17,951	\$ 16,701	\$ 16,646	\$ 15,467	\$ 11,235	\$ 10,645
Net investment income	390	49,207	3,829	11,590	12,396	18,362
Benefit payments, including refunds of employee contributions	(22,621)	(21,471)	(21,155)	(16,834)	(18,665)	(11,866)
Administrative expense	(409)	(574)	(362)	(254)	(284)	(295)
Other changes	9,657	-	(2)	(14)	(934)	934
Net change in plan fiduciary net position	4,968	43,863	(1,044)	9,955	3,748	17,780
Plan fiduciary net position - beginning	233,705	189,842	190,886	180,931	177,183	159,403
Plan fiduciary net position - ending (b)	\$ 238,673	\$ 233,705	\$ 189,842	\$ 190,886	\$ 180,931	\$ 177,183
Net HIC OPEB Liability - ending (a) - (b)	\$ 91,026	\$ 42,977	\$ 75,203	\$ 72,059	\$ 91,690	\$ 80,090
Plan fiduciary net position as a percentage of the total HIC OPEB liability	72.39%	84.47%	71.63%	72.60%	66.37%	68.87%
Covered payroll	\$ 8,974,757	\$ 8,349,674	\$ 8,240,953	\$ 7,724,797	\$ 7,470,170	\$ 7,097,196
Net OPEB liability as a percentage of covered payroll	1.01%	0.51%	0.91%	0.93%	1.23%	1.13%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Non-Professional Plan will present information for those years which information is available.

*County of Isle of Wight, Virginia**Schedule of County OPEB Contributions - Health Insurance Credit***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 16,326	\$ 16,326	\$ -	\$ 10,205,222	0.16%
2022	17,952	17,952	-	8,974,757	0.20%
2021	16,690	16,690	-	8,349,674	0.20%
2020	16,645	16,645	-	8,240,953	0.20%
2019	15,469	15,469	-	7,724,797	0.20%
2018	11,235	11,235	-	7,470,170	0.15%
2017	10,645	10,645	-	7,097,196	0.15%
2016	9,671	9,671	-	6,908,014	0.14%
2015	8,735	8,735	-	6,239,478	0.14%
2014	7,670	7,670	-	6,392,014	0.12%

*County of Isle of Wight, Virginia****Schedule of School Board Non-Professional Net OPEB Liability - Proportionate Share of Cost Sharing Plan Health Insurance Credit*****June 30, 2023**

	Measurement Date June 30		
	2022	2021	2020
Total HIC OPEB liability:			
Service cost	\$ 2,674	\$ 2,214	\$ -
Interest	7,708	6,459	-
Changes of assumptions	12,790	8,553	-
Differences between expected and actual experience	(13,270)	-	-
Changes in benefit terms	-	-	95,695
Benefit payments	(2,806)	-	-
Net change in total OPEB liability	7,096	17,226	95,695
Total HIC OPEB liability - beginning	112,921	95,695	-
Total HIC OPEB liability - ending (a)	\$ 120,017	\$ 112,921	\$ 95,695
Plan Fiduciary Net Position:			
Contributions - employer	\$ 9,189	\$ 7,259	\$ -
Net investment income	(183)	934	-
Benefit payments, including refunds of employee contributions	(2,806)	-	-
Administrative expense	(26)	(32)	-
Other changes	286	-	-
Net change in plan fiduciary net position	6,460	8,161	-
Plan fiduciary net position - beginning	8,161	-	-
Plan fiduciary net position - ending (b)	\$ 14,621	\$ 8,161	\$ -
Net HIC OPEB Liability - ending (a) - (b)	\$ 105,396	\$ 104,760	\$ 95,695
Plan fiduciary net position as a percentage of the total HIC OPEB liability	12.18%	7.23%	-%
Covered payroll	\$ 1,875,339	\$ 1,481,467	\$ 1,660,022
Net OPEB liability as a percentage of covered payroll	5.62%	7.07%	5.76%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board will present information for those years which information is available.

*County of Isle of Wight, Virginia**Schedule of School Board Non-Professional OPEB Contributions- Health Insurance Credit***June 30, 2023***For the Years Ended June 30, 2021 through June 30, 2023*

Date		Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$	14,857	\$ 14,857	\$ -	\$ 2,153,219	0.69%
2022		9,189	9,189	-	1,875,339	0.49%
2021		7,259	7,259	-	1,481,467	0.49%

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County will present information for those years which information is available.

*County of Isle of Wight, Virginia****Schedule of School Board Professional Net OPEB Liability - Proportionate Share of Cost Sharing Plan Health Insurance Credit*****June 30, 2023**

	Measurement Date June 30					
	2022	2021	2020	2019	2018	2017
Employer's proportion of the net HIC OPEB liability	0.37347%	0.36082%	0.37066%	0.36986%	0.36619%	0.36624%
Employer's proportionate share of the net HIC OPEB liability	\$ 4,664,814	\$ 4,631,375	\$ 4,835,321	\$ 4,841,827	\$ 4,649,000	\$ 4,646,000
Employer's covered payroll	\$ 34,807,795	\$ 31,910,324	\$ 32,494,868	\$ 31,022,917	\$ 29,615,591	\$ 28,903,680
Employer's proportionate share of the net HIC OPEB liability as a percentage of its covered payroll	13.40%	14.51%	14.88%	15.61%	15.70%	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	15.08%	13.15%	9.95%	8.97%	8.08%	7.04%

Note to Schedule:

(1) Schedule is intended to show information for 10 years. Since 2022 is the sixth year for this presentation, there are only six years available. However, additional years will be included as they become available.

*County of Isle of Wight, Virginia**Schedule of School Board Professional OPEB Contributions - Health Insurance Credit***June 30, 2023***For the Years Ended June 30, 2021 through June 30, 2023*

Date		Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$	456,612	\$ 456,612	\$ -	\$ 37,736,545	1.21%
2022		421,174	421,174	-	34,807,796	1.21%
2021		386,115	386,115	-	31,910,324	1.21%
2020		389,938	389,938	-	32,494,868	1.20%
2019		372,275	372,275	-	31,022,917	1.20%
2018		364,272	364,272	-	29,615,591	1.23%
2017		320,831	320,831	-	28,903,680	1.11%
2016		299,874	299,874	-	28,290,038	1.06%
2015		297,635	297,635	-	28,078,735	1.06%
2014		305,641	305,641	-	27,535,220	1.11%

*County of Isle of Wight, Virginia**Schedule of County Share of Net OPEB Liability - Virginia Local Disability Program***June 30, 2023**

	Measurement Date June 30					
	2022	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability (asset)	1.00081%	0.99627%	1.00031%	0.99652%	1.01654%	1.07225%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$(5,884)	\$(10,085)	\$ 9,985	\$ 20,188	\$ 8,000	\$ 6,000
Employer's covered payroll	\$ 4,688,681	\$ 4,002,129	\$ 3,727,778	\$ 2,651,667	\$ 2,468,217	\$ 1,968,960
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	(0.13)%	(0.25)%	0.27%	0.76%	0.32%	0.30%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability (asset)	107.99%	119.59%	76.84%	49.19%	51.39%	38.40%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Plan will present information for those years which information is available.

*County of Isle of Wight, Virginia**Schedule of County OPEB Contributions - Virginia Local Disability Program***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 47,357	\$ 47,357	\$ -	\$ 5,571,422	0.85%
2022	38,924	38,924	-	4,688,681	0.83%
2021	33,224	33,224	-	4,002,129	0.83%
2020	26,840	26,840	-	3,727,778	0.72%
2019	19,092	19,092	-	2,651,667	0.72%
2018	14,810	14,810	-	2,468,217	0.60%
2017	11,814	11,814	-	1,968,960	0.60%
2016	8,197	8,197	-	1,366,240	0.60%
2015	3,899	3,899	-	649,779	0.60%
2014	36	36	-	5,919	0.61%

*County of Isle of Wight, Virginia****Schedule of School Board Non-Professional Share of Net OPEB Liability (Asset) -
Virginia Local Disability Program*****June 30, 2023**

	Measurement Date June 30					
	2022	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability (asset)	0.13306%	0.09363%	0.10671%	0.21506%	0.12581%	0.14372%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$(782)	\$(948)	\$ 1,065	\$ 4,357	\$ 1,000	-
Employer's covered payroll	\$ 623,323	\$ 376,163	\$ 397,699	\$ 572,631	\$ 305,472	\$ 263,907
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	(0.13)%	(0.25)%	0.27%	0.76%	0.33%	0.00%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	107.99%	119.59%	76.84%	49.21%	51.39%	38.40%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Non-Professional Plan will present information for those years which information is available.

*County of Isle of Wight, Virginia**Schedule of School Board Non-Professional OPEB Contributions - Virginia Local Disability Program***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 8,143	\$ 8,143	\$ -	\$ 957,966	0.85%
2022	5,174	5,174	-	623,323	0.83%
2021	3,122	3,122	-	376,163	0.83%
2020	2,863	2,863	-	397,699	0.72%
2019	4,121	4,121	-	572,631	0.72%
2018	1,833	1,833	-	305,472	0.60%
2017	1,583	1,583	-	263,907	0.60%
2016	1,466	1,466	-	244,357	0.60%
2015	884	884	-	147,331	0.60%
2014	42	42	-	6,946	0.60%

*County of Isle of Wight, Virginia****Schedule of School Board Professional Share of Net OPEB Liability (Asset) -
Virginia Local Disability Program*****June 30, 2023**

	Measurement Date Year June 30					
	2022	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability (asset)	1.44244%	1.28996%	1.32800%	1.29409%	1.27169%	1.02846%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$(1,622)	\$(9,082)	\$ 10,655	\$ 7,523	\$ 10,000	\$ 6,000
Employer's covered payroll	\$ 11,609,502	\$ 8,680,127	\$ 7,855,161	\$ 6,205,524	\$ 4,741,727	\$ 2,902,316
Employer's proportionate share of the net VLDP OPEB liability (asset) as a percentage of its covered payroll	(0.01)%	(0.10)%	0.14%	0.12%	0.21%	0.21%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	101.57%	114.46%	78.28%	74.12%	46.18%	31.96%

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Board Professional Plan will present information for those years which information is available.

*County of Isle of Wight, Virginia**Schedule of School Board Professional OPEB Contributions - Virginia Local Disability Program***June 30, 2023***For the Years Ended June 30, 2014 through June 30, 2023*

Date	Contractually Required Contribution (1)	Contribution in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2023	\$ 66,050	\$ 66,050	\$ -	\$ 14,053,178	0.47%
2022	54,565	54,565	-	11,609,502	0.47%
2021	40,797	40,797	-	8,680,127	0.47%
2020	32,206	32,206	-	7,855,161	0.41%
2019	25,443	25,443	-	6,205,524	0.41%
2018	14,699	14,699	-	4,741,727	0.31%
2017	8,997	8,997	-	2,902,316	0.31%
2016	5,607	5,607	-	1,933,512	0.29%
2015	2,342	2,342	-	807,459	0.29%
2014	95	95	-	32,889	0.29%

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2023

I. Medical Insurance Programs

Changes of Benefit Terms

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

Actuarial Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used for the period presented:

2023	3.65%
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The healthcare trend assumption was updated. These rates are consistent with information from the Getzen Trend Model, Milliman's Health Cost Guidelines, and actuarial judgement. The healthcare trend assumption includes the impact of the Further Consolidated Appropriations Act, 2020, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.

Mortality Rates

Pre-Retirement Mortality Rates	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service-related.
Post-Retirement Mortality Rates	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; females setback 1 year with 1.5% increase compounded from ages 70 to 85.
Post-Disablement Mortality Rates	RP-2014 Disabled Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

Total OPEB Liability

The Valuation Date is July 1, 2021. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2023. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2023. This is the employer's fiscal year ending date. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and other actuarial assumptions, and was then projected forward to the measurement date.

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

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2023

II. Group Life Insurance Program

Changes of Benefit Terms

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

Changes of Assumptions

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

School Board Professional

Teachers

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

County and School Board Non-Professional Plans

General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2023

Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

III. Health Insurance Credit Program***Changes to Benefit Terms***

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

Changes of Assumptions

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 20, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

County and School Board Non-Professional Plan*Non-Largest Ten Locality Employers - General Employees*

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

County of Isle of Wight, Virginia

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2023

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional Plan

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

IV. Virginia Local Disability Program

Changes of Benefit Terms

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

Changes of Assumptions

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

County of Isle of Wight, Virginia

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2023

County and School Board Non-Professional Plan

Non-Largest Ten Locality Employers - General and Non-Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1;set separate rates based on experience for Plan 2/Hybrid;changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

School Board Professional Plan

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1;set separate rates based on experience for Plan 2/Hybrid;changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Other Supplementary Information
Major Governmental Funds

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Year Ended June 30, 2023

The following funds are presented with other supplementary information:

- The ***Capital Projects Fund*** accounts for revenues and expenditures related to capital projects undertaken by the County as a governmental function. Financial statements have been presented in the Financial Section. This section provides additional budgetary data not presented elsewhere. This fund receives local, state and federal funding depending on the nature of the capital project.
- The ***Debt Service Fund*** accounts for resources assigned for repayments of principal and interest on the long-term debt of the County when a separate fund is required by debt covenants or management desires to build debt reserves. The County does not currently have any debt covenants requiring the debt service fund. This Fund also records the transactions for debt refundings. Financial statements have been presented in the Financial Section. This section provides additional budgetary data not presented elsewhere.

*County of Isle of Wight, Virginia**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Projects***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Permits, privilege fees and regulatory licenses	\$ -	\$ 1,563,184	\$ 501,730	\$ (1,061,454)
Revenues from use of money and property	-	-	1,151,178	1,151,178
Recovered costs	-	145,889	35,831	(110,058)
Intergovernmental:				
Federal	10,975,468	13,681,386	203,732	(13,477,654)
Local	1,100,000	2,002,081	865,861	(1,136,220)
Other	-	-	145,889	145,889
Total revenues	12,075,468	17,392,540	2,904,221	(14,488,319)
Expenditures				
Education	2,131,361	32,943,432	24,784,382	8,159,050
Capital outlay	21,432,579	33,773,916	3,615,054	30,158,862
Total expenditures	23,563,940	66,717,348	28,399,436	38,317,912
Deficiency of revenues under expenditures	(11,488,472)	(49,324,808)	(25,495,215)	23,829,593
Other financing sources (uses)				
Transfers in	1,862,351	2,542,960	2,542,960	-
Issuance of debt	8,336,361	39,966,722	-	(39,966,722)
Fund balance	1,272,400	6,815,126	-	(6,815,126)
Total other financing sources, net	11,471,112	49,324,808	2,542,960	(46,781,848)
Net change in fund balance	(17,360)	-	(22,952,255)	(22,952,255)
Fund balances - beginning of year	-	-	47,491,284	47,491,284
Fund balances - end of year	\$ (17,360)	\$ -	\$ 24,539,029	\$ 24,539,029

*County of Isle of Wight, Virginia**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service***For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 80	\$ 80
Total revenues	-	-	80	80
Other financing sources (uses)				
Transfers out	(1,432,034)	(1,432,034)	(1,432,034)	-
Fund balance	1,432,034	1,432,034	-	(1,432,034)
Total other financing sources, net	-	-	(1,432,034)	(1,432,034)
Net change in fund balance	-	-	(1,431,954)	(1,431,954)
Fund balances - beginning of year	-	-	5,103,954	5,103,954
Fund balances - end of year	\$ -	\$ -	\$ 3,672,000	\$ 3,672,000

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Other Supplementary Information
Nonmajor Governmental Funds

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County of Isle of Wight, Virginia

Other Supplementary Information
Nonmajor Governmental Funds

Year Ended June 30, 2023

The following is a brief description of the nonmajor governmental funds reported by the County:

- The ***Department of Social Services Fund*** accounts for revenues and expenditures related to services provided to citizens in the community. Revenues are derived from state and federal funding.
- The ***Children's Services Fund*** accounts for revenues and expenditures related to services provided to the youth of the County. Revenues are derived from state and local funding.
- The ***E-911 Fund*** accounts for revenues and expenditures related to operation of the Emergency Communications Center, which supports all Public Safety Response Agencies of the county. Revenues are derived from local and state collected E911 wireless taxes and recovered costs from the County and the towns of Smithfield and Windsor.
- The ***Community Development Block Grant Fund*** accounts for revenues and expenditures related to management of the Federal rehabilitation loan program for individuals.
- The ***County Fair Fund*** accounts for revenues and expenditures related to services provided to the community to provide entertainment activities emphasizing the agriculture industry of the county. Revenues are derived from charges for services and local funding.
- The ***Grants Fund*** accounts for special revenues that are legally restricted to expenditures for specified purposes. The Grants Fund provides accounting for certain federal and state grants awarded to the County.

*County of Isle of Wight, Virginia**Combining Balance Sheets -
Nonmajor Governmental Funds***June 30, 2023**

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Assets				
Cash and cash equivalents	\$ 11,054	\$ -	\$ -	\$ 140,871
Accounts receivable	-	1,304	-	-
Due from other governments	123,613	131,909	222,821	-
Total assets	\$ 134,667	\$ 133,213	\$ 222,821	\$ 140,871
Liabilities				
Accounts payable	\$ 20,113	\$ 105,990	\$ 1,897	\$ -
Accrued liabilities	-	-	10,594	-
Amounts held in escrow	-	-	-	-
Due to other funds	-	27,223	191,414	-
Due to other governments	-	-	18,916	-
Unearned revenues	-	-	-	-
Total liabilities	20,113	133,213	222,821	-
Deferred Inflows of Resources				
Settlements	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	114,554	-	-	140,871
Total fund balances	114,554	-	-	140,871
Total liabilities and fund balances	\$ 134,667	\$ 133,213	\$ 222,821	\$ 140,871

*County of Isle of Wight, Virginia**Combining Balance Sheets -
Nonmajor Governmental Funds (Continued)***June 30, 2023**

	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 99,553	\$ 204,108	\$ 106,388	\$ 561,974
Accounts receivable	-	-	329,113	330,417
Due from other governments	-	205,564	-	683,907
Total assets	\$ 99,553	\$ 409,672	\$ 435,501	\$ 1,576,298
Liabilities				
Accounts payable	\$ 723	\$ 16,778	\$ -	\$ 145,501
Accrued liabilities	-	3,476	-	14,070
Amounts held in escrow	-	25,061	-	25,061
Due to other funds	-	-	-	218,637
Due to other governments	-	-	-	18,916
Unearned revenues	4,040	29,504	-	33,544
Total liabilities	4,763	74,819	-	455,729
Deferred Inflows of Resources				
Settlements	-	-	329,113	329,113
Total deferred inflows of resources	-	-	329,113	329,113
Fund Balances				
Restricted	-	200,617	106,119	306,736
Committed	-	105,000	-	105,000
Assigned	94,790	29,236	269	379,720
Total fund balances	94,790	334,853	106,388	791,456
Total liabilities and fund balances	\$ 99,553	\$ 409,672	\$ 435,501	\$ 1,576,298

*County of Isle of Wight, Virginia****Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds*****For the Fiscal Year Ended June 30, 2023**

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Revenues				
Other local taxes	\$ -	\$ -	\$ 520,914	\$ -
Revenues from use of money and property	130	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	5,000	-
Recovered costs	-	-	-	-
Intergovernmental:				
Commonwealth of Virginia	886,020	292,378	342,285	-
Federal	1,971,098	49,770	-	-
Local	-	-	397,285	-
Other	-	-	-	-
Total revenues	2,857,248	342,148	1,265,484	-
Expenditures				
Judicial administration	-	-	-	-
Public safety	-	-	2,348,396	-
Public works	-	-	-	-
Health and welfare	3,954,769	625,569	-	-
Parks, recreation and cultural	-	-	-	-
Community development	-	-	-	-
Total expenditures	3,954,769	625,569	2,348,396	-
Excess (deficiency) of revenues over (under) expenditures	(1,097,521)	(283,421)	(1,082,912)	-
Other financing sources (uses)				
Transfers in	1,087,650	283,421	1,082,912	-
Transfers out	-	-	-	-
Total other financing sources (uses), net	1,087,650	283,421	1,082,912	-
Net change in fund balance	(9,871)	-	-	-
Fund balances (deficit) - beginning of year	124,425	-	-	140,871
Fund balances (deficit) - end of year	\$ 114,554	\$ -	\$ -	\$ 140,871

*County of Isle of Wight, Virginia****Combining Statements of Revenues, Expenditures, and Changes in Fund Balances -
Nonmajor Governmental Funds*****For the Fiscal Year Ended June 30, 2023**

	County Fair Fund	Grants Fund	Opioid Settlement Fund	Total Governmental Funds
Revenues				
Other local taxes	\$ -	\$ -	\$ -	\$ 520,914
Revenues from use of money and property	42,340	-	269	42,739
Charges for services	451,363	-	-	451,363
Miscellaneous	66,841	10,965	106,119	188,925
Recovered costs	3,800	-	-	3,800
Intergovernmental:				
Commonwealth of Virginia	-	378,393	-	1,899,076
Federal	-	233,995	-	2,254,863
Local	-	52,875	-	450,160
Other	-	1,495	-	1,495
Total revenues	564,344	677,723	106,388	5,813,335
Expenditures				
Judicial administration	-	125,671	-	125,671
Public safety	-	489,682	-	2,838,078
Public works	-	16,441	-	16,441
Health and welfare	-	4,126	-	4,584,464
Parks, recreation and cultural	472,154	-	-	472,154
Community development	-	82,983	-	82,983
Total expenditures	472,154	718,903	-	8,119,791
Excess (deficiency) of revenues over (under) expenditures	92,190	(41,180)	106,388	(2,306,456)
Other financing sources (uses)				
Transfers in	-	59,331	-	2,513,314
Transfers out	(70,428)	-	-	(70,428)
Total other financing sources (uses), net	(70,428)	59,331	-	2,442,886
Net change in fund balance	21,762	18,151	106,388	136,430
Fund balances (deficit) - beginning of year	73,028	316,702	-	655,026
Fund balances (deficit) - end of year	\$ 94,790	\$ 334,853	\$ 106,388	\$ 791,456

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Department of Social Services Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	\$ -	\$ -	\$ 130	\$ 130
Miscellaneous	-	-	-	-
Intergovernmental				
Commonwealth of Virginia	1,256,708	1,256,708	886,020	(370,688)
Federal	2,056,941	2,056,941	1,971,098	(85,843)
Total revenues	3,313,649	3,313,649	2,857,248	(456,401)
Expenditures				
Health and welfare	4,813,649	4,813,649	3,954,769	858,880
Total expenditures	4,813,649	4,813,649	3,954,769	858,880
Excess (deficiency) of revenues over (under) expenditures	(1,500,000)	(1,500,000)	(1,097,521)	402,479
Other financing sources (uses)				
Transfers in	1,500,000	1,500,000	1,087,650	(412,350)
Total other financing sources (uses), net	1,500,000	1,500,000	1,087,650	(412,350)
Net change in fund balance	-	-	(9,871)	(9,871)
Fund balances - beginning of year	-	-	124,425	124,425
Fund balances - end of year	\$ -	\$ -	\$ 114,554	\$ 114,554

(Continued)

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Children's Services Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental				
Commonwealth of Virginia	\$ 215,184	\$ 341,639	\$ 292,378	\$ (49,261)
Federal	-	-	49,770	49,770
Total revenues	<u>215,184</u>	<u>341,639</u>	<u>342,148</u>	<u>509</u>
Expenditures				
Health and welfare	<u>415,184</u>	<u>765,184</u>	<u>625,569</u>	<u>139,615</u>
Total expenditures	<u>415,184</u>	<u>765,184</u>	<u>625,569</u>	<u>139,615</u>
Excess (deficiency) of revenues over (under) expenditures	(200,000)	(423,545)	(283,421)	140,124
Other financing sources (uses)				
Transfers in	<u>200,000</u>	<u>423,545</u>	<u>283,421</u>	<u>(140,124)</u>
Total other financing sources (uses), net	<u>200,000</u>	<u>423,545</u>	<u>283,421</u>	<u>(140,124)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
E-911 Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other local taxes	\$ 442,030	\$ 442,030	\$ 520,914	\$ 78,884
Miscellaneous	5,000	5,000	5,000	-
Intergovernmental				
Commonwealth of Virginia	345,811	345,811	342,285	(3,526)
Local	472,022	472,022	397,285	(74,737)
Total revenues	1,264,863	1,264,863	1,265,484	621
Expenditures				
Public safety	2,577,557	2,656,641	2,348,396	308,245
Total expenditures	2,577,557	2,656,641	2,348,396	308,245
Excess (deficiency) of revenues over (under) expenditures	(1,312,694)	(1,391,778)	(1,082,912)	308,866
Other financing sources (uses)				
Transfers in	1,312,694	1,391,778	1,082,912	(308,866)
Total other financing sources (uses), net	1,312,694	1,391,778	1,082,912	(308,866)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

County of Isle of Wight, Virginia

***Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Community Development Block Grant Fund***

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Community development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses), net	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	140,871	140,871
Fund balances - end of year	\$ -	\$ -	\$ 140,871	\$ 140,871

(Continued)

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
County Fair Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	\$ 35,700	\$ 35,700	\$ 42,340	\$ 6,640
Charges for services	339,438	339,438	451,363	111,925
Miscellaneous	38,000	38,000	66,841	28,841
Recovered costs	-	-	3,800	3,800
Total revenues	413,138	413,138	564,344	151,206
Expenditures				
Parks, recreation and cultural	483,138	483,138	472,154	10,984
Total expenditures	483,138	483,138	472,154	10,984
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(70,000)	92,190	162,190
Other financing sources (uses)				
Transfers in	70,000	70,000	-	(70,000)
Transfers out	-	(70,428)	(70,428)	-
Fund balance	-	70,428	-	(70,428)
Total other financing sources (uses), net	70,000	70,000	(70,428)	(140,428)
Net change in fund balance	-	-	21,762	21,762
Fund balances - beginning of year	-	-	73,028	73,028
Fund balances - end of year	\$ -	\$ -	\$ 94,790	\$ 94,790

(Continued)

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Grants Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ 120,103	\$ 10,965	\$ (109,138)
Intergovernmental				
Commonwealth of Virginia	62,005	653,140	378,393	(274,747)
Federal	72,346	603,277	233,995	(369,282)
Local	-	82,818	52,875	(29,943)
Other	-	4,000	1,495	(2,505)
Total revenues	134,351	1,463,338	677,723	(785,615)
Expenditures				
Judicial administration	-	468,015	125,671	342,344
Public safety	145,230	941,766	489,682	452,084
Public works	-	16,441	16,441	-
Health and welfare	-	4,126	4,126	-
Parks, recreation and cultural	-	2,187	-	2,187
Community development	10,195	271,982	82,983	188,999
Total expenditures	155,425	1,704,517	718,903	985,614
Excess (deficiency) of revenues over (under) expenditures	(21,074)	(241,179)	(41,180)	199,999
Other financing sources (uses)				
Transfers in	21,074	142,090	59,331	(82,759)
Fund balance	-	99,089	-	(99,089)
Total other financing sources (uses), net	21,074	241,179	59,331	(181,848)
Net change in fund balance	-	-	18,151	18,151
Fund balances - beginning of year	-	-	316,702	316,702
Fund balances - end of year	\$ -	\$ -	\$ 334,853	\$ 334,853

(Continued)

*County of Isle of Wight, Virginia****Schedules of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Opiod Settlement Fund*****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	\$ -	\$ -	\$ 269	\$ 269
Miscellaneous	-	-	106,119	106,119
Total revenues	-	-	106,388	106,388
Net change in fund balance	-	-	106,388	106,388
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ 106,388	\$ 106,388

Other Supplementary Information
Internal Service Funds

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County of Isle of Wight, Virginia

Other Supplementary Information
Internal Service Fund

June 30, 2023

The following is a brief description of the Internal Service Funds reported by the County:

- The *Information Technology Fund* - provides implementation and maintenance of the technology infrastructure.
- The *Risk Management Fund* - finances property, workers' compensation, auto and general liability insurance coverage.

*County of Isle of Wight, Virginia**Combining Statements of Net Position - Internal Service Funds***June 30, 2023**

	Information Technology Fund	Risk Management Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 239,811	\$ 318,455	\$ 558,266
Accounts Receivable - net of allowance	10,868	-	10,868
Total current assets	250,679	318,455	569,134
Noncurrent assets			
Capital assets			
Depreciable - net	156,770	-	156,770
Net other post-employment benefits asset	156	54	210
Total noncurrent assets	156,926	54	156,980
Total assets	407,605	318,509	726,114
Deferred outflows of resources			
Pension plan	83,184	19,960	103,144
Other post-employment benefits	13,090	3,209	16,299
Total deferred outflows of resources	96,274	23,169	119,443
Liabilities			
Current liabilities			
Accounts payable	45,922	1,790	47,712
Accrued interest payable	17	-	17
Unearned revenue	8,500	-	8,500
Direct borrowing	5,051	-	5,051
Compensated absences	7,064	2,183	9,247
Total current liabilities	66,554	3,973	70,527
Noncurrent liabilities			
Noncurrent direct borrowing	5,103	-	5,103
Compensated absences	63,590	19,636	83,226
Other post-employment benefits	56,759	11,096	67,855
Net pension liability	68,145	16,351	84,496
Total noncurrent liabilities	193,597	47,083	240,680
Total liabilities	260,151	51,056	311,207
Deferred inflows of resources			
Pension plan	80,009	19,198	99,207
Other post-employment benefits	13,907	2,712	16,619
Total deferred inflows of resources	93,916	21,910	115,826
Net Position			
Net investment in capital assets	146,616	-	146,616
Restricted - Capital projects	50,495	-	50,495
Unrestricted	(47,299)	268,712	221,413
Total net position	\$ 149,812	\$ 268,712	\$ 418,524

*County of Isle of Wight, Virginia**Combining Statements of Revenues, Expenses,
and Changes in Fund Net Position - Internal Service Funds***For the Fiscal Year Ended June 30, 2023**

	Information Technology Fund	Risk Management Fund	Total
Operating revenues			
Charges for services	\$ 1,492,300	\$ 723,298	\$ 2,215,598
Total operating revenues	<u>1,492,300</u>	<u>723,298</u>	<u>2,215,598</u>
Operating expenses:			
Personnel services	549,020	134,211	683,231
Fringe benefits	174,186	34,260	208,446
Contractual services	2,250	533,714	535,964
Other charges	580,591	21,113	601,704
Depreciation and amortization	57,182	-	57,182
Total operating expenses	<u>1,363,229</u>	<u>723,298</u>	<u>2,086,527</u>
Operating Income (loss)	129,071	-	129,071
Nonoperating revenues (expenses)			
Interest and fiscal charges	(252)	-	(252)
Gain on sale of assets	6,651	-	6,651
Total nonoperating revenues (expenses)	<u>6,399</u>	<u>-</u>	<u>6,399</u>
Net income (loss) before transfers	135,470	-	135,470
Changes in net position	135,470	-	135,470
Net position - beginning of year	14,342	268,712	283,054
Net position - end of year	<u>\$ 149,812</u>	<u>\$ 268,712</u>	<u>\$ 418,524</u>

*County of Isle of Wight, Virginia**Combining Statements of Cash Flows – Internal Service Funds***For The Fiscal Year Ended June 30, 2023**

	Information Technology Fund	Risk Management Fund	Total
Cash flows from operating activities			
Received from customers and users	\$ 1,489,932	\$ 723,298	\$ 2,213,230
Payments to suppliers for goods and services	(547,383)	(553,370)	(1,100,753)
Payments to employees	(766,287)	(172,177)	(938,464)
Net cash provided by operating activities	176,262	(2,249)	174,013
Cash flows from capital and related financing activities:			
Interest paid	(261)	-	(261)
Acquisition of capital assets	(8,888)	-	(8,888)
Proceeds from sale of assets	6,651	-	6,651
Principal payments on direct borrowings	(5,000)	-	(5,000)
Net cash used for capital and related financing activities	(7,498)	-	(7,498)
Change in cash and cash equivalents	168,764	(2,249)	166,515
Cash and cash equivalents - beginning of year	71,047	320,704	391,751
Cash and cash equivalents - end of year	\$ 239,811	\$ 318,455	\$ 558,266
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ 129,071	\$ -	\$ 129,071
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	57,182	-	57,182
Pension and OPEB expense	71,989	(24,021)	47,968
Change in			
Receivables	(10,868)	-	(10,868)
Accounts payable and accrued liabilities	35,458	1,457	36,915
Unearned Revenue	8,500	-	8,500
Pension & OPEB	23,628	-	23,628
Deferred outflows of resources	78,919	15,917	94,836
Deferred inflow of resources	(216,949)	-	(216,949)
Compensated absences	(668)	4,398	3,730
Net cash provided by operating activities	\$ 176,262	\$ (2,249)	\$ 174,013

***Other Supplementary Information
Component Units & Fiduciary Funds***

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June 30, 2023

The following is a brief description of the Component Units reported by the County:

- ***School Board Component Unit***- provides the primary Education function for the County
- ***Economic Development Authority Component Unit*** - provides the function of Economic Development Authority for the County.

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Balance Sheets - Governmental Funds***June 30, 2023**

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Assets				
Cash and investments	\$ 2,231,634	\$ -	\$ -	\$ 1,489,199
Accounts receivable - net of allowances for uncollectibles	9,995	-	-	87,531
Due from primary government	200,151	234,272	-	-
Due from other funds	2,757,288	8,706	57,266	-
Due from other governmental units	1,318,653	-	-	90,477
Total assets	<u>\$ 6,517,721</u>	<u>\$ 242,978</u>	<u>\$ 57,266</u>	<u>\$ 1,667,207</u>
Liabilities				
Accounts payable	\$ 681,078	\$ -	\$ 57,266	\$ 76,150
Accrued liabilities	6,105,888	-	-	53,912
Due to other governments	-	-	-	-
Due to other funds	76,472	-	-	499,301
Total liabilities	<u>6,863,438</u>	<u>-</u>	<u>57,266</u>	<u>629,363</u>
Fund Balances				
Fund balances:				
Restricted- Grants	\$ -	\$ -	\$ -	\$ -
Assigned: Capital projects	-	242,978	-	-
Assigned: Student Activities	-	-	-	-
Assigned: Food Services	-	-	-	1,037,844
Unassigned: Operating Fund	(345,717)	-	-	-
Total fund balances	<u>(345,717)</u>	<u>242,978</u>	<u>-</u>	<u>1,037,844</u>
Total liabilities and fund balance	<u>\$ 6,517,721</u>	<u>\$ 242,978</u>	<u>\$ 57,266</u>	<u>\$ 1,667,207</u>

*County of Isle of Wight, Virginia**Component Unit – School Board
Combining Balance Sheets - Governmental Funds (Continued)***June 30, 2023**

	Governmental Funds		
	School Grants Fund	Student Activities Fund	Totals
Assets			
Cash and investments	\$ -	\$ 593,175	\$ 4,314,008
Accounts receivable - net of allowances for uncollectibles	1,200	-	98,726
Due from primary government	-	-	434,423
Due from other funds	-	-	2,823,260
Due from other governmental units	4,249,669	-	5,658,799
Total assets	<u>\$ 4,250,869</u>	<u>\$ 593,175</u>	<u>\$ 13,329,216</u>
Liabilities			
Accounts payable	\$ 390,201	\$ -	\$ 1,204,695
Accrued liabilities	-	-	6,159,800
Due to other governments	208,524	-	208,524
Due to other funds	2,256,239	-	2,832,012
Total liabilities	<u>2,854,964</u>	<u>-</u>	<u>10,405,031</u>
Fund Balances			
Fund balances:			
Restricted - Grants	\$ 1,395,905	\$ -	\$ 1,395,905
Assigned: Capital projects	-	-	242,978
Assigned: Student Activities	-	593,175	593,175
Assigned: Food Services	-	-	1,037,844
Unassigned: Operating Fund	-	-	(345,717)
Total fund balances	<u>1,395,905</u>	<u>593,175</u>	<u>2,924,185</u>
Total liabilities and fund balance	<u>\$ 4,250,869</u>	<u>\$ 593,175</u>	<u>\$ 13,329,216</u>

*County of Isle of Wight, Virginia**Component Unit – School Board**Reconciliation of the Governmental Funds' Balance Sheet to the Statement of Net Position***June 30, 2023**

Total fund balances - School Board - governmental funds	\$ 2,924,185
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Amounts reported for government activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements, net of accumulated depreciation.

Non depreciable capital assets	1,750,617
Depreciable capital assets	151,087,919
Accumulated depreciation and amortization	(76,015,288)

Pension and OPEB assets are not available resources and, therefore are not reported in the funds

Net pension asset	388,271
Net OPEB asset	2,404

Long-term obligations are not due and payable in the current period and are not reported in funds.

Direct borrowing	(5,362,507)
Lease liability	(680,079)
Compensated absences	(589,297)
OPEB liability	(10,657,914)
Net pension liability	(35,697,485)
Accrued interest	(22,087)

Deferred outflows of resources related to pension	11,110,694
Deferred outflows of resources related to OPEB	2,349,397
Deferred inflows of resources related to pension	(8,246,055)
Deferred inflows of resources related to OPEB	(2,071,682)

The internal service fund is used by management to charge the cost of health benefits. The assets and liabilities of the internal services fund is included in governmental activities in the Statement of Net Position.

	707,591
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Total net position- School Board - governmental activities	\$ 30,978,684
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*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds***For the Fiscal Year Ended June 30, 2023**

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Revenues				
Revenues from use of money and property	\$ 423,320	\$ -	\$ -	\$ -
Charges for services	177,418	-	-	752,412
Miscellaneous	363,628	-	-	1,959
Recovered costs	236,861	-	-	-
Revenue from primary government	27,027,759	234,272	66,996	-
Intergovernmental:				
Commonwealth	39,142,507	-	442,378	88,417
Federal	740,953	-	-	1,991,737
Total revenues	68,112,446	234,272	509,374	2,834,525
Expenditures				
Current:				
Administration, attendance and health	3,025,574	-	-	-
Instructional services	51,487,740	-	509,374	-
Operations and maintenance	6,219,531	-	-	-
Pupil transportation	5,415,641	-	-	-
School food services	-	-	-	2,976,255
Facilities	-	234,272	-	-
Technology	446,977	-	-	-
Debt Service	2,191,094	-	-	-
Total expenditures	68,786,557	234,272	509,374	2,976,255
Excess (deficiency) of revenues over (under) expenditures	(674,111)	-	-	(141,730)
Other financing sources (uses)				
Transfers in	328,394	-	-	-
Transfers out	-	-	-	-
	\$ 328,394	\$ -	\$ -	\$ -
Net change in fund balance	(345,717)	-	-	(141,730)
Fund balance - beginning of year	-	242,978	-	1,179,574
Fund balance - end of year	\$ (345,717)	\$ 242,978	\$ -	\$ 1,037,844

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
(Continued)***For the Fiscal Year Ended June 30, 2023**

	Governmental Funds		Totals
	School Grants Fund	Student Activities Fund	
Revenues			
Revenues from use of money and property	\$ -	\$ -	\$ 423,320
Charges for services	-	-	929,830
Miscellaneous	386,215	1,110,361	1,862,163
Recovered costs	-	-	236,861
Revenue from primary government	50,000	-	27,379,027
Intergovernmental:			
Commonwealth	3,008,498	-	42,681,800
Federal	5,673,488	-	8,406,178
Total revenues	9,118,201	1,110,361	81,919,179
Expenditures			
Current:			
Administration, attendance and health	317,847	-	3,343,421
Instructional services	3,571,472	1,031,253	56,599,839
Operations and maintenance	2,306,863	-	8,526,394
Pupil transportation	-	-	5,415,641
School food services	-	-	2,976,255
Facilities	382,197	-	616,469
Technology	815,564	-	3,006,658
Debt Service	-	-	446,977
Total expenditures	7,393,943	1,031,253	80,931,654
Excess (deficiency) of revenues over (under) expenditures	1,724,258	79,108	987,525
Other Financing Sources			
Transfers in	-	-	328,394
Transfers out	(328,394)	-	(328,394)
Total other financing sources (uses)	(328,394)	-	-
Net change in fund balance	1,395,864	79,108	987,525
Fund balance - beginning of year	41	514,067	1,936,660
Fund balance - end of year	\$ 1,395,905	\$ 593,175	\$ 2,924,185

*County of Isle of Wight, Virginia**Component Unit – School Board**Reconciliation of the Governmental Funds' Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities***For the Fiscal Year Ended June 30, 2023**

Net change in fund balances - School Board - governmental funds	\$	987,525
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Amounts reported for governmental activities in the statements
of Net Position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays and transfers.

Capital outlay		1,426,679
Depreciation expense		(3,531,929)
Right to use lease asset, net amortization		159,036

Debt proceeds provide current financial resources to governmental funds but issuing debt increases long term liabilities in the statement of net position. Repayment of principal is an expenditure of the governmental funds but the repayment reduces long term liabilities in the statement of net position.

Lease liabilities issued		(273,306)
Repayment of direct borrowings		567,362
Repayment of lease liability		108,505

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds		1,658,670
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Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in compensated absences		(64,566)
OPEB expense		300,765
Pension benefit		4,524,275
Increase in accrued interest		3,382

The internal service fund is used by management to charge the cost of health benefits. The net loss of the internal service fund is reported with governmental activities in the Statement of Activities

		(150,791)
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Change in net position of School Board - governmental activities	\$	5,715,607
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*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Governmental Funds***For the Fiscal Year Ended June 30, 2023**

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 250,000	\$ 250,000	\$ 423,320	\$ 173,320
Charges for services	81,000	81,000	177,418	96,418
Miscellaneous	100,000	100,000	363,628	263,628
Recovered Costs	190,000	190,000	236,861	46,861
Revenue from the Primary Government	25,996,223	26,899,444	27,027,759	128,315
Intergovernmental				
Commonwealth	40,462,962	40,462,962	39,142,507	(1,320,455)
Federal	100,000	100,000	740,953	640,953
Total revenues	67,180,185	68,083,406	68,112,446	29,040
Expenditures				
Current				
Administration, attendance and health	3,271,870	3,091,877	3,025,574	66,303
Instructional services	50,127,356	50,653,729	51,487,740	(834,011)
Operations and maintenance	6,621,723	6,570,541	6,219,531	351,010
Pupil transportation	4,382,374	5,031,911	5,415,641	(383,730)
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	2,329,885	2,288,371	2,191,094	97,277
Debt Service	446,977	446,977	446,977	-
Capital Outlay	-	-	-	-
Total expenditures	67,180,185	68,083,406	68,786,557	(703,151)
Excess (deficiency) of revenues over (under) expenditures	-	-	(674,111)	(674,111)
Other Financing Sources (uses)				
Transfers in	-	-	328,394	(328,394)
Total other financing sources (uses)	\$ -	\$ -	\$ 328,394	(328,394)
Net change in fund balance	-	-	(345,717)	(345,717)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ (345,717)	\$ (345,717)

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	School Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from the Primary Government	\$ -	\$ 234,272	\$ 234,272	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	234,272	234,272	-
Expenditures				
Current				
Administration, attendance and health	-	-	-	\$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School Food Services	-	-	-	-
Facilities	-	234,272	234,272	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	-	234,272	234,272	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	242,978	242,978
Fund balance - end of year	\$ -	\$ -	\$ 242,978	\$ 242,978

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	School Textbook Fund				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual		
Revenues					
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Recovered costs	-	-	-	-	-
Revenue from the Primary Government	286,025	286,025	66,996	(219,029)	-
Intergovernmental	-	-	-	-	-
Commonwealth	451,153	451,153	442,378	(8,775)	-
Federal	-	-	-	-	-
Total revenues	737,178	737,178	509,374	(227,804)	
Expenditures					
Current					
Administration, attendance and health	\$ -	\$ -	\$ -	\$ -	-
Instructional Services	737,178	737,178	509,374	227,804	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
School food services	-	-	-	-	-
Facilities	-	-	-	-	-
Technology	-	-	-	-	-
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total expenditures	737,178	737,178	509,374	227,804	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	
Other Financing Sources (uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	
Net change in fund balance	-	-	-	-	
Fund balance - beginning of year	-	-	-	-	
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	School Cafeteria Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	919,945	919,945	752,412	(167,533)
Miscellaneous	1,200	1,200	1,959	759
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	20,016	20,016	88,417	68,401
Federal	1,472,886	1,472,886	1,991,737	518,851
Total revenues	2,414,047	2,414,047	2,834,525	420,478
Expenditures				
Current				
Administration, attendance and health	\$ -	\$ -	\$ -	\$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School food services	2,414,047	2,414,047	2,976,255	(562,208)
Facilities	-	-	-	-
Technology	-	-	-	-
Facilities	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	2,414,047	2,414,047	2,976,255	(562,208)
Excess (deficiency) of revenues over (under) expenditures	-	-	(141,730)	(141,730)
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(141,730)	(141,730)
Fund balance - beginning of year	-	-	1,179,574	1,179,574
Fund balance - end of year	\$ -	\$ -	\$ 1,037,844	\$ 1,037,844

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	School Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	357,813	386,215	28,402
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	50,000	50,000
Intergovernmental	-	-	-	-
Commonwealth	3,106,039	2,810,594	3,008,498	197,904
Federal	4,671,870	7,777,128	5,673,488	(2,103,640)
Total revenues	7,777,909	10,945,535	9,118,201	(1,827,334)
Expenditures				
Current				
Administration, attendance and health	\$ 530,259	\$ 397,433	\$ 317,847	\$ 79,586
Instructional services	2,230,744	4,465,357	3,571,472	893,885
Operations and maintenance	3,552,657	4,788,914	2,306,863	2,482,051
Pupil transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	425,107	382,197	42,910
Technology	1,464,249	868,724	815,564	53,160
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	7,777,909	10,945,535	7,393,943	3,551,592
Excess (deficiency) of revenues over (under) expenditures	-	-	1,724,258	1,724,258
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(328,394)	(328,564)
Total other financing sources (uses)	-	-	(328,394)	(328,564)
Net change in fund balance	-	-	1,395,864	1,395,864
Fund balance - beginning of year	-	-	41	41
Fund balance - end of year	\$ -	\$ -	\$ 1,395,905	\$ 1,395,905

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	1,110,361	1,110,361
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	1,110,361	1,110,361
Expenditures				
Current				
Administration, attendance and health	\$ -	\$ -	\$ -	\$ -
Instructional services	-	-	1,031,253	(1,031,253)
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	-	-	1,031,253	(1,031,253)
Excess (deficiency) of revenues over (under) expenditures	-	-	79,108	79,108
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	79,108	79,108
Fund balance - beginning of year	-	-	514,067	514,067
Fund balance - end of year	\$ -	\$ -	\$ 593,175	\$ 593,175

(Continued)

*County of Isle of Wight, Virginia**Component Unit – School Board**Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Governmental Funds (Continued)***For the Fiscal Year Ended June 30, 2023**

	Totals			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 250,000	\$ 250,000	\$ 423,320	\$ 173,320
Charges for services	1,000,945	1,000,945	929,830	(71,115)
Miscellaneous	101,200	459,013	1,862,163	1,403,150
Recovered costs	-	-	236,861	236,861
Revenue from the Primary Government	26,282,248	27,419,741	27,379,027	(40,714)
Intergovernmental				
Commonwealth	44,040,170	43,744,725	42,681,800	(1,062,925)
Federal	6,434,756	9,540,014	8,406,178	(1,133,836)
Total revenues	78,109,319	82,414,438	81,919,179	(495,259)
Expenditures				
Current				
Administration, attendance and health	3,802,129	3,489,310	3,343,421	145,889
Instructional services	53,095,278	55,856,264	56,599,839	(743,575)
Operations and maintenance	10,174,380	11,359,455	8,526,394	2,833,061
Pupil transportation	4,382,374	5,031,911	5,415,641	(383,730)
School food services	2,414,047	2,414,047	2,976,255	(562,208)
Facilities		659,379	616,469	42,910
Technology	3,794,134	3,157,095	3,006,658	150,437
Debt Service	446,977	446,977	446,977	-
Capital outlay	-	-	-	-
Total expenditures	78,109,319	82,414,438	80,931,654	1,482,784
Excess (deficiency) of revenues over (under) expenditures	-	-	987,525	987,525
Other Financing Sources (uses)				
Transfers in	-	-	328,394	328,394
Transfers out	-	-	(328,394)	(328,394)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	987,525	987,525
Fund balances - beginning of year	-	-	1,936,660	1,936,660
Fund balances - end of year	\$ -	\$ -	\$ 2,924,185	\$ 2,924,185

*County of Isle of Wight, Virginia**Component Unit – School Board**Statement of Net Position - Internal Service Fund***June 30, 2023**

		School Health Benefits Fund
Assets		
Current assets		
Cash and cash equivalents - restricted	\$	1,261,336
Due from General Fund		8,752
Total current assets		1,270,088
Liabilities		
Current liabilities		
Accounts payable		2,518
Claims payable		559,979
Total current liabilities		562,497
Net Position		
Net position - unrestricted (deficit)	\$	707,591

*County of Isle of Wight, Virginia**Component Unit – School Board**Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Fund***For the Fiscal Year Ended June 30, 2023**

	School Health Benefits Fund
Operating revenues	
Recovered costs	\$ 7,135,425
Total revenues	<u>7,135,425</u>
Operating expenses	
Healthcare benefits	<u>7,286,216</u>
Total expenses	<u>7,286,216</u>
Operating income	<u>(150,791)</u>
Change in net position	(150,791)
Net position (deficit) - beginning of year	858,382
Net position (deficit) - end of year	<u>\$ 707,591</u>

*County of Isle of Wight, Virginia**Component Unit – School Board**Statement of Cash Flows – Internal Service Fund***For the Fiscal Year Ended June 30, 2023**

	School Health Benefits Fund
Cash flows from operating activities	
Received from customers and users	\$ 7,135,425
Payments to suppliers for goods and services	(7,139,445)
Net cash provided by operating activities	<u>(4,020)</u>
Cash flows from nonoperating financing activities	
Transfers to other funds	(8,752)
Net cash provided by nonoperating financing activities	<u>(8,752)</u>
Change in cash and cash equivalents	(12,772)
Cash and cash equivalents - beginning of year	1,274,108
Cash and cash equivalents - end of year	<u>\$ 1,261,336</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (150,791)
Adjustments to reconcile operating income to net cash provided by operating activities	
Change in:	
Accounts payable and accrued liabilities	452
Claims payable	146,319
Net cash provided by operating activities	<u>\$ (4,020)</u>

*County of Isle of Wight, Virginia**Component Unit – Economic Development Authority
Statement of Net Position***June 30, 2023**

Assets	
Current assets	
Cash and cash equivalents	\$ 820,479
Accounts receivable	7,878
Lease receivable, current	26,745
Total current assets	855,102
Noncurrent assets	
Land held for resale	9,011,625
Capital assets	
Nondepreciable	376,537
Depreciable, net	1,471,751
Total capital assets	1,848,288
Lease receivable, non current	34,980
Total noncurrent assets	10,894,893
Total assets	11,749,995
Liabilities	
Current liabilities	
Accounts payable	11,492
Unearned revenue	10,328
Advance from primary government	375,000
Total current liabilities	396,820
Deferred inflows of resources	
Deferred inflow-lease	60,497
Total deferred inflows of resources	60,497
Net Position	
Net investment in capital assets	1,473,288
Restricted	223,684
Unrestricted	9,595,706
Total net position	\$ 11,292,678

*County of Isle of Wight, Virginia**Component Unit – Economic Development Authority
Statement of Revenues, Expenses, and Changes in Net Position***For the Fiscal Year Ended June 30, 2023**

Operating revenues	
Charges for services	\$ 34,952
Other revenues	134,210
Total operating revenues	<u>169,162</u>
Operating expenses	
Operations	65,023
Compensation	4,425
Depreciation	239,143
Total operating expenses	<u>308,591</u>
Operating loss	<u>(139,429)</u>
Nonoperating revenues (expenses)	
Interest revenue	688
Total nonoperating revenues, net	<u>688</u>
Change in net position	(138,741)
Net position - beginning of year	<u>11,431,419</u>
Net position - end of year	<u>\$ 11,292,678</u>

*County of Isle of Wight, Virginia**Component Unit – Economic Development Authority
Statement of Cash Flows***For the Fiscal Year Ended June 30, 2022**

Cash flows from operating activities	
Received from customers and users	\$ 171,642
Payments to suppliers for goods and services	(55,726)
Payments to employees	(4,425)
Net cash provided by operating activities	<u>111,491</u>
Cash flows from investing activities	-
Payment for capital lease	
Interest received	688
Net cash provided by investing activities	<u>688</u>
Change in cash and cash equivalents	112,179
Cash and cash equivalents - beginning of year	<u>708,300</u>
Cash and cash equivalents - end of year	<u>\$ 820,479</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (139,429)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation expense	239,143
Change in accounts receivable	2,480
Change in accounts payable	9,297
Change in unearned revenue	-
Net cash provided by operating activities	<u>\$ 111,491</u>

Statistical Section

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County of Isle of Wight, Virginia

Statistical Section Overview

June 30, 2022

This part of the County of Isle of Wight's Annual Comprehensive Financial Report presents detailed information as context for understanding the information in the financial statements, note disclosures and required supplementary information.

Contents

Exhibits

Financial Trends

C-1 through C-4

These tables contain trend information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Revenue Capacity

C-5 through C-10

These tables contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.

Debt Capacity

C-11 through C-13

These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue debt in the future.

Demographic and Economic Information

C-14

These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

C-15 through C-17

These tables contain information about the County's operation 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.

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Report for the relevant year.

*County of Isle of Wight, Virginia**Net Position (Assets) by Component***Last Ten Fiscal Years**

	2023	2022*	2021	2020*	2019
Governmental activities					
Net investment in capital assets	\$ (15,778,664)	\$ (19,239,469)	\$ (21,461,167)	\$ (14,604,210)	\$ (16,230,336)
Restricted	1,561,646	44,278,547	408,538	3,407,069	5,218,666
Unrestricted	39,050,856	(3,772,310)	57,878,038	38,038,624	31,713,704
Total governmental activities net position	\$ 24,833,838	\$ 21,266,768	\$ 36,825,409	\$ 26,841,483	\$ 20,702,034
Business-type activities					
Net investment in capital assets	\$ (5,216,521)	\$ (12,896,428)	\$ (19,402,355)	\$ (17,996,594)	\$ (15,814,155)
Restricted	650	470,689	332,212	3,016,665	5,282,900
Unrestricted	14,794,627	15,897,362	15,182,498	9,386,855	2,434,210
Total business-type activities net position	\$ 9,578,756	\$ 3,471,623	\$ (3,887,645)	\$ (5,593,074)	\$ (8,097,045)
Primary government					
Net investment in capital assets	\$ (20,995,185)	\$ (32,135,897)	\$ (40,863,522)	\$ (32,600,804)	\$ (32,044,491)
Restricted	1,562,296	44,749,236	740,750	6,423,734	10,501,566
Unrestricted	53,845,483	12,125,052	73,060,536	47,425,479	34,147,914
Total primary government net position	\$ 34,412,594	\$ 24,738,391	\$ 32,937,764	\$ 21,248,409	\$ 12,604,989

(Continued)

* 2017 unrestricted net position restated to reflect implementation of GASB 75

2020 governmental net position was restated due to the Franklin Revenue Sharing liability.

2020 business-type net position was restated due to the capitalization of water meters in the Public Utilities Fund.

2022 governmental net position was restated due to an accounting error in Deferred Revenue - property taxes.

*County of Isle of Wight, Virginia**Net Position (Assets) by Component (Continued)***Last Ten Fiscal Years**

	2018	2017*	2016	2015	2014*
Governmental activities					
Net investment in capital assets	\$ (37,423,718)	\$ (13,319,241)	\$ 4,931	\$ 2,045,769	\$ 6,086,446
Restricted	10,987,940	18,689,154	5,440,119	7,174,341	13,734,652
Unrestricted	41,560,882	8,314,662	12,060,255	7,349,393	(1,715,310)
Total governmental activities net position	\$ 15,125,104	\$ 13,684,575	\$ 17,505,305	\$ 16,569,503	\$ 18,105,788
Business-type activities					
Net investment in capital assets	\$ (22,900,089)	\$ (16,643,332)	\$ (16,265,290)	\$ (16,186,173)	\$ (12,140,987)
Restricted	5,321,509	5,320,770	5,522,985	5,927,757	-
Unrestricted	8,568,353	1,392,872	(898,178)	(1,608,477)	17,086
Total business-type activities net position	\$ (9,010,227)	\$ (9,929,690)	\$ (11,640,483)	\$ (11,866,893)	\$ (12,123,901)
Primary government					
Net investment in capital assets	\$ (60,323,807)	\$ (29,962,573)	\$ (16,260,359)	\$ (14,140,404)	\$ (6,054,541)
Restricted	16,309,449	24,009,924	10,963,104	13,102,098	13,734,652
Unrestricted	50,129,235	9,707,534	11,162,077	5,740,916	(1,698,224)
Total primary government net position	\$ 6,114,877	\$ 3,754,885	\$ 5,864,822	\$ 4,702,610	\$ 5,981,887

* 2014 unrestricted net position restated to reflect implementation of GASB 68/71

*County of Isle of Wight, Virginia**Change in Net Position***Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Expenses					
Governmental activities:					
General government	\$ 12,739,010	\$ 6,812,766	\$ 7,915,154	\$ 6,942,584	\$ 6,752,097
Judicial administration	2,413,642	2,092,876	1,624,584	1,575,825	1,624,282
Public safety	18,422,740	16,356,578	18,185,143	15,651,837	15,638,826
General services	5,731,653	5,267,674	5,705,232	6,097,278	4,706,389
Health and welfare	5,601,103	5,436,960	7,060,537	4,796,012	3,914,717
Education	27,518,658	43,382,111	26,123,526	30,148,936	32,008,845
Parks, recreation and cultural	4,185,080	3,891,446	3,696,311	3,679,176	3,197,767
Community development	5,127,640	5,145,183	5,203,477	3,488,247	4,266,517
Nondepartmental	-	-	-	-	-
Interest on long-term debt	4,382,292	-	-	4,308,156	4,501,668
Total governmental activities expenses	86,121,818	88,385,594	75,513,964	76,688,051	76,611,108
Business-type activities:					
Public utilities	9,777,597	9,456,664	7,807,503	8,783,282	8,432,300
Stormwater	1,396,019	1,187,198	1,577,626	998,538	1,058,641
Total business-type activities expenses	11,173,616	10,643,862	9,385,129	9,781,820	9,490,941
Total primary government expenses	\$ 97,295,434	\$ 99,029,456	\$ 84,899,093	\$ 86,469,871	\$ 86,102,049
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 1,321,545	\$ 1,593,384	\$ 1,119,816	\$ 842,074	\$ 1,362,889
Judicial administration	267,739	1,593,384	1,119,816	842,074	296,643
Public safety	1,240,582	252,834	267,424	289,269	1,241,386
Public Works	-	1,428,572	1,545,482	1,058,829	-
Health and welfare	435,232	-	458,248	1,245,789	217,003
Parks, recreation and cultural	654,171	160,982	275,255	248,050	271,808
Community development	87,118	676,227	199,711	472,346	43,231
Operating grants and contributions	7,478,439	25,219	8,736	21,116	4,758,736
Capital grants and contributions	1,622,370	5,175,787	9,315,027	7,840,352	2,964,205
Interest rate subsidy	-	9,723,179	1,341,140	1,548,678	-
Total governmental activities program revenues	\$ 13,107,196	20,629,568	\$ 15,650,655	\$ 14,408,577	\$ 11,155,901

(Continued)

*County of Isle of Wight, Virginia**Change in Net Position (Continued)***Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Expenses					
Governmental activities:					
General government	\$ 7,032,712	\$ 5,305,220	\$ 6,596,750	\$ 4,954,948	\$ 5,859,778
Judicial administration	1,474,725	1,711,476	1,358,364	1,345,313	1,334,545
Public safety	12,787,055	15,820,681	13,206,973	11,227,838	10,856,876
General services	5,095,079	5,029,762	9,279,614	6,059,730	6,444,839
Health and welfare	4,021,853	4,232,228	3,832,773	3,654,546	4,267,056
Education	33,451,339	28,709,110	28,279,608	31,627,526	25,930,462
Parks, recreation and cultural	3,114,863	3,593,465	4,118,975	3,051,601	3,250,023
Community development	2,792,293	2,259,598	3,457,268	3,066,139	2,805,145
Nondepartmental	-	-	-	-	-
Interest on long-term debt	5,880,446	5,123,993	4,498,640	4,568,504	4,507,212
Total governmental activities expenses	75,650,365	71,785,533	74,628,965	69,556,145	65,255,936
Business-type activities:					
Public utilities	8,595,427	8,787,726	8,787,726	11,146,341	8,677,215
Stormwater	1,013,796	1,456,085	1,456,085	829,480	347,845
Total business-type activities expenses	9,609,223	10,243,811	10,243,811	11,975,821	9,025,060
Total primary government expenses	\$ 85,259,588	\$ 82,029,344	\$ 84,872,776	\$ 81,531,966	\$ 74,280,996
Program revenue					
Governmental activities:					
Charges for services:					
General government	\$ 43,196	\$ 1,029,176	\$ 1,029,176	\$ 388,251	\$ 682
Judicial administration	13,072	397,063	203,810	220,034	174,940
Public safety	1,465,714	2,682,915	1,584,774	1,330,020	1,518,532
General services	-	193,473	-	-	-
Health and welfare	-	273,895	-	-	-
Parks, recreation and cultural	507,198	693,847	560,673	479,016	584,689
Community development	982,610	98,030	64,411	42,952	43,357
Operating grants and contributions	7,021,642	9,874,844	5,357,743	5,282,485	5,718,851
Capital grants and contributions	-	2,827,555	3,059,806	3,133,139	905,676
Interest rate subsidy	-	-	-	-	-
Total governmental activities program revenues	\$ 10,033,432	\$ 18,070,798	\$ 11,860,393	\$ 10,875,897	\$ 8,946,727

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Business-type activities					
Charges for services	\$ 7,727,098	\$ 9,181,773	\$ 8,390,163	\$ 7,769,192	\$ 6,640,576
Capital grants and contributions	6,114,620	-	-	-	285,844
Total business-type activities program revenues	13,841,718	9,181,773	8,390,163	7,769,192	6,926,420
Total Primary Government program revenues	\$ 22,921,002	\$ 22,921,002	\$ 17,656,966	\$ 17,656,966	\$ 16,743,932
Net expense - governmental activities	\$ (73,014,622)	\$ (73,870,232)	\$ (64,371,289)	\$ (63,121,548)	\$ (65,455,207)
Net expense - business-type activities	2,668,102	(1,462,089)	(994,966)	(2,012,628)	(2,564,521)
Total primary government net expense	\$ (70,346,520)	\$ (75,332,321)	\$ (65,366,255)	\$ (65,134,176)	\$ (68,019,728)
General revenues and other changes in net position					
Governmental activities					
Property taxes	\$ 60,440,657	\$ 64,643,938	\$ 60,942,814	\$ 57,854,621	\$ 57,269,604
Other taxes	10,230,235	4,891,704	4,723,711	4,411,144	3,627,945
Revenue from use of property and money	2,276,710	40,944	(40,499)	1,409,372	1,194,695
Investment earnings	-	-	-	-	-
Miscellaneous	1,602,674	1,511,916	1,640,286	1,403,119	2,361,944
Intergovernmental, non-categorical aid	5,814,983	5,518,795	5,463,009	5,396,075	5,375,993
Gain on sale of assets	-	-	-	-	-
Transfers	(3,346,148)	(8,752,382)	(2,651,910)	(3,805,195)	(3,300,000)
Total governmental activities	77,019,111	67,854,915	70,077,411	66,669,136	66,530,181
Business-type activities					
Investment earnings	72,739	55,770	41,943	120,047	167,713
Gain on sale of assets	-	-	-	-	-
Miscellaneous	20,144	-	-	-	-
Transfers	3,346,148	8,752,382	2,651,910	3,805,195	3,300,000
Total business-type activities	3,439,031	8,808,152	2,693,853	3,925,242	3,467,713
Total primary government	\$ 80,458,142	\$ 76,663,067	\$ 72,771,264	\$ 70,594,378	\$ 69,997,894
Change in net position					
Governmental activities	\$ 4,004,489	\$ (1,032,064)	\$ 9,983,926	\$ 7,194,297	\$ 5,576,930
Business-type activities	6,107,133	7,359,268	1,705,429	1,918,848	913,182
Total primary government	\$ 10,111,622	\$ 6,327,204	\$ 11,689,355	\$ 9,113,145	\$ 6,490,112

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Business-type activities					
Charges for services	\$ 6,710,500	\$ 6,988,013	\$ 6,009,332	\$ 5,779,255	\$ 5,206,661
Capital grants and contributions		23,836	2,469,514	480,741	481,900
Total business-type activities program revenues	6,710,500	7,011,849	8,478,846	6,259,996	5,688,561
Total Primary Government program revenues	\$ 16,743,932	\$ 19,674,359	\$ 19,683,129	\$ 17,135,893	\$ 14,635,288
Net expense - governmental activities	\$ (65,616,933)	\$ 53,714,735	\$ 63,424,682	\$ 58,680,248	\$ 56,309,209
Net expense - business-type activities	(2,898,723)	3,255,798	1,357,666	5,715,825	3,336,499
Total primary government net expense	\$ (68,515,656)	\$ 56,970,533	\$ 64,782,348	\$ 64,396,073	\$ 59,645,708
General revenues and other changes in net position					
Governmental activities					
Property taxes	\$ 57,755,525	\$ 62,107,289	\$ 56,575,683	\$ 54,539,535	\$ 48,365,143
Other taxes	7,928,102	8,637,670	7,497,791	7,005,687	7,046,183
Revenue from use of property and money	786,748	99,580	-	-	-
Investment earnings	-	-	1,434,262	956,397	324,636
Miscellaneous	1,150,233	1,328,044	356,418	379,229	840,977
Intergovernmental, non-categorical aid	5,409,797	-	-	-	-
Gain on sale of assets	-	-	62,012	218,075	-
Transfers	(3,791,022)	(4,922,005)	(1,565,679)	(5,954,960)	(2,313,266)
Total governmental activities	69,239,383	67,250,578	64,360,487	57,143,963	54,263,673
Business-type activities					
Investment earnings	89,138	44,586	18,397	17,873	16,438
Gain on sale of assets	-	-	-	-	10,275
Miscellaneous	-	-	-	-	-
Transfers	3,791,022	4,922,005	1,565,679	5,954,960	2,313,266
Total business-type activities	3,880,160	4,966,591	1,584,076	5,972,833	2,339,979
Total primary government	\$ 73,119,543	\$ 72,217,169	\$ 65,944,563	\$ 63,116,796	\$ 56,603,652
Change in net position					
Governmental activities	\$ 3,622,450	\$ 13,535,843	\$ 935,802	(1,536,285)	(2,045,536)
Business-type activities	981,437	1,710,793	226,410	257,008	(996,520)
Total primary government	\$ 4,603,887	\$ 15,246,636	\$ 1,162,212	(1,279,277)	(2,045,536)

*County of Isle of Wight, Virginia**Fund Balances - Governmental Funds***Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
General Fund					
Non Spendable:					
Non Spendable	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000
Spendable:					
Committed	3,020,292	2,793,789	4,098,407	7,389,502	4,526,264
Restricted	274,093	402,083	3,377	246,699	-
Assigned	261,886	1,666,389	3,242,714	572,753	3,782,681
Unassigned	26,879,564	29,574,561	25,527,263	20,390,116	16,230,524
Total General Fund	\$ 30,810,835	\$ 34,811,822	\$ 33,246,761	\$ 28,974,070	\$ 24,914,469
All other Government funds					
Non Spendable:					
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Spendable:					
Restricted	17,938,338	43,581,563	34,112,464	2,785,370	4,843,666
Assigned	10,959,147	9,598,701	5,727,202	5,727,202	7,222,267
Unassigned	-	-	(58,334)	(58,334)	(176,175)
Total all other Government Funds	\$ 28,897,485	\$ 53,180,264	\$ 39,781,332	\$ 8,454,238	\$ 11,889,758

*County of Isle of Wight, Virginia**Fund Balances - Governmental Funds (Continued)*

Last Ten Fiscal Years					
	2018	2017	2016	2015	2014
General Fund					
Non Spendable:					
Non Spendable	\$ 866,742	\$ 920,645	\$ 935,898	\$ 992,540	\$ 1,045,272
Spendable:					
Committed	5,460,229	3,877,087	-	-	-
Restricted	22,259	61,568	22,170	22,126	22,081
Assigned	1,291,755	3,623,722	3,372,391	4,169,225	165,775
Unassigned	15,905,253	10,960,727	14,326,940	9,649,642	15,040,237
Total General Fund	\$ 23,546,238	\$ 19,443,749	\$ 18,657,399	\$ 14,833,533	\$ 16,273,365
All other Government funds					
Non Spendable:					
Non Spendable	\$ 4,855	-	\$ 3,246	\$ 2,349	\$ 40,381
Spendable:					
Restricted	10,096,400	17,738,141	5,445,121	7,149,866	13,712,571
Assigned	6,573,306	6,318,154	3,385,036	5,242,890	4,169,285
Unassigned	(49,728)	-	-	-	-
Total all other Government Funds	\$ 16,624,833	\$ 24,056,295	\$ 8,833,403	\$ 12,395,105	\$ 17,922,237

*County of Isle of Wight, Virginia**Changes in Fund Balance - Governmental Funds***Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Revenues					
General property taxes	\$ 59,266,647	\$ 61,954,999	\$ 60,444,185	\$ 57,026,717	\$ 56,651,372
Other local taxes	10,230,235	9,874,957	9,001,515	8,040,738	8,129,901
Permits, fees and licenses	1,234,665	1,182,627	1,327,849	949,001	1,434,187
Fines and forfeitures	94,481	90,024	110,659	137,069	135,492
Revenue from use of property	2,721,244	3,894	(107,982)	1,409,372	1,194,695
Charges for services	2,023,801	2,258,593	1,821,965	1,528,095	1,594,890
Miscellaneous	1,153,395	653,338	796,103	1,279,219	1,817,107
Recovered costs	872,060	1,045,087	823,900	339,468	826,946
Intergovernmental	14,598,423	20,630,883	16,696,141	16,132,845	13,085,216
Total revenues	92,194,951	97,694,402	90,914,335	86,842,524	84,869,806
Expenditures					
General governmental administration	5,261,741	4,852,099	4,357,667	4,343,637	4,151,387
Judicial administration	2,145,793	1,836,934	1,525,324	1,527,731	1,662,999
Public safety	18,109,707	15,072,047	14,267,943	12,945,665	13,257,506
General services	5,577,461	5,018,823	4,835,470	4,487,503	4,436,961
Health and welfare	5,752,118	5,167,162	7,276,078	4,653,343	3,911,948
Education	52,163,409	38,516,384	25,780,713	28,689,619	30,571,555
Parks, recreation and cultural	3,361,131	3,113,886	2,559,866	3,189,112	2,724,889
Community development	3,952,292	5,117,425	5,072,277	3,387,273	4,254,468
Nondepartmental	5,413,174	2,062,267	2,672,290	2,208,471	2,429,187
Capital outlay	3,615,054	2,485,903	5,215,782	5,605,813	6,327,168
Debt service					
Principal	8,319,840	7,936,822	7,481,155	7,416,448	7,229,617
Interest	4,439,897	4,327,087	3,518,292	4,480,486	4,637,072
Other fiscal charges	68,322	370,168	1,236,778	15,350	20,032
Total expenditures	118,179,939	95,877,007	85,799,635	82,950,451	85,614,789
Excess of revenues over (under) expenditures	(25,984,988)	1,817,395	5,114,700	3,892,073	(744,983)
Other financing sources (uses)					
Transfers in	5,980,286	17,112,300	8,054,724	3,803,626	4,389,327
Transfers out	(9,326,434)	(25,877,926)	(10,759,930)	(7,630,941)	(7,689,327)
Issuance of debt	525,000	17,890,000	67,775,839	471,623	678,149
Premium on bonds issued	-	1,889,277	3,704,269	-	-
Lease & SBITA liabilities issued	346,867	163,184			
Payments to escrow agent	-	-	(35,357,218)	-	-
Proceeds from sale of property	210,503	71,277	90,739	87,690	-
Total other financing sources (uses), net	(2,263,778)	11,248,112	33,508,423	(3,268,002)	(2,621,851)
Net change in fund balance	\$ (28,248,766)	\$ 13,065,507	\$ 38,623,123	\$ 624,071	\$ (3,366,834)

Debt service as a percentage of noncapital expenditures

Debt Service (principal + interest) \$	12,759,737	\$ 12,263,909	\$ 10,999,447	\$ 11,896,934	\$ 11,866,689
Total Expenditures \$	118,179,939	\$ 95,877,007	\$ 85,799,635	\$ 82,950,451	\$ 85,614,789
Capitalized expenditures (Exhibit A-4) \$	27,994,335	\$ 14,157,450	\$ 4,165,813	\$ 3,989,461	\$ 5,911,288
Noncapital expenditures \$	90,185,604	\$ 81,719,557	\$ 81,633,822	\$ 78,960,990	\$ 79,703,501
	14.15%	15.01%	13.47%	15.07%	14.89%

(Continued)

*County of Isle of Wight, Virginia**Changes in Fund Balance - Governmental Funds (Continued)***Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Revenues					
General property taxes	\$ 57,574,975	\$ 49,835,086	\$ 51,334,720	\$ 49,173,371	\$ 43,628,917
Other local taxes	7,928,102	8,580,982	7,284,843	6,842,828	6,840,236
Permits, fees and licenses	952,303	2,141,092	928,634	1,121,174	635,888
Fines and forfeitures	169,606	151,318	139,822	153,929	118,609
Revenue from use of property	786,748	99,580	920,139	438,475	366,712
Charges for services	1,889,881	2,887,413	1,651,746	1,264,429	1,578,846
Miscellaneous	1,150,233	787,010	1,589,453	2,265,305	1,321,386
Recovered costs	646,819	396,686	-	-	9,327,462
Intergovernmental	11,784,620	11,344,133	13,144,754	12,297,700	2,070,994
Total revenues	82,883,287	76,223,300	76,994,111	73,557,211	65,889,050
Expenditures					
General governmental administration	4,443,690	4,376,415	6,196,320	5,118,338	5,301,989
Judicial administration	1,582,629	1,542,881	1,373,968	1,389,675	1,334,756
Public safety	12,531,228	12,618,898	12,687,614	10,840,494	10,425,432
General services	5,201,835	4,585,899	5,334,386	4,958,423	5,747,203
Health and welfare	4,164,743	3,888,786	3,783,847	3,878,728	4,244,521
Education	31,767,458	26,116,112	25,672,090	23,161,494	23,126,262
Parks, recreation and cultural	2,873,147	2,838,301	2,752,043	2,675,524	2,885,662
Community development	2,910,174	2,880,539	3,456,762	3,117,464	2,773,473
Nondepartmental	1,846,733	1,676,722	-	-	-
Capital projects	6,471,210	3,468,132	6,750,976	13,264,484	18,432,571
Debt service					
Principal	4,639,186	3,006,700	3,100,940	2,845,721	2,401,952
Interest	8,623,961	4,468,592	4,329,537	5,014,093	5,195,448
Other fiscal charges	737,635	178,618	-	-	-
Total expenditures	87,793,629	71,646,595	75,438,483	76,264,438	81,869,269
Excess of revenues over (under) expenditures	(4,910,342)	4,576,705	1,555,628	(2,707,227)	(15,980,219)
Other financing sources (uses)					
Transfers in	4,449,036	9,953,287	8,626,309	12,719,784	1,763,908
Transfers out	(8,240,056)	(14,719,615)	(10,191,988)	(18,674,744)	(4,077,174)
Proceeds from borrowing	27,636,789	16,198,865	220,514	44,871,848	6,011,099
Premium on bonds issued	4,345,538	-	-	-	-
Payments to escrow agent	(26,610,438)	-	-	(43,476,292)	80,000
Proceeds from sale of property	500	-	51,701	299,667	-
Total other financing sources (uses), net	1,581,369	11,432,537	(1,293,464)	(4,259,737)	3,777,833
Net change in fund balance	\$ (3,328,973)	\$ 16,009,242	\$ 262,164	\$ (6,966,964)	\$ (12,202,386)
Debt service as a percentage of noncapital expenditures	16%	11%	12%	12%	12%

County of Isle of Wight, Virginia***Assessed Value and Estimated Actual Value of Taxable Property*****Last Ten Fiscal Years**

Fiscal Year	Residential Property	Commercial / Industrial Property	Agriculture Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2023	\$ 3,996,153,967	\$ 727,308,587	\$ 564,403,264	\$ 5,287,865,818	\$ 0.85	\$ 5,287,865,818	100%
2022	3,915,986,199	723,666,564	568,995,323	5,208,648,086	0.85	5,208,648,086	100%
2021	3,744,185,800	730,617,000	570,617,600	5,045,420,400	0.85	5,045,420,400	100%
2020	3,708,392,489	728,539,351	570,242,440	5,007,174,280	0.85	5,007,174,280	100%
2019	3,504,978,448	719,485,846	546,574,725	4,771,039,019	0.85	4,771,039,019	100%
2018	3,451,012,097	719,464,081	549,075,515	4,719,551,693	0.85	4,719,551,693	100%
2017	3,400,486,756	694,930,358	551,118,971	4,646,536,085	0.85	4,646,536,085	100%
2016	3,349,194,640	679,547,808	550,272,662	4,579,015,110	0.85	4,579,015,110	100%
2015	3,285,777,463	671,045,521	240,480,302	4,197,303,286	0.85	4,197,303,286	100%
2014	3,239,296,300	665,825,700	242,072,000	4,147,194,000	0.73	4,147,194,000	100%

(1) Does not reflect land use assessments.

Source: Isle of Wight County Commissioner of Revenue

*County of Isle of Wight, Virginia**Assessed Value of Taxable Property (4)***Last Ten Fiscal Years**

Fiscal Year	Real Estate (1)	Personal Property	Mobile Homes	Machinery and Tools	Public Service (2)(3)	Total
2023	\$ 5,287,865,818	\$ 577,674,760	\$ 19,999,783	\$ 293,523,367	\$ 181,353,952	\$ 6,360,417,680
2022	5,208,648,086	433,946,217	19,799,897	290,910,535	181,354,060	6,134,658,795
2021	5,045,420,400	370,239,897	18,672,993	272,122,060	193,238,893	5,899,694,243
2020	5,007,174,280	373,806,289	17,748,716	284,499,403	172,053,175	5,855,281,863
2019	4,771,039,019	352,995,485	19,705,871	296,492,660	164,825,059	5,605,058,094
2018	4,719,551,693	341,308,665	18,667,107	253,695,910	177,064,299	5,510,287,674
2017	4,646,536,085	334,433,134	18,250,173	246,170,869	171,357,723	5,416,747,984
2016	4,579,015,110	379,231,914	17,585,358	587,545,879	152,225,378	5,715,603,639
2015	4,197,303,286	380,073,520	20,267,854	578,929,789	145,270,583	5,321,845,032
2014	4,147,194,000	376,396,647	19,875,446	503,480,949	142,459,577	5,189,406,619

(1) The assessed values listed are net of supplement and abatement activity.

(2) Real Estate was assessed at 100% of use value through fiscal year 2016 and has since been assessed at 100% of fair market value.

(3) In fiscal year 2017, the County began assessing machinery and tools at 40% of original cost.

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

(5) Real estate and personal property.

*County of Isle of Wight, Virginia**Property Tax Rates**Tax Rates Per Hundred Dollars of Assessed Valuation***Last Ten Fiscal Years**

Fiscal Year	Real Estate		Personal Property		Mobile Homes		Machinery and Tools		Boats and Aircraft / Farm Machinery
2023	\$	0.85	\$	3.90	\$	0.85	\$	1.75	1.00/1.00
2022		0.85		4.50		0.85		1.75	1.00/1.00
2021		0.85		4.50		0.85		1.75	1.00/1.00
2020		0.85		4.50		0.85		1.75	1.00/1.00
2019		0.85		4.50		0.85		1.75	1.00/1.00
2018		0.85		4.50		0.85		1.75	1.00/1.00
2017		0.85		4.50		0.85		4.24	1.00/1.00
2016		0.85		4.50		0.85		0.70	1.00/1.00
2015		0.85		4.50		0.85		0.70	1.00/1.00
2014		0.73		4.50		0.73		0.70	1.00/1.00

*County of Isle of Wight, Virginia**Principal Property Taxpayers***Current Year and Nine Years Ago**

REAL ESTATE	2023			2014		
	Assessed Valuation Real Estate	Rank	Percent of Total Assessed Valuation Real Estate	Assessed Valuation Real Estate	Rank	Percent of Total Assessed Valuation Real Estate
Taxpayer						
International Paper	\$ 91,363,800	1	1.73%	\$ 109,368,400	1	2.64%
Vereit Real Estate LP	71,821,800	2	1.36%			
Smithfield Farmland Corp	29,296,300	3	0.55%			
Smithfield Foods Inc	16,106,700	8	0.30%	41,843,900	3	1.01%
Eagle Harbor Apartments, LP	26,000,000	5	0.49%	25,600,000	5	0.62%
Eagle Harbor West LLC	27,000,000	4	0.51%	13,646,300	9	0.33%
Green Mountain Coffee Roasters	19,611,300	6	0.37%			
Eagle Harbor Apartments II, LP	17,000,000	7	0.32%			
LDI Virginia LLC	15,152,400	9	0.29%	14,417,900	7	0.35%
Sentara Healthcare	14,786,800	10	0.28%	14,669,700	6	0.35%
Inland RI Holdings LLC etals	-	-	-%	41,871,600	2	1.01%
Gwaltney of Smithfield, Ltd.	-	-	-%	30,293,000	4	0.73%
Cypress Creek Dev. Co. LLC	-	-	-%	14,106,100	8	0.34%
Eagle Harbor Apartments II, LP	-	-	-%	13,015,000	10	0.31%
	\$ 328,139,100		6.20%	\$ 318,831,900		7.69%

PERSONAL PROPERTY

PERSONAL PROPERTY	2023			2014		
	Assessed Valuation Personal Property	Rank	Percent of Total Assessed Valuation Personal Property (1)	Assessed Valuation Personal Property	Rank	Percent of Total Assessed Valuation Personal Property (1)
Taxpayer						
International Paper	\$ 153,438,213	1	17.22%	\$ 334,829,154	1	32.13%
Gwaltney of Smithfield Ltd.	53,935,697	2	6.05%	95,584,475	2	9.17%
Keurig Green Mountain Inc	38,195,460	3	4.29%	61,085,927	3	5.86%
ST Tissue LLC	24,782,074	4	2.78%			
Franklin Lumber LLC	7,444,540	5	0.84%			
Cost Plus Inc.	7,335,452	6	0.82%	7,317,150	4	0.70%
Charter Communications/Spectrum SE LLC	2,093,965	7	0.23%	1,479,339	7	0.14%
Food Lion	1,873,004	8	0.21%	2,565,199	6	0.25%
C R England Inc	1,693,969	9	0.19%	2,455,906	8	0.24%
Lasalle Solutions	1,447,994	10	0.16%			
Premium Pet Health LLC	-	-	-%	3,328,317	5	0.32%
NMHG Financial Services Inc	-	-	-%	2,438,519	9	0.23%
Bay Sand	-	-	-%	2,067,585	10	0.20%
	\$ 292,240,368		32.79%	\$ 513,151,571		41.72%

(1) Includes personal property, mobile homes, and machinery and tools.

*County of Isle of Wight, Virginia**Property Tax Levies and Collections***Last Ten Fiscal Years**

Fiscal Year	Total (3) Tax Levy	Current Tax (1) Collections	Percent of Levy Collected	Delinquent (1)(2) Tax Collections	(4) Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2023	\$ 64,565,682	\$ 62,471,657	96.76%	\$ 2,094,025	\$ 61,931,125	95.92%	\$ 1,553,493	2.41%
2022	62,270,638	60,969,798	97.91%	1,300,840	60,338,443	96.90%	669,485	1.08%
2021	57,763,407	56,636,803	98.05%	1,126,604	56,957,224	98.60%	1,447,025	2.51%
2020	56,672,054	54,408,488	96.01%	2,263,566	55,311,373	97.60%	3,166,451	5.59%
2019	53,193,829	52,007,865	97.77%	1,185,964	52,681,154	99.04%	1,859,253	3.50%
2018	57,775,634	56,573,858	97.92%	1,201,776	56,788,549	98.29%	1,416,467	2.45%
2017	52,429,271	51,212,340	97.68%	1,216,931	53,469,984	101.98%	3,474,575	6.63%
2016	51,099,354	49,979,110	97.81%	1,120,244	51,099,354	100.00%	2,240,488	4.38%
2015	50,406,860	48,910,585	97.03%	1,496,275	50,406,859	100.00%	2,992,549	5.94%
2014	44,218,554	42,859,922	96.93%	1,358,632	44,043,677	99.60%	2,542,387	5.75%

(1) Collections include amount reimbursed by the State for Personal Property Tax under the Personal Property Tax Relief Act (PPTRA) of 1998.

(2) Does not include land redemptions.

(3) Represents fully supplemented and abated tax levy amounts.

(4) Represents total taxes collected in fiscal year for all tax years.

*County of Isle of Wight, Virginia**Taxable Sales by Category***Last Ten Years**

	2023	2022	2021	2020	2019
Apparel stores	\$ 4,357,404	\$ 2,031,198	\$ 2,283,686	\$ 3,153,733	\$ 2,796,422
General merchandise	21,201,907	20,401,798	19,503,277	18,148,931	18,426,147
Food stores	112,677,895	104,886,854	98,742,509	82,746,947	75,489,663
Eating and drinking establishments	48,556,571	45,543,766	37,892,254	36,625,313	34,531,724
Home furnishings and appliances	904,784	1,006,148	733,210	740,770	984,728
Building materials and farm tools	13,150,894	12,469,891	10,810,423	7,938,465	7,929,969
Auto dealers and supplies	5,186,635	5,715,223	4,359,135	4,391,501	4,652,629
Service stations	14,954,058	14,913,503	12,708,001	12,876,461	12,306,750
Other retail stores	8,107,158	6,687,611	4,906,103	4,090,605	4,527,901
All other outlets	89,445,229	79,940,378	71,284,349	64,573,472	78,248,666
	<u>\$ 318,542,535</u>	<u>\$ 293,596,370</u>	<u>\$ 263,222,947</u>	<u>\$ 235,286,198</u>	<u>\$ 239,894,599</u>

(Continued)

Source: Isle of Wight County Commissioner of Revenue

*County of Isle of Wight, Virginia**Taxable Sales by Category (Continued)***Last Ten Years**

	2018	2017	2016	2015	2014
Apparel stores	\$ 2,945,495	\$ 3,112,767	\$ 3,138,661	\$ 3,155,626	\$ 3,390,204
General merchandise	18,471,979	17,055,174	17,052,902	15,058,574	16,305,494
Food stores	75,929,226	75,469,177	74,278,038	70,333,859	67,184,591
Eating and drinking establishments	32,415,274	30,001,191	30,638,029	28,003,995	27,356,817
Home furnishings and appliances	1,149,106	1,655,721	3,673,785	1,970,161	1,506,054
Building materials and farm tools	7,623,262	7,733,809	8,087,111	7,607,946	9,266,806
Auto dealers and supplies	4,127,154	4,262,699	3,734,038	3,699,950	3,891,078
Service stations	10,231,430	10,116,257	8,297,669	8,750,178	9,937,560
Other retail stores	7,707,369	7,444,040	8,318,528	8,155,461	6,725,858
All other outlets	76,326,354	67,585,166	63,207,520	66,100,640	56,617,257
	<u>\$ 236,926,649</u>	<u>\$ 224,436,001</u>	<u>\$ 220,426,281</u>	<u>\$ 212,836,390</u>	<u>\$ 202,181,719</u>

*County of Isle of Wight, Virginia**Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita***Last Ten Fiscal Years**

Fiscal Year	Population	Assessed Value	(1) Gross Bonded Debt	(2) Less Debt Payable from Enterprise Revenues	Net Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	(3) Percentage of Per Capita Income	Net Bonded Debt Per Capita
2023	40,151	\$ 5,287,865,818	\$ 171,577,059	\$ 34,128,376	\$ 137,448,683	2.60%	8.1%	\$ 3,423
2022	38,606	5,208,648,086	181,072,116	35,516,372	145,555,744	2.79%	9.7%	\$ 3,770
2021	37,109	5,045,420,400	171,249,638	36,615,945	134,633,693	2.67%	9.8%	3,628
2020	37,649	5,007,174,280	139,900,880	35,715,310	104,185,570	2.08%	7.8%	2,767
2019	38,386	4,771,039,019	148,330,252	36,519,191	111,811,061	2.34%	8.1%	2,913
2018	38,020	4,719,551,693	156,544,148	37,310,496	119,233,652	2.53%	9.2%	3,136
2017	37,074	4,646,536,085	157,839,769	37,986,086	119,853,683	2.58%	10.0%	3,233
2016	36,438	4,579,015,110	145,898,692	38,534,357	107,364,335	2.34%	9.4%	2,946
2015	36,007	4,197,303,286	150,247,147	39,148,981	111,098,166	2.65%	10.0%	3,085
2014	35,656	4,147,194,000	146,569,755	37,393,972	109,175,783	2.63%	9.9%	3,062

(1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.

(2) Prior year amounts were restated to include bond premium.

(3) See Exhibit C-14 for per capita income.

*County of Isle of Wight, Virginia**Schedule of Outstanding Debt by Type***Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				
	General Obligation Bonds	PACE Loans	Direct Borrowings	Lease Liabilities	SBITA Liabilities
2023	\$ 137,448,683	\$ 4,326,512	\$ 1,759,831	\$ 483,783	\$ 182,304
2022	145,555,744	4,326,512	1,905,283	473,804	-
2021	134,633,693	4,326,512	1,426,252	-	-
2020	104,185,570	4,326,512	1,234,124	-	-
2019	111,811,061	4,326,512	1,154,305	-	-
2018	119,233,652	4,326,512	872,070	-	-
2017	119,853,683	4,326,512	834,485	-	-
2016	107,364,335	4,326,512	766,113	-	-
2015	111,098,166	4,326,512	722,822	-	-
2014	109,175,783	4,326,512	-	-	-

Fiscal Year	Business Type Activities				
	General Obligation Bonds	Notes Payable	Direct Borrowing	Lease Liabilities	SBITA Liabilities
2023	\$ 34,128,376	\$ -	\$ 129,891	\$ 29,353	\$ 67,122
2022	35,516,372	-	181,247	7,811	-
2021	36,615,945	-	133,789	-	-
2020	35,715,310	-	129,246	-	-
2019	36,519,191	-	53,368	-	-
2018	37,310,496	-	77,956	-	-
2017	37,986,086	-	28,763	-	-
2016	38,534,357	12,000	39,916	-	-
2015	39,148,981	24,000	50,903	-	-
2014	37,393,972	36,000	-	-	-

Fiscal Year	Total Primary Government	Percentage Personal Income	Net Bonded Debt Per Capita
2023	\$ 178,555,855	11.72%	4,576
2022	187,966,773	12.34%	4,817
2021	177,136,191	13.31%	4,705
2020	145,590,762	10.94%	3,867
2019	153,864,437	11.16%	4,008
2018	161,820,686	12.47%	4,256
2017	163,029,529	13.61%	4,397
2016	151,043,233	13.27%	4,145
2015	155,371,384	13.96%	4,315
2014	150,932,267	13.74%	4,233

- (1) Includes all long-term general obligation debt. Prior year amounts were restated to include bond premium, discount, and adjustments.
- (2) See Exhibit C-14 for per capita income.

*County of Isle of Wight, Virginia**Legal Debt Margin***Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Total assessed valuation of real estate from land book	\$ 5,287,865,818	\$ 5,208,648,086	\$ 5,045,420,400	\$ 5,007,174,280	\$ 4,771,039,019
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	528,786,582	520,864,809	504,542,040	500,717,428	477,103,902
Total debt of the County	161,591,706	170,544,553	162,085,328	130,644,576	138,037,818
Total debt of the Town of Smithfield	5,220,736	6,017,455	6,855,711	5,666,352	6,710,634
Total debt of the Town of Windsor	934,823	992,001	1,058,724	1,195,942	1,173,269
Total	167,747,265	177,554,009	169,999,763	137,506,870	145,921,721
Amount by which legal debt margin exceeds total debt	\$ 361,039,317	\$ 343,310,800	\$ 334,542,277	\$ 363,210,558	\$ 331,182,181

(Continued)

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

*County of Isle of Wight, Virginia**Legal Debt Margin (Continued)***Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Total assessed valuation of real estate from land book	\$ 4,719,551,693	\$ 4,646,536,085	\$ 4,579,015,110	\$ 4,197,303,286	\$ 4,147,194,000
Percent limitation based on the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	471,955,169	464,653,609	457,901,511	419,730,329	414,719,400
Total debt of the County	145,215,577	151,024,995	138,290,000	141,575,000	139,880,000
Total debt of the Town of Smithfield	7,877,421	6,507,832	3,970,025	4,548,745	4,494,595
Total debt of the Town of Windsor	1,228,217	1,281,529	1,422,869	1,484,849	1,846,719
Total	154,321,215	158,814,356	143,682,894	147,608,594	146,221,314
Amount by which legal debt margin exceeds total debt	\$ 317,633,954	\$ 305,839,253	\$ 314,218,617	\$ 272,121,735	\$ 268,498,086

Under state finance laws, the County of Isle of Wight's outstanding general obligation debt should not exceed 10% of total assessed value.

*County of Isle of Wight, Virginia**Demographic Statistics***Last Ten Fiscal Years**

Fiscal Year	(1) Population		(1) Per Capita Income		Registered Voters	(2) Unemployment Rate
2023	40,151	(4)	\$ 42,122	(4)	31,013	2.8%
2022	38,606	(4)	39,024	(4)	29,739	3.1%
2021	37,109	(4)	37,126	(4)	30,218	4.0%
2020	37,649	(4)	35,344	(4)	28,559	6.3%
2019	38,386	(4)	35,920	(4)	28,248	2.9%
2018	38,020	(4)	34,139	(4)	28,200	3.2%
2017	37,074	(4)	32,477	(4)	27,718	3.7%
2016	36,438	(4)	31,247	(4)	26,555	4.6%
2015	36,007	(4)	30,903	(4)	26,176	5.2%
2014	35,656	(4)	30,806	(4)	26,685	5.5%

Source:

(1) Weldon-Cooper Center for Public Service, UVA. (Census Information Only)

(2) Virginia Employment Commission.

(3) Estimated assuming a 3% growth rate from the prior year.

(4) 2020 Census Data

(5) Va. State Board of Elections

*County of Isle of Wight, Virginia**Full-time Equivalent County Government Employees by Function/Program***Last Ten Fiscal Years**

Function/Program	2023	2022	2021	2020	2019
General government					
Board of Supervisors	1.0	1.0	1.0	0.5	0.5
County Administration	2.5	2.5	2.5	2.5	2.5
County Attorney	1.5	1.5	1.5	2.0	2.0
Commissioner of Revenue	11.0	11.0	10.5	10.5	10.5
Treasurer	10.0	9.0	10.0	9.5	10.0
Budget and Finance	7.0	7.0	7.0	8.0	7.0
Purchasing	2.0	2.0	2.0	1.0	1.0
Human Resources	4.0	3.0	3.0	2.5	2.0
Communications	2.0	1.5	1.5	1.5	1.5
Economic Development	4.0	4.0	4.0	4.0	4.0
Registrar	2.0	2.0	3.5	3.0	3.0
Inspections	8.0	8.0	8.0	5.0	5.0
Information Technology	9.0	8.0	8.0	7.0	7.5
Risk Management	2.0	2.0	2.0	2.0	2.0
Planning and Zoning	9.0	8.0	9.0	11.0	11.0
Health & Welfare	40.0	38.0	39.0	39.0	2.0
Tourism	4.0	4.0	4.0	4.0	4.0
Farmers Market	-	-	-	-	0.5
Circuit Court	1.0	1.0	1.0	1.0	-
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	8.0	8.0	8.0	8.0
Total general government	135.0	128.5	132.5	129.0	91.0
Public Safety					
Sheriff Deputies (including Sheriff)	58.3	55.5	53.5	52.0	52.5
Administrative	4.0	4.0	4.0	4.0	4.0
Animal Control	7.0	7.0	7.5	7.0	6.5
Emergency Communications	21.8	21.8	18.0	18.0	16.5
Total Public Safety	91.0	88.3	83.0	81.0	79.5
Fire and Rescue					
Administrative	5.0	5.0	5.0	5.0	5.0
Firefighters/Paramedics	51.0	46.0	51.5	51.0	48.5
Total Fire and Rescue	56.0	51.0	56.5	56.0	53.5
General Services					
Administrative	3.9	3.9	3.9	3.9	3.9
Engineering	3.0	2.0	2.0	2.0	2.0
Stormwater	8.3	8.3	9.2	8.2	8.2
Refuse collection	10.0	10.0	36.0	25.0	23.0
Building and Grounds	10.0	10.0	10.0	10.0	8.0
Custodians	9.5	9.5	8.5	9.0	9.0
Total Public Works	44.7	43.7	69.6	58.1	54.1
Parks, Recreation and Cultural	22.0	21.0	21.0	21.0	26.0
Public Utilities	22.8	21.8	20.0	20.0	18.0
Public Schools					
Instructional Positions	450.0	447.0	434.0	420.0	412.0
Administrators	79.0	76.0	74.0	74.0	80.0
Support Personnel	250.0	266.0	236.0	234.0	267.0
Total Public Schools	779.0	789.0	744.0	728.0	759.0
Grand total	1,150.5	1,143.3	1,126.6	1,093.1	1,081.1

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools
Grand Totals 2011-2014 updated

*County of Isle of Wight, Virginia**Full-time Equivalent County Government Employees by Function/Program (Continued)***Last Ten Fiscal Years**

Function/Program	2018	2017	2016	2015	2014
General government					
Board of Supervisors	0.50	0.50	0.50	0.50	-
County Administration	2.5	2.5	3.5	3.0	4.0
County Attorney	2.0	2.0	2.0	2.0	2.0
Commissioner of Revenue	10.5	9.5	10.5	10.5	10.5
Treasurer	11.0	10.0	10.0	9.50	9.50
Budget and Finance	7.0	7.0	6.0	5.0	6.0
Purchasing	1.0	1.0	1.00	1.50	-
Human Resources	2.0	2.0	2.0	2.0	2.0
Communications	1.5	1.0	2.0	2.0	2.0
Economic Development	4.0	3.0	4.0	5.0	5.0
Registrar	3.5	3.0	3.50	3.50	3.50
Inspections	5.0	5.0	5.0	5.0	7.0
Information Technology	7.5	7.5	7.0	7.0	7.0
Risk Management	1.0	1.0	1.0	1.0	-
Planning and Zoning	11.0	10.0	10.0	10.0	9.0
Health & Welfare	2.00	1.50	1.50	1.50	1.50
Tourism	4.50	3.50	3.50	3.50	3.50
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	8.0	6.0	6.0	6.0	6.0
Total general government	91.50	83.00	86.00	85.50	85.50
Public Safety					
Sheriff Deputies (including Sheriff)	52.5	49.0	48.5	47.50	46.5
Administrative	4.0	4.0	5.0	5.0	4.5
Animal Control	5.0	6.0	5.5	5.50	5.5
Emergency Communications	18.5	19.5	19.5	19.50	22.0
Total Public Safety	80.00	78.50	78.50	77.50	78.50
Fire and Rescue					
Administrative	5.0	5.5	5.0	5.0	6.0
Firefighters/Paramedics	43.5	47.0	58.5	54.50	60.0
Total Fire and Rescue	48.50	52.50	63.50	59.50	66.00
General Services					
Administrative	3.9	4.0	3.50	3.50	5.0
Engineering	2.00	1.50	1.90	1.90	6.0
Stormwater	7.2	9.0	10.4	10.4	4.0
Refuse collection	23.5	19.0	21.0	20.5	23.5
Building and Grounds	8.0	6.0	8.0	8.0	7.0
Custodians	8	-	-	-	6.50
Total Public Works	52.60	39.50	44.80	44.30	52.00
Parks, Recreation and Cultural	27.0	25.0	20.0	21.0	20.5
Public Utilities	12.0	14.6	16.2	15.2	13.0
Public Schools					
Instructional Positions	365.0	398.0	533.0	402.0	477.0
Administrators	58.0	60.0	19.0	45.5	47.0
Support Personnel	241.0	254.0	142.0	248.0	177.1
Total Public Schools	664.00	712.00	694.00	695.50	701.10
Grand total	975.60	1,005.10	1,003.00	998.50	1,016.60

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools
Grand Totals 2011-2014 updated

*County of Isle of Wight, Virginia**Operating Indicators by Function/Program***Last Ten Fiscal Years**

Function/Program	2023	2022	2021	2020	2019
Sheriff					
Physical arrests	1,296	1,159	746	1,421	1,432
Traffic violations	2,309	1,614	1,988	3,252	2,487
Fire					
Emergency responses - Fire	835	989	914	922	737
Emergency responses - Rescue	5,636	5,493	5,284	4,804	4,756
Building Permits					
Residential	210	360	300	200	195
Residential - Value	\$ 52,013,980	\$ 141,181,562	\$ 68,130,237	\$ 42,297,744	\$ 36,267,481
Commercial	11	22	11	8	9
Commercial - Value	\$ 5,128,373	\$ 4,866,579	\$ 1,617,010	\$ 1,354,702	\$ 3,833,333
Refuse Collection					
Refuse collected (tons per day)	62	62	88	61	59
Public Schools					
Cost Per Student	\$ 14,147	\$ 12,971	\$ 11,049	\$ 10,518	\$ 11,640
Average Daily Membership	5,460	5,570	5,392	5,591	5,375
Student/Teacher Ratio	12.99	11.16	12.70	13.19	13.05
Park and Recreation					
Athletic field permits issued	119	102	21	12	27
County Fair Admissions	32,455	32,737	-	35,170	-
Library					
Volumes in collection - physical	75,084	73,985	135,050	69,133	67,172
Volumes in collection - digital	1,480,995	1,530,401	1,150,462	1,391,873	167,991
Total volumes borrowed	174,279	290,346	273,681	154,196	198,182
Water					
New connections	45	71	131	116	96
Average daily consumption (thousands of gallons)	0.31	0.32	0.32	0.35	0.33

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

Note:

County Fair was canceled in fiscal year 2019 due to a hurricane.

County Fair was canceled in fiscal year 2021 due to the COVID pandemic.

*County of Isle of Wight, Virginia**Operating Indicators by Function/Program (Continued)***Last Ten Fiscal Years**

Function/Program	2018	2017	2016	2015	2014
Sheriff					
Physical arrests	1,056	853	842	470	814
Traffic violations	3,037	3,427	3,280	2,582	2,274
Fire					
Emergency responses - Fire	1,108	1,031	793	1,728	1,334
Emergency responses - Rescue	4,598	4,450	4,493	4,323	4,149
Building Permits					
Residential	156	171	158	130	126
Residential - Value	\$ 32,555,058	\$ 32,108,219	\$ 32,638,877	\$ 28,774,421	\$ 29,193,361
Commercial	14	15	8	9	5
Commercial - Value	\$ 3,744,477	\$ 2,361,121	\$ 2,616,297	\$ 1,803,859	\$ 3,010,200
Refuse Collection					
Refuse collected (tons per day)	64	59	29	28	31.0
Public Schools					
Cost Per Student	\$ 10,598	\$ 11,288	\$ 10,341	\$ 9,922	\$ 10,113
Average Daily Membership	5,338	5,263	5,441	5,233	5,325
Student/Teacher Ratio	14.6	16.1	14.0	14.1	17.2
Park and Recreation					
Athletic field permits issued	26	11	24	30	32
County Fair Admissions	28,831	30,168	25,000	29,337	25,160
Library					
Volumes in collection - physical	67,281	68,638	69,454	73,430	184,288
Volumes in collection - digital	137,708	89,591	79,821	66,716	36,019
Total volumes borrowed	163,688	200,768	191,128	187,594	417,529
Water					
New connections	80	102	92	52	58
Average daily consumption (thousands of gallons)	0.32	0.35	0.33	0.65	0.58

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

*County of Isle of Wight, Virginia**Capital Asset Statistics by Function/Program***Last Ten Fiscal Years**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	30	33	30	30	30	30	30	48
Fire and Rescue										
Fire Units	5	5	5	5	5	5	5	5	5	5
Rescue Units	2	2	2	2	2	2	2	2	4	4
Refuse Collection										
Collection trucks	5	5	5	5	5	5	5	6	6	6
Public Schools										
School Facilities	9	9	9	9	9	9	9	9	9	9
Park and Recreation										
Parks	7	11	11	11	11	10	7	7	7	7
Acreage	3,006	3,077	3,077	3,077	3,077	569	570	570	570	570
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	15	15	15	15	15	9	12	12	12	12
Community centers	4	4	4	4	4	3	2	2	2	2
Museums	3	3	3	3	3	3	2	2	2	2
Library Facilities	3	3	3	3	3	3	3	3	3	3

Source: Various County of Isle of Wight Departments, including Isle of Wight County Schools for information relates to Public Schools

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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

**To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Isle of Wight, Virginia as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County of Isle of Wight, Virginia's basic financial statements, and have issued our report thereon dated January 2, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Isle of Wight, 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 Isle of Wight, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Isle of Wight, 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 or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and questioned costs as 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Isle of Wight, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-002.

County of Isle of Wight, Virginia's Response to Findings

Government Auditing Standards required the auditor to perform limited procedures on County of Isle of Wight, Virginia's response to the findings identified in our audit as described in the accompanying schedule of findings and questioned costs. County of Isle of Wight, Virginia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and 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, Farnum, Cox Associates
Richmond, Virginia
January 2, 2024



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

**To the Honorable Members of the Board of Supervisors
County of Isle of Wight
Isle of Wight, Virginia**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited County of Isle of Wight, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Isle of Wight, Virginia's major federal programs for the year ended June 30, 2023. County of Isle of Wight, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Isle of Wight, 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, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of County of Isle of Wight, Virginia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of County of Isle of Wight, Virginia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to County of Isle of Wight, Virginia's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on County of Isle of Wight, Virginia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about County of Isle of Wight, Virginia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County of Isle of Wight, Virginia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County of Isle of Wight, Virginia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County of Isle of Wight, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farnum, Cox Associates

Richmond, Virginia
January 2, 2024

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF JUSTICE:			
<u>Direct payments:</u>			
Drug Court Discretionary Grant Program	16.585	n/a	\$ 85,411
<u>Pass through payments:</u>			
Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	39001-10220	67,921
Violence Against Women Formula Grants	16.588	20-X9425VA19/21-Y9425VA20	19,886
Total Department of Justice			\$ 173,218
DEPARTMENT OF TREASURY:			
<u>Pass through payments:</u>			
Department of Accounts:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	\$ 1,621,368
Total Department of Treasury			\$ 1,621,368
DEPARTMENT OF TRANSPORTATION:			
<u>Pass through payments:</u>			
Virginia Department of Transportation:			
Highway Planning and Construction Cluster:			
Highway Planning and Construction	20.205	115,P101,R201,C501	\$ 203,732
Alcohol Open Container Requirements	20.607	Unknown	12,520
Total Department of Transportation			\$ 216,252
DEPARTMENT OF HOMELAND SECURITY:			
<u>Pass through payments:</u>			
Virginia Department of Emergency Services:			
Emergency Management Performance Grants	97.042	EMP-2017-EP-00006	\$ 7,352
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown	51,926
Total Department of Homeland Security			\$ 59,278
DEPARTMENT OF AGRICULTURE:			
<u>Pass through payments:</u>			
Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0040122/0040123	\$ 617,950
Department of Agriculture:			
COVID-19 - Pandemic EBT Administrative Costs	10.649	17901-86556	3,135
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	202020N85034 1	\$ 7,592
Food distribution - National School Lunch Program	10.559	Unknown	761
Total AL# 10.559			\$ 8,353
Food distribution - National School Lunch Program	10.555	Unknown	\$ 202,250
Department of Education:			
National School Lunch Program	10.555	406230	1,371,298
Total AL# 10.555			\$ 1,573,548
School Breakfast Program	10.553	405910	\$ 406,701
Total Child Nutrition Cluster			\$ 1,988,602
Total Department of Agriculture			\$ 2,609,687
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<u>Pass through payments:</u>			
Virginia Department of Social Services:			
Title VI-E Prevention Program	93.472	1140122/1140123	\$ 5,141
Guardianship Assistance	93.090	1110122/1110123	6,102
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950122/0950123	6,260
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500122/0500123	1,057
Low Income Home Energy Assistance	93.568	0600422/0600423	55,310
Adoption and Legal Guardianship Incentive Payments	93.603	1130122/1130123	634
Stephanie Tubbs Jones Child Welfare Service Program	93.645	0900122/0900123	493
Foster Care Title IV - E	93.658	1100122/1100123	234,470
Adoption Assistance	93.659	1120122/112023	100,329
Social Services Block Grant	93.667	1000122/1000123	332,090
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150122/9150123	2,285
Children's Health Insurance Program	93.767	0540122/0540123	2,644
Medicaid Cluster:			
Medical Assistance Program	93.778	1200122/1200123	316,915
Temporary Assistance for Needy Families	93.558	0400122/0400123	271,430
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000222/8000223	6,118
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760122/0760123	61,201
Virginia Department of Education:			
Public Health Crisis Response Awards	93.354	402970	166,828
Total Department of Health and Human Services			\$ 1,569,307

COUNTY OF ISLE OF WIGHT, VIRGINIA

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
<u>Direct payments:</u>			
Grants in Hawaii	14.228	n/a	\$ 6,777
Total Department of Housing and Urban Development			\$ 6,777
DEPARTMENT OF EDUCATION:			
<u>Direct payments:</u>			
Adult Education - Basic Grants to States	84.002	n/a	\$ 28,994
Impact Aid	84.041	n/a	81,814
<u>Pass through payments:</u>			
Virginia Department of Education:			
Title I Grants to Local Educational Agencies	84.010	429010	1,259,952
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	430710, 402870	\$ 1,137,996
Special Education - Preschool grants	84.173	625210	17,860
Total Special Education Cluster (IDEA):			1,155,856
Career and Technical Education - Basic Grants to States	84.048	600310	37,513
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	614800	173,103
Student Support and Academic Enrichment Program	84.424	602810	50,545
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	700370	\$ 4,081
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	501950	172,369
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	501830, 501930	1,600,793
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	Unknown	5,076
Total AL# 84.425			1,782,319
English Language Acquisition State Grants	84.365	605120	9,916
Total Department of Education			\$ 4,580,012
DEPARTMENT OF DEFENSE:			
<u>Direct payments:</u>			
ROTC Language and Culture Training Grants	12.357	n/a	\$ 80,800
Total Department of Defense			\$ 80,800
Total Expenditures of Federal Awards			\$ 10,916,699

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF ISLE OF WIGHT, VIRGINIA

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the County of Isle of Wight, Virginia under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the reporting requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Isle of Wight, Virginia, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Isle of Wight, 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 allowed under Uniform Guidance.

Note 5 - Loan Balances

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

Note 6 - 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	\$ 371,506
Capital Projects Fund	203,732
Department of Social Services Fund	1,971,098
Children's Services Fund	49,770
Grants Fund	233,995

Total primary government	\$ 2,830,101
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Component Unit School Board:

School Operating Fund	\$ 740,953
School Cafeteria Fund	1,991,737
School Grants Fund	5,673,488

Total Component Unit School Board	\$ 8,406,178
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Total federal expenditures per basic financial statements	\$ 11,236,279
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Amounts required to reconcile federal revenues to expenditures:

Less: QSCB federal interest subsidy	\$ (319,580)
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$ 10,916,699
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COUNTY OF ISLE OF WIGHT, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

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)? Yes

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fun
84.425	COVID-19 - Education Stabilization Fund
84.010	Title I Grants to Local Educational Agencies
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A
and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2023

Section II - Financial Statement Findings

2023-001 (Material Weakness)

<i>Criteria:</i>	Identification of material adjustments to the financial statements that were not detected by the Component Unit School Board's internal controls indicates that a material weakness exists.
<i>Condition:</i>	The Component Unit School Board's financial statements did not contain all necessary adjustments to reconcile to the entity's internal documents to comply with generally accepted accounting principles (GAAP).
<i>Effect:</i>	There is a reasonable possibility that a material misstatement of the Component Unit School Board's financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
<i>Cause:</i>	Internal controls were not in place over financial reporting and year-end adjusting entries were not identified prior to the auditor's arrival to conduct the audit.
<i>Recommendation:</i>	The Component Unit School Board should implement steps and controls to improve its financial reporting process.
<i>Management's Response:</i>	The Component Unit School Board is taking corrective action for FY24.

Section III - Federal Award Findings and Questioned Costs

Finding 2023-002: Eligibility - Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)

<i>Program:</i>	Child Nutrition Cluster (Assistance Listing Number 10.553/10.555/10.559)
<i>Criteria:</i>	Applicants who meet the published federal income eligibility guidelines should be given free or reduced price meals as applicable.
<i>Condition:</i>	Thirty-five applications were selected for testing. The School Board incorrectly approved two applications for free meals, when they should have been approved for reduced. One application was approved for reduced meals, when it should have been approved for free. One application was denied, when it should have been approved for free. Additionally, there were seven applicants selected where the application could not be provided by the School Board.
<i>Cause:</i>	Household income and family size data were incorrectly entered into the online software, and other applications were misplaced.
<i>Effect:</i>	Applicants were not approved or denied appropriately.
<i>Recommendation:</i>	Controls should be strengthened to ensure that the amounts entered into the online software are accurate.
<i>Views of Responsible Officials:</i>	The Component Unit School Board is considering corrective action for FY24.

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Section IV - Commonwealth of Virginia Findings

2023-003

<i>Criteria:</i>	Section 22.1-81 of the Code of Virginia requires local school boards to report revenues, expenditures, positions, and other information annually to the State Board of Education using the Annual School Report.
<i>Condition:</i>	The School Board has not yet prepared the Annual School Report.
<i>Effect:</i>	The State Board of Education has not been provided with the Annual School Report for the year ended June 30, 2023.
<i>Cause:</i>	Procedures were not in place to properly prepare the Annual School Report by the due date of September 15, 2023.
<i>Recommendation:</i>	School Board management should have procedures in place to ensure that the Annual School Report is completed and submitted to the State Board of Education by September 15th.
<i>Management's Response:</i>	The Component Unit School Board is taking corrective action for FY24.

COUNTY OF ISLE OF WIGHT, VIRGINIA

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

There were no prior audit findings.