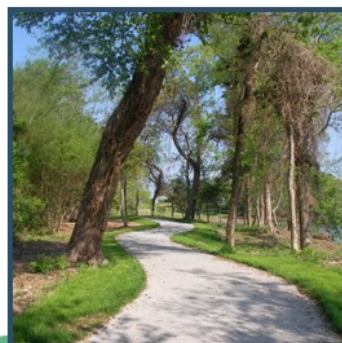
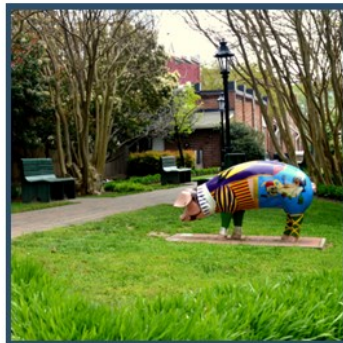


ISLE OF WIGHT COUNTY, VIRGINIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDING JUNE 30, 2022



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:

Isle of Wight County

FINANCE DEPARTMENT

Teresa Morgan, Comptroller
Nancy Mayo, Senior Accountant
Donna Proffitt, Senior Accountant
Kay McKee, Payroll Coordinator
Marina Hitchings, Financial Analyst
Stephanie Hancock, Accounts Payable Technician
Erin Wishall, Purchasing Agent

TREASURER'S OFFICE

Judy Wells, Treasurer
Dahlis Atkins, Chief Deputy Treasurer

Isle of Wight County Schools

CENTRAL OFFICE

Jeffrey Christiansen, Director of Support Services
Christy Pepper, Financial Consultant
Sandra Carr, Senior Accounting and Payroll Technician
Tracey Reutt, Admin Associate III

It is also appropriate to thank Randy Keaton, County Administrator, Donald Robertson, Assistant County Administrator, Christopher Coleman, Deputy Superintendent of Admin, Finance and Operations, 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 Humphries
Chief Financial Officer

County of Isle of Wight, Virginia
Table of Contents

	<i>Page</i>
<i>Introductory Section</i>	
<i>Transmittal Letter</i>	<i>i-viii</i>
<i>Principal Officials</i>	<i>ix</i>
<i>Certificate of Achievement</i>	<i>xi</i>
<i>Isle of Wight County Organizational Chart</i>	<i>xiii</i>
<i>Financial Section</i>	
<i>Report of Independent Auditor</i>	<i>1</i>
<i>Management's Discussion and Analysis</i>	<i>7</i>
 <i>Basic Financial Statements</i>	
<i>Government-wide Financial Statements:</i>	<i>Exhibit</i>
<i>Statement of Net Position</i>	<i>A-1</i> <i>20</i>
<i>Statement of Activities</i>	<i>A-2</i> <i>23</i>
 <i>Fund Financial Statements</i>	
<i>Balance Sheet of the Governmental Funds</i>	<i>A-3</i> <i>24</i>
<i>Reconciliation of the Governmental Funds Balance Sheet</i> <i>to the Statement of Net Position</i>	<i>A-3</i> <i>25</i>
<i>Statement of Revenues, Expenditures, and Changes in Fund</i> <i>Balances of the Governmental Funds</i>	<i>A-4</i> <i>26</i>
<i>Reconciliation of the Governmental Funds Statement of Revenues,</i> <i>Expenditures, and Changes in Fund Balances to the Statement</i> <i>of Activities</i>	<i>A-4</i> <i>27</i>
 <i>Proprietary Funds</i>	
<i>Statements of Net Position</i>	<i>A-5</i> <i>28</i>
<i>Statements of Revenues, Expenses, and Changes in Net Position</i>	<i>A-6</i> <i>31</i>
<i>Statements of Cash Flows</i>	<i>A-7</i> <i>32</i>
 <i>Fiduciary Funds</i>	
<i>Statement of Net Position</i>	<i>A-8</i> <i>34</i>
<i>Statement of Changes in Assets and Liabilities</i>	<i>A-9</i> <i>35</i>
 <i>Notes to the Basic Financial Statements</i>	<i>37</i>

County of Isle of Wight, Virginia
Table of Contents
(Continued)

	Exhibit	Page
<i>Required Supplementary Information</i>		
<i>Schedule of Revenues and Expenditures – Budget and Actual -</i>		
<i>General Fund</i>	B-1	148
<i>Notes to Required Supplementary Information Budget and Actual</i>		153
<i>Schedule of Changes in the County Net Pension Liability - VRS</i>	B-2	154
<i>Schedule of Changes in School Board Non-Professional Net Pension Liability - VRS</i>	B-3	156
<i>Schedule of County Contributions - VRS</i>	B-4	159
<i>Schedule of School Board Non-Professional Contributions - VRS</i>	B-4	159
<i>Schedule of School Board Proportionate Share of the Net Pension Liability</i>	B-5	160
<i>Schedule of School Board Professional Contributions - VRS</i>	B-5	161
<i>Notes to Required Supplementary Information - VRS</i>		162
<i>Schedule of Changes in the County's Total OPEB Liability</i>	B-6	163
<i>Schedule of County Contributions - Medical Insurance</i>	B-7	164
<i>Schedule of Changes in the School Board's Total OPEB Liability</i>	B-8	165
<i>Schedule of School board Contributions - Medical Insurance</i>	B-9	166
<i>Employer's Share of Net OPEB Liability - Group Life Insurance</i>	B-10	167
<i>Schedule of Employer Contributions - OPEB - Group Life Insurance</i>		
<i>Program</i>	B-11	168
<i>Schedule of Changes County's Net OPEB Liability - Health Insurance</i>		
<i>Credit Program</i>	B-12	170
<i>Schedule of County Plan Contributions - OPEB - Health Insurance</i>		
<i>Credit Program</i>	B-13	171
<i>Schedule of School Board Non-Professional Plan's Share of the Net OPEB</i>		
<i>Liability - Health Insurance Credit</i>	B-14	172
<i>Schedule of School Board Non- Professional Plan - Contributions - OPEB-</i>		
<i>Health Insurance Credit Program</i>	B-14	173
<i>Schedule of School Board Professional Plan's Share of the Net OPEB</i>		
<i>Liability - Health Insurance Credit</i>	B-15	174
<i>Schedule of School Board Professional Plan - Contributions - OPEB-</i>		
<i>Health Insurance Credit Program</i>	B-15	175
<i>Schedule of County Plan's Share of Net OPEB Liability - Virginia Local</i>		
<i>Disability Program</i>	B-16	176
<i>Schedule of County Plan - Contributions - OPEB - Virginia Local</i>		
<i>Disability Program</i>	B-17	177
<i>Schedule of School Board Non-Professional Plan's Share of Net OPEB</i>		
<i>Liability - Virginia Local Disability Program</i>	B-18	178
<i>Schedule of School Board Non-Professional Plan - Contributions -</i>		
<i>OPEB - Virginia Local Disability Program</i>	B-19	179
<i>Schedule of School Board Professional Plan's Share of the Net OPEB</i>		
<i>Liability - Virginia Local Disability Program</i>	B-20	180
<i>Schedule of School Board Professional Plan - Contributions - OPEB-</i>		
<i>Virginia Local Disability Program</i>	B-21	181
<i>Notes to Required Supplementary Information OPEB</i>		182
<i>Other Supplementary Information</i>		187
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balances</i>		
<i>Budget and Actual - Capital Projects Fund</i>	B-22	190

County of Isle of Wight, Virginia
Table of Contents
(Continued)

<i>Budget and Actual - Debt Service Fund</i>	Exhibit B-23	Page 191
<i>Nonmajor Governmental Funds:</i>		
<i>Combining Balance Sheets</i>	B-24	196
<i>Combining Statements of Revenues, Expenditures, and Changes in Fund Balances</i>	B-25	198
<i>Statements of Revenues, Expenditure, and Changes in Fund balances - Budget and Actual</i>	B-26	200
<i>Internal Service Funds:</i>		
<i>Combining Statements of Net Position</i>	B-27	208
<i>Combining Statements of Revenues, Expenditures, and Changes in Net Position</i>	B-28	209
<i>Combining Statements of Cash Flows</i>	B-29	210
<i>Component Unit - School board</i>		
<i>Combining Balance Sheets - Governmental Funds</i>	B-30	214
<i>Reconciliation of Balance Sheets to the Statement of Net Position - Governmental Funds</i>	B-31	217
<i>Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</i>	B-32	218
<i>Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities</i>	B-33	221
<i>Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental Funds</i>	B-34	222
<i>Internal Service Fund</i>		
<i>Statement of Net Position</i>	B-35	229
<i>Statement of Revenues, Expenses, and Change in Net Position</i>	B-36	230
<i>Statement of Cash Flows</i>	B-37	231
<i>Component Unit - Economic Development Authority</i>		
<i>Statement of Net Position</i>	B-38	233
<i>Statement of Revenues, Expenses, and Changes in Net Position</i>	B-39	234
<i>Statement of Cash Flows</i>	B-40	235
Statistical Section		
<i>Statistical Section Overview</i>		239
<i>Net Position by Component</i>	C-1	240
<i>Change in Net Position</i>	C-2	242
<i>Fund Balances - Governmental Funds</i>	C-3	246
<i>Changes in Fund Balance - Governmental Funds</i>	C-4	248
<i>Assessed Value and Estimated Actual Value of Taxable Property</i>	C-5	251

County of Isle of Wight, Virginia
Table of Contents
(Continued)

	Exhibit	Page
<i>Assessed Value of Taxable Property</i>	C-6	252
<i>Property Tax Rates</i>	C-7	253
<i>Principal Taxpayers</i>	C-8	254
<i>Property Tax Levies and Collections</i>	C-9	255
<i>Taxable Sales by Category</i>	C-10	256
<i>Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita</i>	C-11	258
<i>Schedule of Outstanding Debt by Type</i>	C-12	259
<i>Legal Debt Margin</i>	C-13	260
<i>Demographic Statistics</i>	C-14	262
<i>Full-time Equivalent County Government Employees by Function/Program</i>	C-15	263
<i>Operating Indicators by Function/Program</i>	C-16	265
<i>Capital Asset Statistics by Function/Program</i>	C-17	267
 Compliance Section		
<i>Report of Independent Auditor 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</i>		269
<i>Report on Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance</i>		271
<i>Schedule of Expenditures of Federal Awards</i>		274
<i>Notes to Schedule of Expenditures of Federal Awards</i>		276
<i>Schedule of Findings and Questioned Costs</i>		277
<i>Summary Schedule of Prior Audit Findings</i>		278

This page intentionally left blank



December 15, 2022

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, 2022. 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, 2022, 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, 2022, 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 38,000 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 30,000 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 over 5,500 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 percent for the Class of 2022, 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. Despite the emergence of the Coronavirus pandemic and its continued interruptions to business, especially, the County experienced increases in certain types of tax revenues in FY 2022. Sales tax revenue increased again by 17.0% from FY 2021. In addition, the County realized a 22% increase in business license revenue. Machinery and Tools tax revenue increased by 5.4% after declining 4.9% the previous year. Lodging taxes and Meals taxes rebounded with increases of 18.5% and 12.6% respectively.

Even during trying and unexpected 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. Isle of Wight County and the County's Economic Development Authority were pleased to support Riverside Health System's efforts to obtain a Certificate of Public Need from the Virginia Department of Health. Riverside received approval in March 2022 to build a full-service general acute care hospital in Isle of Wight County. The 50-bed facility, to be located near Route 10/Benns Church Boulevard and Route 258/Brewers Neck Boulevard, will include four operating rooms, an emergency department, a labor and delivery department with six obstetrics beds and a Level 1 neonatal nursery, as well as other diagnostic, procedural and physician services. The hospital will employ hundreds

of professional and support staff. Riverside plans to break ground in Spring 2023 with a targeted opening of late 2025.

County leadership also continues to make significant investments in the County's Shirley T. Holland Intermodal Park, which are paying off by attracting interest from significantly more developer entities and potential end users than in previous years. In FY22, negotiations toward purchase agreements began on three tracts of available EDA-owned land within the Intermodal Park for distribution and logistics facilities.

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 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 800 people.

The Intermodal Park is located within Foreign Trade Zone #20. In 2020, its designation within an Enterprise Zone was reaffirmed by the Commonwealth, so it continues for another five years to offer eligibility for federal, state and local incentive programs for firms that locate or expand there. In FY22, the Economic Development Department, working with the Commonwealth, began pursuing a major expansion to the Enterprise Zone to include new acreage along the U.S. 460 and U.S. 58 (Business) corridors. Along with the Enterprise Zone Expansion incentives expected to gain approval by the end of December 2022, incentive packages can potentially include the Port of Virginia's Economic and Infrastructure Development Zone Grant Program for Port users.

Available land in the Intermodal Park is actively marketed by the Economic Development Department with an emphasis on these and many other attributes that are attractive to companies and developers. Design and engineering work, including erosion and sediment control plans and wetlands permitting, are complete on a 44-acre site in Phase II of the Intermodal Park to accommodate up to 451,000 square feet of manufacturing and/or distribution space. Established "permit-readiness," especially on publicly owned land, is highly attractive to clients that need to build and begin operations quickly. Permit-readiness reduces developer risks, eliminates much of the up-front costs associated with the type of large projects this site can accommodate and it reduces project completion time, saving money.

Land owned by the Economic Development Authority in Phase II is also recognized and cooperatively marketed by regional and Commonwealth economic development professionals as high-value land assets ready for major capital and jobs investments. In September 2020, Isle of Wight County was awarded a Go Virginia Site Readiness Grant for Shirley T. Holland Intermodal Park Phase II, in the amount of \$150,500. The grant funding, which was matched by previous expenditures related to site readiness, was managed by the Hampton Roads Planning District Commission, which contracted with Timmons Group to update environmental assessments and surveys. The work began in December 2020 and is nearing completion.

In 2021, Franklin Lumber, a sawmill reopened in 2013 by former International Paper employees, invested over \$12M 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.

International Paper is a major economic driver in the region, providing more than 330 jobs at the Franklin Mill. The company continues to add jobs to help meet increasing demand for its pulp fluff product. The annual production averages more than 950 tons of fluff pulp daily and the mill exports nearly 100 percent of its product. The fluff pulp is shipped to customers who make super-absorbent products such as baby diapers, adult incontinence and feminine hygiene products and wipes.

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 firm is adding to existing operations in Arkansas, Mississippi and Tennessee as it expands its corporate footprint and engages more customers in the wood products industry in the Eastern United States. The company purchased a dormant industrial facility that ceased operations over a decade ago near the City of Franklin, and is situated within a Virginia Enterprise Zone, as well as a revenue sharing district with Franklin. The new Isle of Wight 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.

Since Woodland Solar's installation major installation in 2016, the County has approved conditional use permits for five additional solar facilities with approximately 1,780 acres in panels, or roughly 2.2% of the County's agriculturally zoned land.

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 more than 60 adjacent, industrially zoned acres jointly marketed with Isle of Wight County. Both the airport and the industrial acreage are included in the Enterprise Zone Expansion area.

Permits for new single-family houses totaled 328 in FY 2022 compared to 296 in FY 2021, representing an 11% increase. In addition, 262 new multifamily dwelling units were permitted in FY 2021 compared to 44 in FY 2021 which is a 495% increase over the previous fiscal year. The value of new single-family construction increased from \$63.6 million in FY 2021 to \$74.1 million in FY 2022, a 16.5% increase. New commercial construction value also increased from \$3 million in FY 2021 to \$4.9 million in FY 2022, or a 63% increase. Altogether, the total value of all building permits, including renovations to existing structures and new structures, increased from \$103.7 million in FY 2021 to \$171.8 million in FY 2022. This represents a 66% increase. In FY 2022, construction continued on two mixed-use developments in the Newport Development Service District. The Crossings will include 210 condominiums and seven commercial parcels. Brewers Station will include 162 apartments in the first phase of its development with a commercial site.

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/replacement of Hardy Elementary School with a guaranteed maximum price of \$36.9 million. In conjunction with the construction of the school, the Board also approved an elevated water tank at a cost of \$2.8 million which will serve the new school and three

neighborhoods in the immediate vicinity. A new water line from the Town of Smithfield will replace the existing wells in the area.

The long-awaited extension of Nike Park Road received final approval in December 2021. The County received a Smart Scale grant for \$11.6 million in 2017 to extend Nike Park Road to Rt. 17. Estimated cost increases had created a shortfall of \$5.4 million. A solution was reached to fully fund the project using a combination of additional funds from VDOT, a private developer and the County to keep the project moving forward with design and right of way acquisition.

Isle of Wight County, Suffolk and Southampton County were part of a successful grant application for Broadband funding from the State in the amount of \$37.3 million. The County's match is \$2.1 million. The project will reach over 1,622 unserved households in Isle of Wight County.

The County issued \$18.5 million in General Obligation bonds at an interest rate of 2.365% for the remainder of the replacement cost for Hardy Elementary School and other County projects. The low interest rate enabled the County to realize significant savings in debt service costs for the projects.

Awards

In recognition of its Annual Comprehensive Financial Report (ACFR) for the year ending June 30, 2021, 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, 2021.

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,



Randy R. Keaton
County Administrator



Stephanie M. Humphries
Chief Financial Officer

**Isle of Wight County, Virginia Officials
June 30, 2022**

Primary Government Officials

BOARD OF SUPERVISORS

Rudolph Jefferson, Chairman.....	Hardy District
William M. McCarty, Vice-Chairman.....	Newport District
Richard L. Grice.....	Smithfield District
Don G. Rosie, II.....	Carrsville District
Joel C. Acree	Windsor District

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. Humphries.....	Chief Financial Officer
Robert W. Jones, Jr.....	County Attorney
Carey Storm.....	Clerk to the Board of Supervisors

School Board Officials

SCHOOL BOARD

Denise Tynes, Chairman.....	Smithfield District
Michael Cunningham, Vice-Chairman.....	Hardy District
John Collick.....	Carrsville District
Jason P. Maresh.....	Windsor District
Mark Wooster.....	Newport District

ADMINISTRATIVE OFFICERS

Dr. Theo Cramer.....	Superintendent
Susan Goetz.....	Deputy Superintendant
Dr. Christopher Coleman.....	Deputy Superintendant
Stacy Haney, Haney Phinyowattanachip PLLC.....	School Attorney
Patrick T. Andriano, Reed Smith LLP.....	School Attorney

This page intentionally left blank



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Isle of Wight
Virginia**

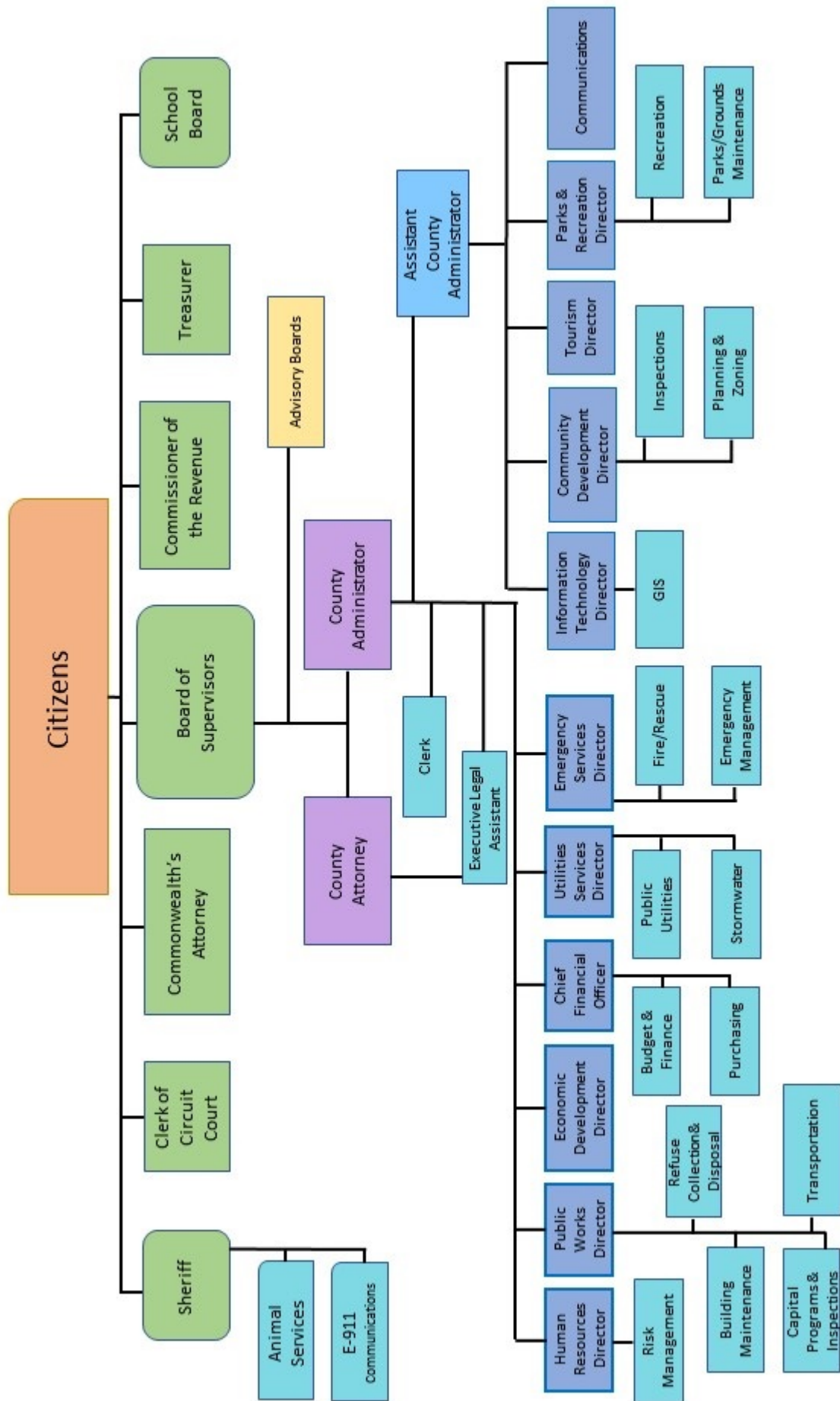
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

This page intentionally left blank



This page intentionally left blank

Financial Section

This page intentionally left blank



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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of County of 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. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of 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 November 29, 2022, 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, Farnum, Cox Associates

Richmond, Virginia
November 29, 2022

This page intentionally left blank

This page intentionally left blank

Management's Discussion & Analysis

This page intentionally left blank

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, 2022. 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, 2022 was \$39.3 million, a 20.0% increase from the previous fiscal year mostly attributable to an increase in cash from higher than expected revenues. The increase is due primarily to the revenue generated by the unusual increase in used motor vehicle values and higher than expected sales tax collections. Of the total net position, \$43.8 million is restricted for capital projects, while \$26.7 million is unrestricted.
- The County's net position for the governmental activities was \$35.8 million, a (2.8)% decrease from FY 2021 due to the removal of assets held jointly with the school system. Net investment in capital assets resulted in a deficit of \$19.2 million, while net position restricted is \$43.6 million and \$10.8 million remains unrestricted.
- The net position of business activities was a surplus of \$3.5 million resulting from a deficit in net investment in capital assets of \$12.9 million offset by restricted and unrestricted net position of \$16.3 million. This is 189.3% better than the previous year provided by excess general fund contributions. Business activities has \$0.4 million net position restricted for capital assets and \$15.9 million unrestricted.
- The County's General Fund reported a net increase in fund balance of \$1.6 million from the unexpected revenue provided by the increase in personal property and sales tax collections, with a total fund balance of \$34.8 million. Of this amount, \$29.6 million is unassigned while the remainder is nonspendable, restricted or committed.
- The County's long-term debt (bonds, loans, direct borrowings and lease obligations) at June 30, 2022 was \$189.9 million, an increase of 6.1% due to the issuance of General Obligation Series 2022 Public Improvement bonds for County and School capital projects.
- 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:

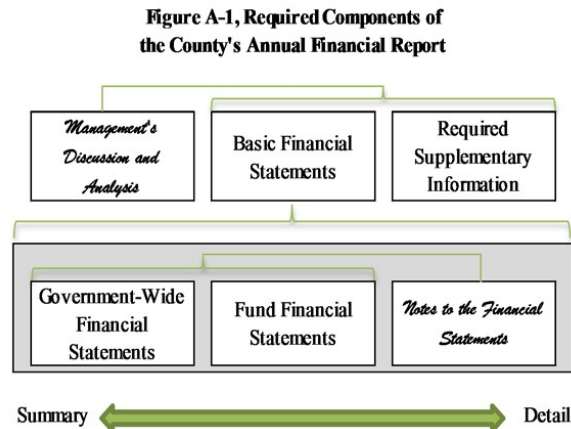
- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the County's 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.

County of Isle of Wight, Virginia

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, 2022 and 2021.

Table A-1

	Governmental Activities		Business - Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 117,187,870	\$ 99,308,614	\$ 20,726,377	\$ 14,378,534	\$ 137,914,247	\$ 113,687,148
Capital assets	85,153,001	90,307,078	18,318,355	17,803,175 *	103,471,356	108,110,253
Total assets	202,340,871	189,615,692	39,044,732	32,181,709	241,385,603	221,797,401
Deferred outflows of resources	11,195,948	12,300,378	2,783,872	2,917,231	13,979,820	15,217,609
Current liabilities	19,178,264	19,738,088	3,324,884	2,600,973	22,503,148	22,339,061
Long-term liabilities	148,704,571	145,029,506	34,463,375	36,355,341	183,167,946	181,384,847
Total liabilities	167,882,835	164,767,594	37,788,259	38,956,314	205,671,094	203,723,908
Deferred inflows of resources	9,860,639	323,067	568,722	30,271	10,429,361	353,338
Net Investment in capital assets	(19,239,469)	(21,461,167)	(12,896,428)	(19,402,355)	(32,135,897)	(40,863,522)
Restricted	44,278,547	408,538	470,689	332,212	44,749,236	740,750
Unrestricted	10,754,267	57,878,038	15,897,362	15,182,498	26,651,629	73,060,536
Total net position	\$ 35,793,345	\$ 36,825,409	\$ 3,471,623	\$ (3,887,645)	\$ 39,264,968	\$ 32,937,764

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 \$39.3 million, a 19.2% increase from the previous year. Total assets increased by \$19.6 million when compared to June 30, 2021.

The largest portion of the County's net position at June 30, 2022 is unrestricted net position which decreased from the prior year by 78.5%. The restricted net position of the County in FY 2022 was \$44.0 million, which represents 112.1% of total net position.

Management's Discussion & Analysis

Changes in Net Position (Statement of Activities)

Governmental Activities

Of the total net position of the County, \$35.8 million can be attributed to governmental activities. This is a \$(1.0) million or (2.8)% decrease from the prior year. The \$17.9 million increase in Current and Other Assets resulted from the \$9.3 million unspent bond sale proceeds issued for various capital improvement projects, including the construction of Hardy Elementary School along with a significant increase in cash due to LGIP and other investments. In addition, the County implemented GASB 87 which added lease receivables of \$2.1 million to the County's financials. The total long-term liabilities increased by \$3.7 million for the fiscal year predominantly due to the \$11.6 million increase in net general obligation bonds payable, and the \$(7.4) million decrease in pension liability.

Business-Type Activities

The Public Utilities and Stormwater Funds had a positive net position of \$3.5 million, which is \$7.4 million better than the prior year. The net position includes \$15.9 million which is unrestricted and \$0.4 million restricted for capital projects. A deficit of \$12.9 million in net investment in capital assets is attributable to existing debt obligations and depreciation of assets. Total liabilities decreased by \$ 1.2 million compared to June 30, 2021 due to the paydown of existing long-term debt.

The following summarizes the County's changes in net position for the years ended June 30, 2022 and 2021:

Table A-2

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 4,137,218	\$ 3,874,672	\$ 9,181,773	\$ 8,390,163	\$ 13,318,991	\$ 12,264,835
Operating grants and contribution	5,175,787	9,315,027	-	-	5,175,787	9,315,027
Capital grants and contribution	9,723,179	1,341,140	-	-	9,723,179	1,341,140
General Revenue:						
Taxes	74,518,895	69,944,329	-	-	74,518,895	69,944,329
Intergovernmental, non-categorical aid	5,518,795	5,463,009	-	-	5,518,795	5,463,009
Others	1,552,860	1,599,787	68,975	48,485	1,621,835	1,648,272
Total revenues	<u>100,626,734</u>	<u>91,537,964</u>	<u>9,250,748</u>	<u>8,438,648</u>	<u>109,877,482</u>	<u>99,976,612</u>
Expenses						
General government administration	6,812,766	7,915,154	-	-	6,812,766	7,915,154
Judicial administration	2,092,876	1,624,584	-	-	2,092,876	1,624,584
Public safety	16,356,578	18,185,143	-	-	16,356,578	18,185,143
Public works	5,267,674	5,705,232	-	-	5,267,674	5,705,232
Health and welfare	5,436,960	7,060,537	-	-	5,436,960	7,060,537
Education	43,382,111	26,123,526	-	-	43,382,111	26,123,526
Parks, recreation and cultural	3,891,446	3,696,311	-	-	3,891,446	3,696,311
Community development	5,145,183	5,203,477	-	-	5,145,183	5,203,477
Interest on long-term debt	4,520,822	3,388,164	-	-	4,520,822	3,388,164
Public utility	-	-	9,456,664	7,807,503	9,456,664	7,807,503
Stormwater	-	-	1,187,198	1,577,626	1,187,198	1,577,626
Total expenses	<u>92,906,416</u>	<u>78,902,128</u>	<u>10,643,862</u>	<u>9,385,129</u>	<u>103,550,278</u>	<u>88,287,257</u>
Excess (deficiency) before transfers	<u>7,720,318</u>	<u>12,635,836</u>	<u>(1,393,114)</u>	<u>(946,481)</u>	<u>6,327,204</u>	<u>11,689,355</u>
Transfers	(8,752,382)	(2,651,910)	8,752,382	2,651,910	-	-
Change in net position	<u>(1,032,064)</u>	<u>9,983,926</u>	<u>7,359,268</u>	<u>1,705,429</u>	<u>6,327,204</u>	<u>11,689,355</u>
Net position (deficit) - beginning of year	36,825,409	26,841,483	(3,887,645)	(5,593,074)	32,937,764	21,248,409
Net position (deficit) - end of year	<u>\$ 35,793,345</u>	<u>\$ 36,825,409</u>	<u>\$ 3,471,623</u>	<u>\$ (3,887,645)</u>	<u>\$ 39,264,968</u>	<u>\$ 32,937,764</u>

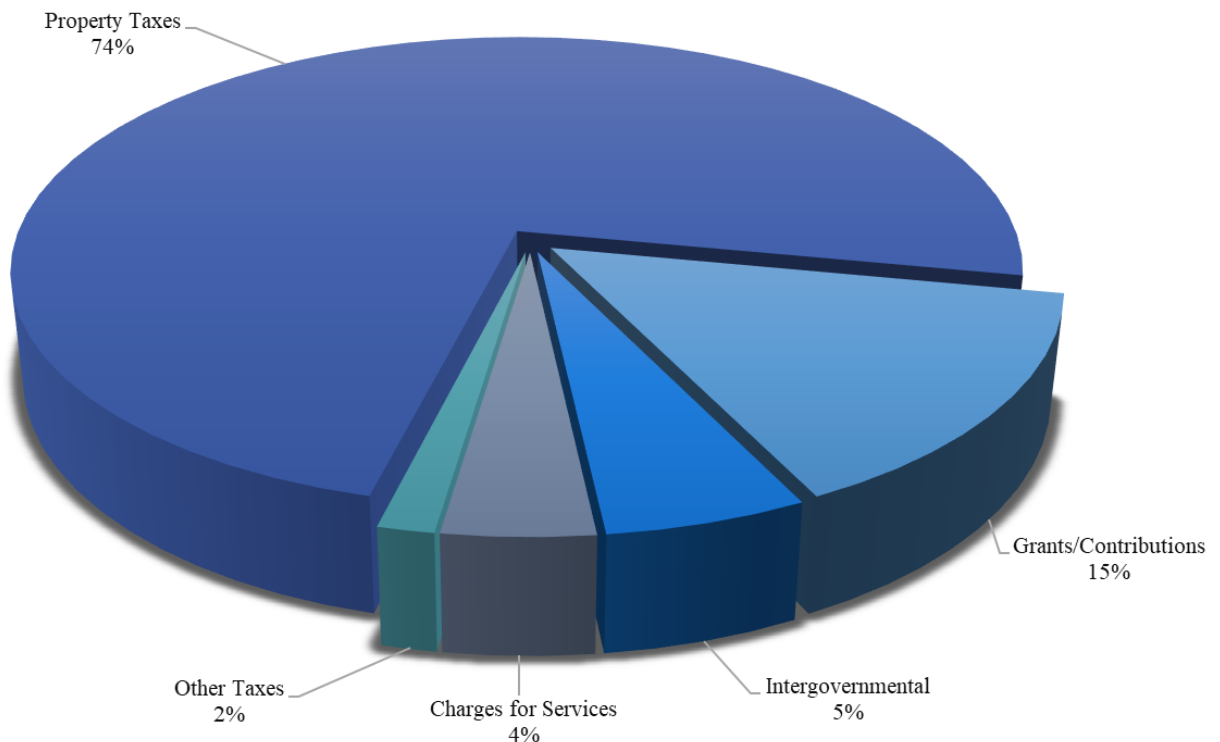
REVENUES

The total revenue of the County was \$109.9 million in the year ended June 30, 2022, which is \$9.9 million more than the prior year while the total expenses of all programs and services was \$103.6 million which is \$15.3 million more than FY 2021. 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 \$100.6 million, of which a significant portion, 74.1% comes from local taxes. Expenses of all governmental programs and services were \$92.9 million. Charges for services for FY 2022 were \$4.1 million, a slight increase from the prior year. Revenues from operating grants decreased by \$4.1 million from the prior year. Capital grants and contributions increased significantly in FY 2022 by \$8.4 million. Tax revenues for the governmental funds also increased \$4.6 million from the prior year largely due to the increase in assessed values of personal property.

Figure A-3 Government-wide Revenues



Business-Type Activities

Total revenues increased from the prior year by 9.6%. Overall, the Public Utilities Fund Net Position improved when compared to prior year at a \$7.0 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 \$103.6 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 46.7% of total costs and 36.3% of General Fund expenditures. The cost of all *governmental* activities this year was \$92.9 million, a 17.7% 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.

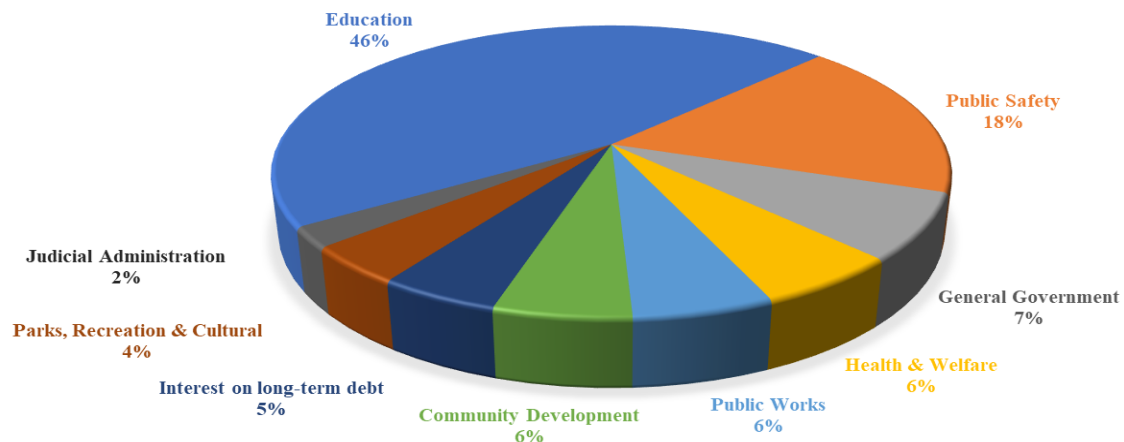
Table A-3a presents the cost of each of the County's governmental functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid).

Table A-3a

	Total Cost of Services			Net Cost of Services		
	2022	2021	% Change	2022	2021	% Change
Governmental Activities:						
General government						
administration	\$ 6,812,766	\$ 7,915,154	-13.9%	\$ (4,461,760)	\$ 5,483,765	-181.4%
Judicial administration	2,092,876	1,624,584	28.8%	1,465,196	1,052,072	39.3%
Public safety	16,356,578	18,185,143	-10.1%	12,597,892	14,395,110	-12.5%
Public works	5,267,674	5,705,232	-7.7%	5,267,674	5,246,984	0.4%
Health and welfare	5,436,960	7,060,537	-23.0%	2,763,114	150,069	1741.2%
Education	43,382,111	26,123,526	66.1%	43,382,111	26,123,526	66.1%
Parks, recreation and						
cultural	3,891,446	3,696,311	5.3%	3,215,219	3,496,600	-8.0%
Community development	5,145,183	5,203,477	-1.1%	5,119,964	5,194,741	-1.4%
Interest on long-term debt	4,520,822	3,388,164	33.4%	4,520,822	3,388,164	33.4%
Total expenses	<u>\$ 92,906,416</u>	<u>\$ 78,902,128</u>	<u>17.7%</u>	<u>\$ 73,870,232</u>	<u>\$ 64,531,031</u>	<u>14.5%</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

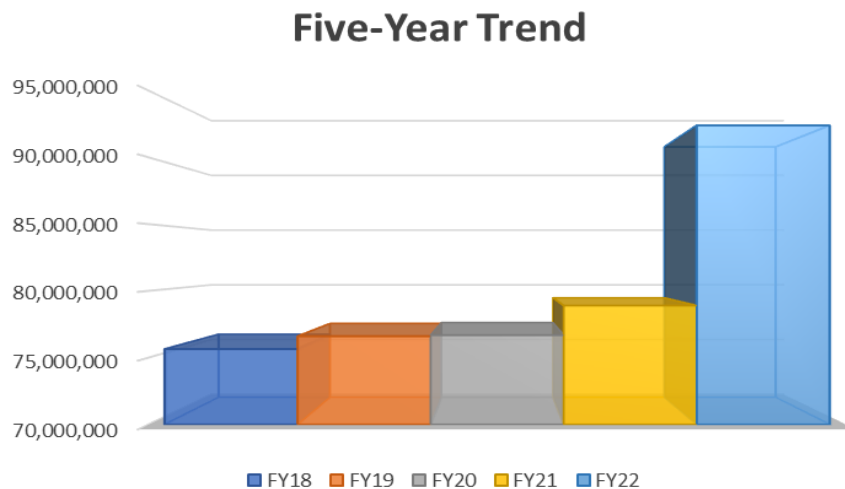


Management's Discussion & Analysis

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 2022 there was a significant increase in expenditures over Fiscal Year 2021 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 13.4% increase over FY 2021.

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		
	2022	2021	% Change	2022	2021	% Change
Business-type Activities:						
Public Utilities	\$ 9,456,664	\$ 7,807,503	21.1%	\$ 1,756,644	\$ 918,477	91.3%
Stormwater	1,187,198	1,577,626	-24.7%	(294,555)	76,489	-485.1%
Total expense	\$ 10,643,862	\$ 9,385,129	13.4%	\$ 1,462,089	\$ 994,966	46.9%

The net cost of services for the Public Utilities Fund was (91.3)% more than the previous year. The Stormwater Fund had a net cost of services of \$(0.29) million.

In FY 2022, the General Fund combined with the Debt Fund transferred \$8.75 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 (196.7)% more 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 \$88.1 million, of which \$29.6 million or 33.6% 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 \$29.6 million or 15.9% higher than FY 2021. 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, 2021, the unassigned fund balance represented approximately 40.0% of the total General Fund expenditures. For June 30, 2022, the general fund had a total fund balance of \$34.8 million, or 4.7% higher than the previous year. The committed fund balance was lower than FY 2021 at \$2.8 million. Of this amount, \$2.4 million is committed for the Purchase Agricultural Conservation Easement Program (PACE), and \$0.3 million is earmarked for commitments for the Economic Development Incentive Program. The assigned fund balance is \$1.7 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 \$47.5 million, an increase of \$8.7 million or (22.6)% more than FY 2021. The restricted fund balance was \$43.4 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, 2022, the combined fund balances were \$0.7 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 deficit of \$3.2 million, of which a deficit of \$14.5 million is representative of net investment in capital assets and \$3.9 million is restricted for Utility infrastructure projects. Additionally, \$7.4 million in unrestricted net position decreased compared to FY 2021. 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 2022 was \$6.7 million which is a 5.2% increase over the prior year. The net investment in capital assets for the Stormwater Fund at the end of the current fiscal year was \$1.7 million and the unrestricted net position was \$4.7 million representing an increase of 0.7% from FY 2021.

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 almost level with the final budget. The difference between the original budget for FY 2022 and the final budget (excluding other financing sources) was \$.9 million. Actual General Fund expenditures, excluding interfund transfers and debt service costs, were \$61.7 million. This is approximately \$2.5 million more than the prior year mostly due to an increase in Education expenditures (\$1.7 million) and Debt Service (\$1.3 million) offset by decreases in other areas.

Capital Assets

At the end of fiscal year 2022, the County had invested \$103.0 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	
	2022	2021	2022	2021	2022	2021
Nondepreciable assets						
Land	\$ 12,752,332	\$ 12,752,332	\$ 463,013	\$ 459,013	\$ 13,215,345	\$ 13,211,345
Intangibles	4,338,512	4,338,512	-	-	4,338,512	4,338,512
Construction in progress	16,964,048	5,191,104	3,346,329	2,059,756	20,310,377	7,250,860
Total nondepreciable assets	34,054,892	22,281,948	3,809,342	2,518,769	37,864,234	24,800,717
Depreciable assets						
Land improvements	16,453,217	17,716,765	19,598,655	19,598,655	36,051,872	37,315,420
Buildings	42,320,397	64,975,276	11,645,449	11,645,449	53,965,846	76,620,725
Equipment	14,599,028	14,160,285	2,042,433	1,973,894	16,641,461	16,134,179
Vehicles	5,882,161	5,568,525	740,887	789,697	6,623,048	6,358,222
Total depreciable assets	79,254,803	102,420,851	34,027,424	34,007,695	113,282,227	136,428,546
Total accumulated depreciation	(28,626,779)	(34,395,721)	(19,526,218)	(18,723,289)	(48,152,997)	(53,119,010)
Capital assets net of depreciation	\$ 84,682,916	\$ 90,307,078	\$ 18,310,548	\$ 17,803,175	\$ 102,993,464	\$ 108,110,253
Right to use leased assets						
Equipment	358,121	-	10,237	-	368,358	-
Land	193,555	-	-	-	193,555	-
Total right to use assets being amortized	551,676	-	10,237	-	561,913	-
Less: accumulated amortization:						
Equipment	80,266	-	2,430	-	82,696	-
Land	1,325	-	-	-	1,325	-
Total accumulated amortization	81,591	-	2,430	-	84,021	-
Capital assets net of amortization	470,085	-	7,807	-	477,892	-
Net capital assets	\$ 85,153,001	\$ 90,307,078	\$ 18,318,355	\$ 17,803,175	\$ 103,471,356	\$ 108,110,253

Basic Financial Statements

*County of Isle of Wight, Virginia**Statement of Net Position***June 30, 2022**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Assets					
Cash and cash equivalents	\$ 32,446,644	\$ 16,833,055	\$ 49,279,699	\$ 4,705,635	\$ 708,300
Restricted cash and cash equivalents	43,784,350	2,299,859	46,084,209	-	-
Investments	15,791,180	-	15,791,180	-	-
Receivables - net	19,337,757	1,517,720	20,855,477	165,691	11,033
Lease receivable, current	128,564	-	128,564	14,922	36,263
Due from primary government	-	-	-	49,836	-
Due from other governments	1,888,761	-	1,888,761	6,935,896	-
Due from component units - School Board	734,156	-	734,156	-	-
Inventories and prepaid items	-	25,266	25,266	-	-
Advance to component unit	375,000	-	375,000	-	-
Land held for resale	-	-	-	-	9,011,625
Lease receivable, non current	2,035,388	-	2,035,388	-	61,725
Capital assets:					
Nondepreciable	34,054,892	3,809,342	37,864,234	2,250,178	376,537
Depreciable - net	51,098,109	14,509,013	65,607,122	76,519,284	1,710,894
Net pension asset	657,239	49,223	706,462	653,865	-
Net OPEB asset	8,831	1,254	10,085	10,030	-
Total assets	202,340,871	39,044,732	241,385,603	91,305,337	11,916,377
Deferred Outflows of Resources					
Deferred losses on refundings	7,594,373	2,513,541	10,107,914	-	-
Pension	3,281,566	245,767	3,527,333	11,046,781	-
OPEB	320,009	24,564	344,573	2,251,155	-
Total deferred outflows of resources	11,195,948	2,783,872	13,979,820	13,297,936	-

*County of Isle of Wight, Virginia**Statement of Net Position***June 30, 2022**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-Type Activities	Total	School Board	Economic Development Authority
Liabilities					
Accounts payable	\$ 6,920,111	\$ 985,113	\$ 7,905,224	\$ 1,469,997	\$ 2,194
Accrued liabilities	808,520	37,052	845,572	6,857,609	-
Amounts held in escrow	132,345	51,946	184,291	-	-
Due to primary government	-	-	-	734,156	-
Due to component unit	49,836	-	49,836	-	-
Customer deposits payable	-	315,595	315,595	-	-
Accrued interest payable	1,813,602	487,208	2,300,810	25,469	-
Due to other governments	74,554	-	74,554	-	-
Unearned revenues	410,676	50	410,726	-	10,329
Long-term obligations:					
Due within one year	8,968,620	1,447,920	10,416,540	719,239	375,000
Due in more than one year	146,985,664	34,318,772	181,304,436	6,250,639	-
Net pension liabilities	-	-	-	28,180,044	-
Net OPEB liabilities	1,718,907	144,603	1,863,510	10,258,236	-
Total liabilities	167,882,835	37,788,259	205,671,094	54,495,389	387,523
Deferred Inflows of Resources					
Deferred revenue - property taxes	270,685	-	270,685	-	-
Leases	2,123,935	-	2,123,935	15,176	97,435
Pension	6,685,175	500,675	7,185,850	22,148,122	-
OPEB	780,844	68,047	848,891	2,681,509	-
Total deferred inflows of resources	9,860,639	568,722	10,429,361	24,844,807	97,435
Net Position					
Net investment in capital assets	(19,239,469)	(12,896,428)	(32,135,897)	72,324,315	1,712,432
Restricted:					
Public safety	205,581	-	205,581	-	-
Capital projects	43,406,896	420,212	43,827,108	242,978	90
Education	-	-	-	1,693,682	-
Industrial park	-	-	-	-	210,234
Net pension asset	657,239	49,223	706,462	653,865	-
Net OPEB asset	8,831	1,254	10,085	10,030	-
Unrestricted (deficit)	10,754,267	15,897,362	26,651,629	(49,661,793)	9,508,663
Total net position (deficit)	\$ 35,793,345	\$ 3,471,623	\$ 39,264,968	\$ 25,263,077	\$ 11,431,419

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

This page intentionally left blank

County of Isle of Wight, Virginia

Statement of Activities

For the Fiscal Year Ended June 30, 2022

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	\$ 6,812,766	\$ 1,593,384	\$ 777,515	\$ 8,903,627	\$ 4,461,760	\$ -	\$ 4,461,760	\$ -	\$ -
Judicial administration	2,092,876	252,834	374,846	-	(1,465,196)	-	(1,465,196)	-	-
Public safety	16,356,578	1,428,572	1,510,562	819,552	(12,597,892)	-	(12,597,892)	-	-
Public works	5,267,674	-	-	-	(5,267,674)	-	(5,267,674)	-	-
Health and welfare	5,436,960	160,982	2,512,864	-	(2,763,114)	-	(2,763,114)	-	-
Education	43,382,111	-	-	-	(43,382,111)	-	(43,382,111)	-	-
Parks, recreation and cultural	3,891,446	676,227	-	-	(3,215,219)	-	(3,215,219)	-	-
Community development	5,145,183	25,219	-	-	(5,119,964)	-	(5,119,964)	-	-
Interest and fiscal charges	4,520,822	-	-	-	(4,520,822)	-	(4,520,822)	-	-
Total governmental activities	92,906,416	4,137,218	5,175,787	9,723,179	(73,870,232)	-	(73,870,232)	-	-
Business-type Activities:									
Public utility	9,456,664	7,700,020	-	-	-	(1,756,644)	(1,756,644)	-	-
Stormwater	1,187,198	1,481,753	-	-	-	294,555	294,555	-	-
Total Business-type Activities	10,643,862	9,181,773	-	-	-	(1,462,089)	(1,462,089)	-	-
Total Primary Government	103,550,278	13,318,991	5,175,787	9,723,179	(73,870,232)	(1,462,089)	(75,332,321)	-	-
Component Units:									
School Board	55,420,721	278,422	47,905,757	-	-	-	-	(7,236,542)	-
Economic Development Authority	286,991	8,377	-	-	-	-	-	-	(278,614)
Total Component Units	55,707,712	286,799	47,905,757	-	-	-	-	(7,236,542)	(278,614)
General Revenues:									
Taxes:									
General property taxes					64,643,938	-	64,643,938	-	-
Local sales and use tax					3,941,291	-	3,941,291	-	-
Consumer utility tax					1,041,962	-	1,041,962	-	-
Other local taxes					4,891,704	-	4,891,704	-	-
Revenue from use of property & money					40,944	55,770	96,714	304,228	52,389
Miscellaneous					1,511,916	13,205	1,525,121	2,107,409	26,971
Payment from the Primary Government					-	-	-	26,857,445	-
Intergovernmental, non-categorical aid					5,518,795	-	5,518,795	-	-
Transfers					(8,752,382)	8,752,382	-	-	-
Total General Revenues and Transfers					72,838,168	8,821,357	81,659,525	29,269,082	79,360
Change in net position (deficit)					(1,032,064)	7,359,268	6,327,204	22,032,540	(199,254)
Net position - beginning of year, (deficit)					36,825,409	(3,887,645)	32,937,764	3,230,537	11,630,673
Net position - end of year (deficit)	\$	\$			35,793,345	\$ 3,471,623	\$ 39,264,968	\$ 25,263,077	\$ 11,431,419

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

*County of Isle of Wight, Virginia**Balance Sheets - Governmental Funds***June 30, 2022**

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 16,918,539	\$ 9,665,501	\$ 5,103,954	\$ 366,899	\$ 32,054,893
Restricted cash and cash equivalents	377,455	43,406,895	-	-	43,784,350
Investments	15,791,180	-	-	-	15,791,180
Receivables - net of allowance for uncollectibles:					
Taxes	17,837,647	-	-	-	17,837,647
Accounts receivable	1,496,886	-	-	-	1,496,886
Accrued interest receivable	3,224	-	-	-	3,224
Due from other funds	126,068	-	-	-	126,068
Due from component unit	734,156	-	-	-	734,156
Due from other governments	1,235,779	11,666	-	641,316	1,888,761
Lease receivable	2,163,952	-	-	-	2,163,952
Advance to component unit	375,000	-	-	-	375,000
Total assets	\$ 57,059,886	\$ 53,084,062	\$ 5,103,954	\$ 1,008,215	\$ 116,256,117
Liabilities					
Accounts payable	\$ 1,692,636	\$ 5,073,923	\$ -	\$ 142,755	\$ 6,909,314
Accrued liabilities	270,814	518,855	-	18,851	808,520
Amounts held in escrow	111,358	-	-	20,987	132,345
Due to other funds	-	-	-	126,068	126,068
Due to component unit	49,836	-	-	-	49,836
Unearned revenues	379,536	-	-	31,140	410,676
Due to other governments	61,166	-	-	13,388	74,554
Total liabilities	2,565,346	5,592,778	-	353,189	8,511,313
Deferred Inflows of Resources					
Leases	2,123,935	-	-	-	2,123,935
Unavailable revenue-property taxes	17,558,783	-	-	-	17,558,783
Total deferred inflows of resources	19,682,718	-	-	-	19,682,718
Fund Balances					
Nonspendable	375,000	-	-	-	375,000
Restricted	402,083	43,406,895	-	174,668	43,983,646
Committed	2,793,789	-	-	70,000	2,863,789
Assigned	1,666,389	4,084,389	5,103,954	410,358	11,265,090
Unassigned	29,574,561	-	-	-	29,574,561
Total fund balances	34,811,822	47,491,284	5,103,954	655,026	88,062,086
Total liabilities, deferred inflows of resources, and fund balances	\$ 57,059,886	\$ 53,084,062	\$ 5,103,954	\$ 1,008,215	\$ 116,256,117

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, 2022**

Total fund balances - governmental funds		\$ 88,062,086
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	\$ 283,054	
Adjustments for items included in governmental activities below:		
Depreciable capital assets	(205,064)	
Deferred outflows - pension	(201,276)	
Deferred outflows - OPEB	(13,003)	
Deferred inflows - pension	350,551	
Deferred inflows - OPEB	28,851	
Accrued interest	26	
Direct borrowing	15,154	
Compensated absences	88,743	
Net pension liability (asset)	(28,826)	
Net OPEB liabilities (assets)	62,744	
		380,954
Noncurrent assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Nondepreciable capital assets	34,054,892	
Depreciable capital assets, net		
including net assets reported in internal service fund of \$ 205,064	51,098,109	
Capital assets, net		85,153,001
Net pension asset		657,239
Net OPEB asset		8,831
Revenues not collected soon enough to pay for current-period expenditures		17,288,098
Deferred outflows of resources:		
Losses on refundings		7,594,373
Pension		3,281,566
OPEB		320,009
Deferred inflows:		
Pension		(6,685,175)
OPEB		(780,844)
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		(149,882,256)
Direct borrowing		(1,905,283)
Lease obligations		(473,804)
Compensated absences		(1,933,223)
Net OPEB liabilities		(1,718,907)
Landfill closure costs		(1,759,718)
Accrued interest and other		(1,813,602)
Total net position - governmental activities		\$ 35,793,345

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, 2022**

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
General property taxes	\$ 61,954,999	\$ -	\$ -	\$ -	\$ 61,954,999
Other local taxes	9,407,999	-	-	466,958	9,874,957
Permits, privilege fees and regulatory licenses	816,833	365,794	-	-	1,182,627
Fines and forfeitures	90,024	-	-	-	90,024
Revenues from use of money and property	(165,241)	129,474	-	39,661	3,894
Charges for services	1,821,631	-	-	436,962	2,258,593
Miscellaneous	565,463	-	-	87,875	653,338
Recovered costs	721,482	323,605	-	-	1,045,087
Intergovernmental:					
Commonwealth of Virginia	8,115,351	-	-	1,587,849	9,703,200
Federal	416,641	35,830	-	9,923,992	10,376,463
Local	5,500	126,502	-	419,218	551,220
Total revenues	83,750,682	981,205	-	12,962,515	97,694,402
Expenditures					
Current:					
General government administration	4,852,099	-	-	-	4,852,099
Judicial administration	1,641,581	-	-	195,353	1,836,934
Public safety	12,785,095	-	-	2,286,952	15,072,047
Public works	5,006,304	-	-	12,519	5,018,823
Health and welfare	809,729	-	-	4,357,433	5,167,162
Education	26,857,445	11,658,939	-	-	38,516,384
Parks, recreation and cultural	2,650,964	-	-	462,922	3,113,886
Community development	5,058,516	-	-	58,909	5,117,425
Nondepartmental	2,062,267	-	-	-	2,062,267
Capital outlay	-	2,485,903	-	-	2,485,903
Debt Service	12,298,959	335,118	-	-	12,634,077
Total expenditures	74,022,959	14,479,960	-	7,374,088	95,877,007
Excess (deficiency) of revenues over (under) expenditures	9,727,723	(13,498,755)	-	5,588,427	1,817,395
Other financing sources (uses)					
Transfers in	8,097,297	3,398,521	3,635,925	1,980,557	17,112,300
Transfers out	(17,429,420)	-	(900,625)	(7,547,881)	(25,877,926)
Lease obligations issued	163,184	-	-	-	163,184
Issuance of debt	935,000	16,955,000	-	-	17,890,000
Proceeds from sale of property	71,277	-	-	-	71,277
Premium on bonds issued	-	1,889,277	-	-	1,889,277
Total other financing sources (uses), net	(8,162,662)	22,242,798	2,735,300	(5,567,324)	11,248,112
Net change in fund balance	1,565,061	8,744,043	2,735,300	21,103	13,065,507
Fund balances - beginning of year	33,246,761	38,747,241	2,368,654	633,923	74,996,579
Fund balances - end of year	\$ 34,811,822	\$ 47,491,284	\$ 5,103,954	\$ 655,026	\$ 88,062,086

*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, 2022**

Net change in fund balances - governmental funds	\$ 13,065,507
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	7,222
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	14,157,450
Depreciation and amortization expense	(3,515,527)
Joint activity - transfer of capital assets, net	(16,142,229)
Miscellaneous transactions involving capital assets	(42,263)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Bond, lease obligations and direct borrowing proceeds, including premiums	(19,942,461)
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 lease obligations	77,872
Repayment of bonds and direct borrowing principal	7,946,914
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	2,688,939
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 interest	53,294
Compensated absences	(133,833)
Pension	706,361
OPEB	74,590
Landfill closure costs	(69,075)
Amortization of bond premiums	431,281
Amortization of deferred loss on refunding	(396,106)
Change in net position of governmental activities	\$ (1,032,064)

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, 2022**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 11,571,273	\$ 5,261,782	\$ 16,833,055	\$ 391,751
Restricted cash and cash equivalents	2,299,859	-	2,299,859	-
Accounts Receivable - net of allowance	1,463,853	53,867	1,517,720	-
Inventories	25,266	-	25,266	-
Total current assets	15,360,251	5,315,649	20,675,900	391,751
Noncurrent assets				
Capital assets:				
Nondepreciable	3,677,118	132,224	3,809,342	-
Depreciable - net	12,989,599	1,519,414	14,509,013	205,064
Net pension asset	30,940	18,283	49,223	28,826
Net other post-employment benefits asset	989	265	1,254	306
Total noncurrent assets	16,698,646	1,670,186	18,368,832	234,196
Total assets	32,058,897	6,985,835	39,044,732	625,947
Deferred outflows of resources				
Deferred losses on bond refundings	2,513,541	-	2,513,541	-
Pension plan	154,481	91,286	245,767	201,276
Other post-employment benefits	15,954	8,610	24,564	13,003
Total deferred outflows of resources	2,683,976	99,896	2,783,872	214,279

*County of Isle of Wight, Virginia**Statements of Net Position - Proprietary Funds***June 30, 2022**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 946,543	\$ 38,539	\$ 985,082	\$ 10,797
Accrued liabilities	37,083	-	37,083	-
Amount held in escrow	-	51,946	51,946	-
Accrued interest payable	487,207	1	487,208	26
Customer deposits payable	315,595	-	315,595	-
Unearned revenue	50	-	50	-
General obligation bonds payable	1,387,996	-	1,387,996	-
Direct borrowing	51,356	-	51,356	4,999
Lease liability	1,107	1,335	2,442	-
Compensated absences	4,315	1,811	6,126	8,874
Total current liabilities	3,231,252	93,632	3,324,884	24,696
Noncurrent liabilities				
General obligation bonds payable	34,128,376	-	34,128,376	-
Noncurrent direct borrowing	129,891	-	129,891	10,155
Noncurrent lease liability	2,432	2,937	5,369	-
Compensated absences	38,836	16,300	55,136	79,869
Other post-employment benefits	94,505	50,098	144,603	63,050
Total noncurrent liabilities	34,394,040	69,335	34,463,375	153,074
Total liabilities	37,625,292	162,967	37,788,259	177,770
Deferred inflows of resources				
Pension plan	314,708	185,967	500,675	350,551
Other post-employment benefits	44,935	23,112	68,047	28,851
Total deferred inflows of resources	359,643	209,079	568,722	379,402
Net Position				
Net investment in capital assets	(14,548,067)	1,651,639	(12,896,428)	189,910
Restricted - Capital projects	3,900,241	400,000	4,300,241	47,124
Unrestricted (deficit)	7,405,764	4,662,046	12,067,810	46,020
Total net position (deficit)	\$ (3,242,062)	\$ 6,713,685	\$ 3,471,623	\$ 283,054

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

This page intentionally left blank

*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, 2022**

	Enterprise Funds			Governmental Activities- Internal Service Funds
	Public Utilities	Stormwater	Total	
Operating revenues				
Charges for services	\$ 6,064,171	\$ 1,481,753	\$ 7,545,924	\$ 1,917,363
Connection fees	1,663,828	-	1,663,828	-
Other revenue	21,943	-	21,943	-
Total operating revenues	7,749,942	1,481,753	9,231,695	1,917,363
Operating expenses:				
Personnel services	765,298	492,783	1,258,081	636,751
Fringe benefits	329,213	166,607	495,820	198,540
Contractual services	242,217	237,134	479,351	512,522
Purchases	4,831,104	-	4,831,104	-
Other charges	1,574,973	153,734	1,728,707	452,184
Depreciation and amortization	748,553	105,616	854,169	55,453
Total operating expenses	8,491,358	1,155,874	9,647,232	1,855,450
Operating income (loss)	(741,416)	325,879	(415,537)	61,913
Nonoperating revenues (expenses)				
Interest income	6,470	2,748	9,218	-
Interest and fiscal charges	(996,588)	(42)	(996,630)	(355)
Gain on sale of assets	5,630	4,205	9,835	-
Total nonoperating revenues (expenses), net	(984,488)	6,911	(977,577)	(355)
Transfers in	8,752,272	110	8,752,382	28,638
Transfers out	-	-	-	(15,394)
Changes in net position	7,026,368	332,900	7,359,268	74,802
Net position (deficit) - beginning of year	(10,268,430)	6,380,785	(3,887,645)	208,252
Net position (deficit) - end of year	\$ (3,242,062)	\$ 6,713,685	\$ 3,471,623	\$ 283,054

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, 2022**

	Enterprise Funds			Governmental Activities - Internal Service Funds
	Public Utilities	Stormwater	Total	
Cash flows from operating activities				
Received from customers and users	\$ 7,405,529	\$ 1,470,132	\$ 8,875,661	\$ 1,969,258
Payments to suppliers for goods and services	(6,267,653)	(386,601)	(6,654,254)	(969,164)
Payments to employees	(1,097,586)	(697,041)	(1,794,627)	(880,319)
Net cash provided by (used in) operating activities	40,290	386,490	426,780	119,775
Cash flows from non-capital financing activities				
Transfer out	(50,000)	-	(50,000)	(2,150)
Transfers in	8,802,272	110	8,802,382	-
Net cash provided by non-capital financing activities	8,752,272	110	8,752,382	(2,150)
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,355,777)	-	(1,355,777)	(73,596)
Gain (Loss) from sale of capital assets	5,630	4,205	9,835	-
Principal payments on bonds	(1,004,830)	-	(1,004,830)	-
Proceeds from direct borrowing	88,000	-	88,000	-
Principal payments on leases	(41,641)	-	(41,641)	(4,948)
Interest and fiscal charges	(992,149)	(1,370)	(993,519)	(364)
Net cash used in capital and related financing activities	(3,300,767)	2,835	(3,297,932)	(78,908)
Cash flows from investing activities				
Interest received	6,470	2,748	9,218	-
Net cash provided by investing activities	6,470	2,748	9,218	-
Change in cash and cash equivalents	5,498,265	392,183	5,890,448	38,717
Cash and cash equivalents - beginning of year	8,372,867	4,869,599	13,242,466	353,034
Cash and cash equivalents - end of year	\$ 13,871,132	\$ 5,261,782	\$ 19,132,914	\$ 391,751

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, 2022**

	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)	\$ (741,416)	\$ 325,879	\$ (415,537)	\$ 77,307
Adjustments to reconcile to net cash provided by (used in) operating activities:				
Depreciation	748,553	105,616	854,169	55,453
Pension and OPEB expense	(23,936)	(255,086)	(279,022)	(1,572)
Change in:				
Accounts receivable	(399,180)	(11,621)	(410,801)	36,631
Inventory material & supplies	548	-	548	-
Net pension asset and net OPEB asset	(31,929)		(31,929)	
Accounts payable and amounts held in escrow	345,314	4,268	349,582	(4,458)
Payroll payable	-	-	-	(548)
Customer deposits payable	56,327	-	56,327	-
Accrued expenses and other liabilities	34,779	-	34,779	-
Unearned revenue	(1,560)	-	(1,560)	(130)
Net Pension liability	(276,214)	-	(276,214)	(34,596)
Deferred outflows of resources	332,516	224,250	556,766	(6,881)
Compensated absences	(3,512)	(6,816)	(10,328)	(1,431)
Net cash provided by (used in) operating activities	\$ 40,290	\$ 386,490	\$ 426,780	\$ 119,775

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, 2022**

	Custodial Fund
	<u> </u>
	Special Welfare
	<u> </u>
Assets	
Cash and cash equivalents	\$ 20,423
Total assets	<u><u>\$ 20,423</u></u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	\$ 20,423
Total net position	<u><u>\$ 20,423</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, 2022

	Custodial Fund Special Welfare
Additions	
Contributions	\$ 9,642
Investment earnings	
Interest and dividends	16
Total Additions	9,658
Deductions	
Recipient payments	\$ 28,594
Total deductions	28,594
Net increase (decrease) in fiduciary net position	(18,936)
Net position, beginning	39,359
Net position, ending	\$ 20,423

This page intentionally left blank

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

June 30, 2022

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, 2022

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, 2022

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**, 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.

D. Accounting Changes

Isle of Wight adopted GASB Statement No. 87, *Leases*, which increased the usefulness of the County's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 was to be effective for fiscal years beginning after December 15, 2019. This effective date was deferred for 18 months due to the Coronavirus pandemic.

June 30, 2022

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	June 5/December 5	December 5/June 5
Lien date for delinquent taxes	90 days after due date	90 days after due date

June 30, 2022

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 6.57% 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, 2022

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, 2022.

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:

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

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.

June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

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 will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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 will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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, 2022

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, 2022

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, 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, 2022

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, 2022, 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. 91, *Conduit Debt Obligations* clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. Implementation of this statement is effective fiscal year 2023.

GASB Statement No. 92, *Omnibus 2020* aims to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics and include specific provisions about individual statements including Statement No. 87, *Leases*, Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 84, *Fiduciary Activities*. Implementation of this statement is effective fiscal year 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement* improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this statement is effective fiscal year 2023.

June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

X. Pending GASB Statements (Continued)

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 will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Implementation of this statement is effective fiscal year 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this statement is effective fiscal year 2022.

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, 2022

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, 2022 is as follows:

Deposits	
Demand deposits	\$ 25,075,625
Cash on hand	1,950
Investments	
LGIP	24,208,409
Zero coupon bond	2,433,877
SNAP	45,618,754
VIP Short Term	13,278,596
VIP Long Term	78,707
Total deposits and investments	<u>\$ 110,695,918</u>
 Reconciliation to Statements of Net Position	
Government-wide:	
Cash and cash equivalents	\$ 49,279,699
Restricted cash and cash equivalents	45,625,039
Investments	15,791,180
Total deposits and investments	<u>\$ 110,695,918</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, 2022

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+.

June 30, 2022

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:

	AAAm	AA+	Total
Zero coupon bond	\$ -	\$ 2,433,877	\$ 2,433,877
SNAP	45,618,754	-	45,618,754
VIP Investments	13,357,303	-	13,357,303
LGIP	24,208,409	-	24,208,409
	<u>\$ 83,184,466</u>	<u>\$ 2,433,877</u>	<u>\$ 85,618,343</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, 2022

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	\$ 2,433,877	\$ -	\$ 2,433,877
SNAP	45,618,754	-	45,618,754
LGIP	24,208,409	-	24,208,409
VIP Short Term	13,278,596	13,278,596	-
VIP Long Term	78,707	-	78,707
	<u>\$ 85,618,343</u>	<u>\$ 13,278,596</u>	<u>\$ 72,339,747</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, 2022.

- U.S. Treasury Zero Coupon bond of \$2,433,877 is valued using a matrix pricing model (Level 2 inputs).
- VIP Short Term and Long Term of \$13,357,303 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	\$ 43,575	\$ -	\$ 133,372	\$ 176,947	\$ 5,552,688
Compensation Board	209,789	-	-	209,789	-
Social Services	-	-	14,004	14,004	-
Children's Services	-	-	70,244	70,244	-
Communication tax	81,616	-	70,681	152,297	-
Sales and Use Tax	395,221	-	-	395,221	1,383,208
Mobile Home Titling	23,436	-	-	23,436	-
Auto Rental Tax	4,455	-	-	4,455	-
Federal government	4,027	11,666	315,256	330,949	-
Town of Windsor	-	-	-	-	-
Town of Smithfield	263,023	-	37,759	300,782	-
EDA	375,000	-	-	375,000	-
School Board	734,156	-	-	734,156	-
Other	210,637	-	-	210,637	-
Totals	<u>\$ 2,344,935</u>	<u>\$ 11,666</u>	<u>\$ 641,316</u>	<u>\$ 2,997,917</u>	<u>\$ 6,935,896</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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, 2022 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	\$ 126,068	\$ -
Special Revenue-Children's Services Act	-	30,023
Special Revenue-E-911	-	96,045
Total Primary Government	<u>\$ 126,068</u>	<u>\$ 126,068</u>

Component Unit-School Board

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
School Operating Fund	\$ -	\$ 5,066,495
School Grants Fund	5,066,495	-
School Operating Fund	567,806	-
School Capital Projects Fund	-	193,142
School Textbook Fund	-	-
School Cafeteria Fund	-	374,664
Total Component Unit-School Board	<u>\$ 5,634,301</u>	<u>\$ 5,634,301</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, 2022

Note 4 – Interfund Balances and Activity (Continued)

B. Interfund Transfers (Continued)

Interfund transfers for the year ended June 30, 2022 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,097,297	\$ 17,429,420
Debt Service Fund	3,635,925	900,625
E-911 Fund	902,173	-
Children's Service Act Fund	237,026	-
Grants Fund	72,474	7,304,488
Capital Projects Fund	3,398,521	-
Department of Social Services	768,884	243,393
Public Utilities	1,803,901	-
Public Utilities Capital	6,948,371	-
Stormwater	110	-
Information Technology Fund	13,244	15,394
Risk Management Fund	15,394	-
	<u>\$ 25,893,320</u>	<u>\$ 25,893,320</u>

June 30, 2022

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 County is not anticipating the collection of any payments from the EDA. The outstanding principal balance of the note as of June 30, 2022 is \$375,000.

B. Leases Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principles that leases are financings of the right to use an underlying asset. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

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 \$46,751.66. As of 06/30/2022, the value of the lease receivable is \$45,541.56. The lessee is required to make annual fixed payments of \$1,813.90. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2022 was \$45,651.62, and Isle of Wight County recognized lease revenue of \$1,100.04 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 \$3,259.50. As of 06/30/2022, the value of the lease receivable is \$2,163.50. The lessee is required to make annual fixed payments of \$1,096.00. The lease has an interest rate of 0.8770%. The value of the deferred inflow of resources as of 06/30/2022 was \$2,716.25, and Isle of Wight County recognized lease revenue of \$543.25 during the fiscal year.

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 \$2,224,065.46. As of 06/30/2022, the value of the lease receivable is \$2,097,213.32. The lessee is required to make monthly fixed payments of \$13,685.00. The lease has an interest rate of 1.8360%. The value of the deferred inflow of resources as of 06/30/2022 was \$2,056,211.46, and Isle of Wight County recognized lease revenue of \$167,854.00 during the fiscal year. The lessee has 2 extension options, each for 60 months.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 5 – Receivables (Continued)

B. Leases Receivable (Continued)

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 \$19,597.02. As of 06/30/2022, the value of the lease receivable is \$19,034.02. The lessee is required to make annual fixed payments of \$563.00. The lease has an interest rate of 2.5830%. The value of the deferred inflow of resources as of 06/30/2022 was \$19,355.83, and Isle of Wight County recognized lease revenue of \$241.19 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, 2022 are as follows:

Fiscal Year	Principle Payments	Interest Payments	Total Payments
2023	\$ 128,564	\$ 39,129	\$ 167,693
2024	130,939	36,753	167,692
2025	152,919	34,208	187,127
2026	162,691	31,266	193,957
2027	165,709	28,248	193,957
2028-2032	914,407	93,039	1,007,446
2033-2037	456,937	16,816	473,753
2038-2042	5,472	6,413	11,885
2043-2047	6,216	5,669	11,885
2048-2052	7,061	4,823	11,884
2053-2057	8,021	3,863	11,884
2058-2062	9,112	2,772	11,884
2063-2067	2,810	1,819	4,629
2068-2072	1,184	1,631	2,815
2073-2077	1,345	1,470	2,815
2078-2082	1,527	1,288	2,815
2083-2087	1,735	1,080	2,815
2088-2092	1,971	844	2,815
2093-2097	2,239	576	2,815
2098-2102	2,544	271	2,815
2103-2104	549	14	563
Total	\$ 2,163,952	\$ 311,992	\$ 2,475,944

June 30, 2022

Note 5 – Receivables (Continued)

B. 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 \$83,098.47. As of June 30, 2022, the value of the lease receivable is \$67,223.49. The lessee is required to make annual fixed payments of \$16,021.65. The lease has an interest rate of 1.0590%. The value of the deferred inflow of resources as of 06/30/2022 was \$66,670.44, and Economic Development Authority recognized lease revenue of \$16,428.03 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 \$23,406.39. As of June 30, 2022, the value of the lease receivable is \$14,043.71. The lessee is required to make semi-annual fixed payments of \$4,715.31. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2022 was \$14,043.83, and Economic Development Authority recognized lease revenue of \$9,362.55 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 \$14,618.72. As of 06/30/2022, the value of the lease receivable is \$8,771.16. The lessee is required to make semi-annual fixed payments of \$2,945.00. The lease has an interest rate of 0.7270%. The value of the deferred inflow of resources as of 06/30/2022 was \$8,771.23, 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 \$13,248.88. As of 06/30/2022, the value of the lease receivable is \$7,949.26. 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 06/30/2022 was \$7,949.33, 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, 2022 are as follows:

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 36,263	\$ 898	\$ 37,161
2024	26,745	582	27,327
2025	17,137	370	17,507
2026	17,843	189	18,032
Total	\$ 97,988	\$ 2,039	\$ 100,027

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 5 – Receivables (Continued)

B. Leases Receivable (Continued)

Discretely Presented Component Units- School Board

On October 5, 2021, Isle of Wight County School Board entered into a 15 month lease as Lessor for the use of the warehouse space. An initial lease receivable was recorded in the amount of \$37,115.84. As of June 30, 2022, the value of the lease receivable is \$14,921.87. The lessee is required to make monthly fixed payments of \$2,500.00. The lease has an interest rate of 1.7700%. The value of the deferred inflow of resources as of June 30, 2022 was \$15,176.25, and Isle of Wight County Schools recognized lease revenue of \$21,939.59 during the fiscal year.

Expected future payments, which are included in the measurement of the lease receivable at June 30, 2022 are as follows:

Fiscal Year		Principle Payments	Interest Payments	Total Payments
2023	\$	14,922	78	15,000

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 6 – Noncurrent Assets

The following is a summary of changes in capital assets:

Primary Government	Balance July 01, 2021	GASB 87 Implementation	Additions	Deletions & Reclassifications	Balance June 30, 2022
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 12,752,332	\$ -	\$ -	\$ -	\$ 12,752,332
Intangibles	4,338,512	-	-	-	4,338,512
Construction in progress	5,191,104	-	11,772,944	-	16,964,048
Total capital assets not being depreciated:	22,281,948	-	11,772,944	-	34,054,892
Capital assets being depreciated:					
Buildings - County	41,871,982	-	448,415	-	42,320,397
Buildings - jointly owned assets	23,103,294	-	-	23,103,294 *	-
Land improvements	15,976,252	-	476,965	-	16,453,217
Land improvements - jointly owned assets	1,740,513	-	-	1,740,513 *	-
Equipment	14,160,285	-	453,328	14,585	14,599,028
Vehicles	5,568,525	-	842,614	528,978	5,882,161
Total capital assets being depreciated	102,420,851	-	2,221,322	25,387,370	79,254,803
Less - accumulated depreciation:					
Buildings - County	11,518,935	-	799,336	-	12,318,271
Buildings - jointly owned assets	8,525,053	-	-	8,525,053 *	-
Land improvements	5,601,596	-	775,869	-	6,377,465
Land improvements - jointly owned assets	176,525	-	-	176,525 *	-
Equipment	5,266,579	-	1,176,264	14,585	6,428,258
Vehicles	3,307,033	-	682,467	486,715	3,502,785
Total accumulated depreciation	34,395,721	-	3,433,936	9,202,878	28,626,779
Total capital assets being depreciated - net	68,025,130	-	(1,212,614)	16,184,492	50,628,024
Right to use assets being amortized:					
Equipment	-	194,937	163,184	-	358,121
Land	-	193,555	-	-	193,555
Total right to use assets being amortized	-	388,492	163,184	-	551,676
Less- accumulated amortization:					
Equipment	-	-	80,266	-	80,266
Land	-	-	1,325	-	1,325
Total accumulated amortization	-	-	81,591	-	81,591
Total right to use assets being amortized - net	-	388,492	81,593	-	470,085
Governmental activities capital assets - net	\$ 90,307,078	\$ 388,492	\$ 10,641,923	\$ 16,184,492	\$ 85,153,001

June 30, 2022

Note 6 – Noncurrent Assets (Continued)

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

Governmental activities	
General Government	\$ 194,437
Judicial	295,714
Public safety	1,740,791
Public works	211,366
Health and welfare	74,596
Parks, recreation and cultural	817,488
Community development	44,091
Internal Service Fund	55,453
Total depreciation expense - governmental activities	<u>\$ 3,433,936</u>

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. Therefore, the assets previously shown as "jointly owned" have been added back to the Schools assets in the amount of \$16,142,229.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 6 – Noncurrent Assets (Continued)

	Balance July 1, 2021	GASB 87 Implementation	Additions	Deletions & Reclassifications	Balance June 30, 2022
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 459,013	\$ -	\$ 4,000	\$ -	\$ 463,013
Construction in progress	2,059,756	-	1,286,573	-	3,346,329
Total capital assets not being depreciated	2,518,769	-	1,290,573	-	3,809,342
Capital assets being depreciated:					
Buildings	11,645,449	-	-	-	11,645,449
Land improvements	19,598,655	-	-	-	19,598,655
Equipment	1,973,894	-	68,539	-	2,042,433
Vehicles	789,697	-	-	48,810	740,887
Total capital assets being depreciated	34,007,695	-	68,539	48,810	34,027,424
Less - accumulated depreciation:					
Buildings	4,563,435	-	211,781	-	4,775,216
Land improvements	12,723,838	-	475,768	-	13,199,606
Equipment	987,679	-	99,044	-	1,086,723
Vehicles	448,337	-	65,146	48,810	464,673
Total accumulated depreciation	18,723,289	-	851,739	48,810	19,526,218
Total capital assets being depreciated - net	15,284,406	-	783,200	-	14,501,206
Right to use assets being amortized:					
Equipment	-	10,237	-	-	10,237
Total capital assets being depreciated	-	10,237	-	-	10,237
Less - accumulated amortization:					
Equipment	-	-	2,430	-	2,430
Total accumulated amortization	-	-	2,430	-	2,430
Total right to use assets being amortized - net	-	10,237	(2,430)	-	7,807
Business- type activities capital assets - net	\$ 17,803,175	\$ 10,237	\$ 2,071,343	\$ -	\$ 18,318,355

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

Business-type activities	Depreciation	Amortization	Total
Public Utility	\$ 747,452	\$ 1,101	\$ 748,553
Stormwater	104,287	1,329	105,616
Total depreciation expense - Business-type activities	\$ 851,739	\$ 2,430	\$ 854,169

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 6 – Noncurrent Assets (Continued)

Discretely Presented Component Unit

School Board	Balance July 1, 2021	GASB 87 Implementation	Additions	Deletions & Reclassifications	Adjustments - Jointly Owned	Balance June 30, 2022
Capital assets not being depreciated						
Land	\$ 1,619,726	\$ -	\$ -	\$ -	\$ -	\$ 1,619,726
Construction in Progress	537,110	-	630,452	537,110	-	630,452
Total capital assets not being depreciated	2,156,836	-	630,452	537,110	-	2,250,178
Capital assets being depreciated:						
Buildings and improvements	91,306,086	-	1,203,553	-	23,103,294*	115,612,933
Land improvements	3,156,800	-	170,012	-	1,740,513*	5,067,325
Equipment	18,726,090	-	1,150,320	14,063	-	19,862,347
Vehicles	7,261,047	-	765,940	79,923	-	7,947,064
Total capital assets being depreciated	120,450,023	-	3,289,825	93,986	24,843,807	148,489,669
Less - accumulated depreciation:						
Buildings and improvements	41,005,571	-	2,436,811	(2,829)	8,525,053*	51,970,264
Land improvements	2,422,686	-	185,493	-	176,525*	2,784,704
Equipment	11,817,913	-	818,576	14,063	-	12,622,426
Vehicles	4,780,554	-	405,336	79,925	-	5,105,965
Total accumulated depreciation	60,026,724	-	3,846,216	91,159	8,701,578	72,483,359
Total capital assets being depreciated - net	60,423,299	-	(556,391)	2,827	16,142,229	76,006,310
Right to use assets being amortized:						
Equipment	-	653,234	-	-	-	653,234
Total right to use assets being amortized	-	653,234	-	-	-	653,234
Less - accumulated amortization:						
Equipment	-	-	140,260	-	-	140,260
Total accumulated amortization	-	-	140,260	-	-	140,260
Total right to use assets being amortized - net	-	653,234	(140,260)	-	-	512,974
School Board capital assets - net	\$ 62,580,135	\$ 653,234	\$ (66,199)	\$ 539,937	\$ 16,142,229	\$ 78,769,462

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

Discretely Presented Component Unit - School Board

Instructional services	\$ 3,510,672
Pupil Transportation	335,544
Total depreciation expense - school board	\$ 3,846,216

June 30, 2022

Note 6 – Noncurrent Assets (Continued)

Discretely Presented Component Unit

<u>Economic Development Authority</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2022</u>
Capital assets not being depreciated:				
Land	\$ 376,537	\$ -	\$ -	\$ 376,537
Total capital assets not being depreciated	376,537	-	-	376,537
Capital assets being depreciated				
Buildings	34,000	-	-	34,000
Land improvements	4,760,733	-	-	4,760,733
Total capital assets being depreciated	4,794,733	-	-	4,794,733
Less - accumulated depreciation				
Buildings	8,500	680	-	9,180
Land improvements	2,836,196	238,463	-	3,074,659
Total accumulated depreciation	2,844,696	239,143	-	3,083,839
Total capital assets being depreciated - net	1,950,037	(239,143)	-	1,710,894
EDA capital assets - net	\$ 2,326,574	\$ (239,143)	\$ -	\$ 2,087,431

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 6 – Capital 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>	Expended Through <u>June 30, 2022</u>	Outstanding <u>Commitments</u>
Broadband	\$ -	\$ 2,400,000
Buildings & Grounds	1,279,710	261,738
Economic Development	13,468,247	1,435,059
Education	31,521,380	30,152,911
Parks & Recreation	9,717,091	3,190,236
Public Facility Improvements	40,103	3,949,999
Public Safety	7,758,084	179,750
Transportation	-	12,856,718
Total Other Capital Assets at Historical Cost	<u>\$ 63,784,615</u>	<u>\$ 54,426,411</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, 2022:

<u>Business-Type Activities</u>	Expended Through <u>June 30, 2022</u>	Outstanding <u>Commitments</u>
Water & Sewer Utility Projects	\$ 2,686,496	\$ 8,512,336
Stormwater	892,380	820,000
Total Business-Type Activities	<u>\$ 3,578,876</u>	<u>\$ 9,332,336</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 7 – Long-Term Obligations

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

	Balance July 1, 2021	GASB 87 Implementation	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Governmental Activities						
General obligation bonds	\$ 127,504,870	\$ -	\$ 16,955,000	\$ (7,490,945)	\$ 136,968,925	\$ 7,659,594
Bond premiums	7,128,823	-	1,889,277	(431,281)	8,586,819	447,467
Subtotal	134,633,693	-	18,844,277	(7,922,226)	145,555,744	8,107,061
PACE program	4,326,512	-	-	-	4,326,512	-
Direct borrowing	1,426,252	-	935,000	(455,969)	1,905,283	584,609
Lease liability	-	388,492	163,184	(77,872)	473,804	83,628
Compensated absences	1,799,390	-	1,176,936	(1,043,103)	1,933,223	193,322
Landfill closure costs	1,690,643	-	195,774	(126,699)	1,759,718	-
Net OPEB liability	2,277,615	-	553,288	(1,111,996)	1,718,907	-
Net pension liability	7,407,449	-	4,370,843	(11,778,292)	-	-
Total Governmental Activities	\$ 153,561,554	\$ 388,492	\$ 26,239,302	\$ (22,516,157)	\$ 157,673,191	\$ 8,968,620
Business-Type Activities						
General obligation bonds	\$ 34,580,458	\$ -	\$ -	\$ (1,004,830)	\$ 33,575,628	\$ 1,293,253
Bond premiums	2,035,487	-	-	(94,743)	1,940,744	94,743
Subtotal	36,615,945	-	-	(1,099,573)	35,516,372	1,387,996
Direct Borrowing	133,789	-	88,000	(40,542)	181,247	51,356
Lease Liability	-	10,236	-	(2,425)	7,811	2,442
Compensated absences	71,590	-	83,842	(94,170)	61,262	6,126
Net OPEB liability	188,707	-	43,676	(87,780)	144,603	-
Net pension liability	492,585	-	290,656	(783,241)	-	-
Total Business-Type Activities	\$ 37,502,616	\$ 10,236	\$ 506,174	\$ (2,107,731)	\$ 35,911,295	\$ 1,447,920
Discretely Presented Component Units						
School Board						
Direct Borrowing	\$ 6,022,212	\$ -	\$ 445,967	\$ (538,310)	\$ 5,929,869	\$ 567,362
Lease Liability	-	653,234	-	(137,956)	515,278	99,404
Compensated absences	622,584	-	370,753	(468,606)	524,731	52,473
Net OPEB liability	12,864,908	-	1,245,885	(3,852,557)	10,258,236	-
Net pension liability	54,738,713	-	9,214,047	(35,772,716)	28,180,044	-
Total School Board	\$ 74,248,417	\$ 653,234	\$ 11,276,652	\$ (40,770,145)	\$ 45,408,158	\$ 719,239

The County's outstanding bonds, PACE Program, direct borrowings and lease obligations related to governmental activities and business type activities of \$152,261,343 and \$35,705,430 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 and lease obligations related to educational activities of \$6,445,149 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, 2022

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>	31,405,000
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>	54,009,999
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>	29,440,000
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 Basic Financial Statements

June 30, 2022

Note 7 – Long-Term Obligations (Continued)

A. General Obligation Bonds (Continued)

VRA Refunding of Isle of Wight BAB Series 2010C, Series 2017C 8,180,000

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 \$ 5,154,548

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 4,165,010

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) 15,185,000

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 Series 2012 2,924,996

\$48,465,000 dated September 2012, principal payable in various annual installments through 2043, interest payable semi-annually at coupon rates from 3% to 5%. Of this bond issue, \$3,494,846 was borrowed to finance various capital improvements. The remaining \$33,680,000 was used to current refund \$7,685,000 of outstanding 2010 Series Bonds and advance refund \$6,460,000 of the outstanding 2011 Bond Anticipation Note, and \$19,535,000 of the outstanding 2003 and 2004 bonds. The bonds were issued at a \$6,774,843 premium, which is being amortized over the life of the bonds.

General Obligation Bonds of 2011 VPSA (tax exempt bonds) 3,125,000

\$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 \$ 170,544,553

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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
2023	7,659,592	3,862,224	1,293,251	954,526	8,952,843	4,816,750
2024	7,381,346	3,693,650	1,784,122	903,875	9,165,468	4,597,525
2025	7,597,923	3,463,038	1,845,735	839,630	9,443,658	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	2,936,943	1,986,932	702,909	10,586,775	3,639,852
2028-2032	37,005,066	10,682,860	9,768,320	2,579,018	46,773,386	13,261,878
2033-2037	25,098,555	5,852,837	7,891,444	1,471,496	32,989,999	7,324,333
2038-2042	22,529,704	2,915,698	6,335,299	513,656	28,865,003	3,429,354
2043-2047	12,776,653	690,755	758,345	16,202	13,534,998	706,957
Total	<u>\$ 136,968,925</u>	<u>\$ 37,309,215</u>	<u>\$ 33,575,628</u>	<u>\$ 8,754,020</u>	<u>\$ 170,544,553</u>	<u>\$ 46,063,235</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, 2022, the outstanding balance of the defeased debt, including current year defeased debt, is \$60,042,780.

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, 2022.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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, 2022, 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
2023	-	209,836
2024	-	209,836
2025	-	209,836
2026	-	209,836
2027	-	209,836
2028-2032	-	1,049,179
2033-2037	-	1,049,179
2038-2042	-	734,426
2043-2045	4,326,512	-
	<u>\$ 4,326,512</u>	<u>\$ 3,881,964</u>

D. Primary Government- Direct Borrowings

During the fiscal year 2022, the County entered into a non-cancellable direct borrowing agreement for equipment in the amount of \$1,023,000. The cost of equipment put in service during the year was \$563,830. At June 30, 2022, the accumulated depreciation on this equipment was \$90,449. 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, 2022 are as follows:

Fiscal Year Ending June 30,	Governmental	Business-type
	Activities	Activities
2023	\$ 607,771	\$ 53,515
2024	474,846	46,212
2025	423,572	46,011
2026	256,324	22,221
2027	191,495	18,023
Total minimum lease payments	1,954,008	185,982
less amounts representing interest	(48,725)	(4,736)
Present value of minimum lease payments	<u>\$ 1,905,283</u>	<u>\$ 181,246</u>

June 30, 2022

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 \$6,599,173. At June 30, 2022, the accumulated depreciation was in the amount of \$2,421,631.

The future minimum agreement payments and the present value of minimum payments for School Board direct borrowing agreement as of June 30, 2022 are as follows:

Fiscal Year <u>Ending June 30,</u>	
2023	446,977
2024	465,785
2025	484,120
2026	502,025
2027	524,500
Thereafter	<u>3,604,950</u>
Total minimum lease payments	6,028,357
less amounts representing interest	<u>(593,357)</u>
Present value of minimum lease payments	<u>\$ 5,435,000</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 \$1,480,000. At June 30, 2022, the accumulated depreciation was in the amount of \$285,889.

Future minimum direct borrowing agreement payments are as follows:

Fiscal Year <u>Ending June 30,</u>	
2023	\$ 67,188
2024	67,188
2025	<u>67,188</u>
Total minimum lease payments	201,564
less amounts representing interest	<u>(6,965)</u>
Present value of minimum lease payments	<u>\$ 194,599</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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,	
2023	\$ 154,693
2024	154,692
Total minimum payments	309,385
less amounts representing interest	(9,115)
Present value of minimum payments	\$ 300,270

F. Primary Government- Lease Obligations

On 07/01/2021, Isle of Wight County, VA entered into a 21-month lease as Lessee for the use of Quadient Folding Machines. An initial lease liability was recorded in the amount of \$7,951.17. As of 06/30/2022, the value of the lease liability is \$3,413.47. Isle of Wight County is required to make quarterly fixed payments of \$1,140.75. The lease has an interest rate of 0.5140%.

On 07/01/2021, Isle of Wight County, VA entered into a 50-month lease as Lessee for the use of Xerox Copiers. An initial lease liability was recorded in the amount of \$190,808.83. As of 06/30/2022, the value of the lease liability is \$145,607.06. Isle of Wight 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, VA 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 \$193,554.79. As of 06/30/2022, the value of the lease liability is \$188,776.99. Isle of Wight County is required to make annual fixed payments of \$5,000.00. The lease has an interest rate of 2.5830%. Isle of Wight County has 5 extension options, each for 300 months.

On 07/01/2021, Isle of Wight County, VA 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 \$4,534.10. As of 06/30/2022, the value of the lease liability is \$2,958.89. Isle of Wight 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, VA entered into a 60-month lease as Lessee for the use of Axon Tasers. An initial lease liability was recorded in the amount of \$163,183.96. As of 06/30/2022, the value of the lease liability is \$139,955.17. Isle of Wight County is required to make annual fixed payments of \$35,920.00. The lease has an interest rate of 1.0590%.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Obligations (Continued)

On 07/01/2021, Isle of Wight County, VA entered into a 23-month lease as Lessee for the use of Xerox copiers for DSS Child Services. An initial lease liability was recorded in the amount of \$1,884.24. As of 06/30/2022, the value of the lease liability is \$903.42. Isle of Wight County is required to make monthly fixed payments of \$82.34. The lease has an interest rate of 0.5140%.

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
2023	83,628	7,546	\$ 91,174
2024	79,713	6,693	86,406
2025	79,174	5,897	85,071
2026	43,028	5,251	48,279
2027	137	4,863	5,000
2028 - 2032	741	24,259	25,000
2033 - 2037	842	24,158	25,000
2038 - 2042	956	24,044	25,000
2043 - 2047	1,086	23,914	25,000
2048 - 2052	1,234	23,766	25,000
2053 - 2057	1,402	23,598	25,000
2058 - 2062	1,592	23,408	25,000
2063 - 2067	1,809	23,191	25,000
2068 - 2072	2,055	22,945	25,000
2073 - 2077	2,335	22,665	25,000
2078 - 2082	2,652	22,348	25,000
2083 - 2087	3,013	21,987	25,000
2088 - 2092	3,422	21,578	25,000
2093 - 2097	3,888	21,112	25,000
2098 - 2102	4,417	20,583	25,000
2103 - 2107	5,017	19,983	25,000
2108 - 2112	5,700	19,300	25,000
2113 - 2117	6,475	18,525	25,000
2118 - 2122	7,355	17,645	25,000
2123 - 2127	8,356	16,644	25,000
2128 - 2132	9,492	15,508	25,000
2133 - 2137	10,783	14,217	25,000
2138 - 2142	12,249	12,751	25,000
2143 - 2147	13,915	11,085	25,000
2148 - 2152	15,808	9,192	25,000
2153 - 2157	17,957	7,043	25,000
2158 - 2162	20,399	4,601	25,000
2163 - 2167	23,174	1,826	25,000
	<u>\$ 473,804</u>	<u>\$ 542,126</u>	<u>\$ 1,015,930</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 7 – Long-Term Obligations (Continued)

F. Primary Government- Lease Obligations (Continued)

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,442	\$ 60	\$ 2,502
2024	2,465	38	2,503
2025	2,487	16	2,503
2026	417	-	417
	<u>\$ 7,811</u>	<u>\$ 114</u>	<u>\$ 7,925</u>

G. School Board- Lease Obligations

On 07/01/2021, Isle of Wight County Schools entered into a 13-month lease as Lessee for the use of Xerox copiers. An initial lease liability was recorded in the amount of \$46,686.06. As of 06/30/2022, the value of the lease liability is \$3,597.84. Isle of Wight County Schools is required to make monthly fixed payments of \$3,599.00. The lease has an interest rate of 0.3870%.

On 07/01/2021, Isle of Wight County Schools 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 \$130,608.25. As of 06/30/2022, the value of the lease liability is \$102,610.64. Isle of Wight County Schools is required to make monthly fixed payments of \$2,432.91. The lease has an interest rate of 1.0590%.

On 07/01/2021, Isle of Wight County Schools entered into a 96-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of \$419,930.61. As of 06/30/2022, the value of the lease liability is \$371,350.41. Isle of Wight County Schools is required to make monthly fixed payments of \$4,848.24. The lease has an interest rate of 2.6490%.

On 07/01/2021, Isle of Wight County Schools entered into a 36-month lease as Lessee for the use of equipment. An initial lease liability was recorded in the amount of \$56,009.17. As of 06/30/2022, the value of the lease liability is \$37,719.77. Isle of Wight County Schools is required to make monthly fixed payments of \$1,612.33. The lease has an interest rate of 2.4650%.

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

Fiscal Year	Component Unit- School Board		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 99,404	\$ 10,917	\$ 110,321
2024	97,882	8,840	106,722
2025	80,442	6,932	87,374
2026	69,946	5,263	75,209
2027	54,396	3,783	58,179
2028-2030	113,208	3,150	116,358
	<u>\$ 515,278</u>	<u>\$ 38,885</u>	<u>\$ 554,163</u>

June 30, 2022

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:

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, 2022

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>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>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 1 through April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.
<p>Hybrid Opt-In Election 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.</p>	<p>Hybrid Opt-In Election 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.</p>	
<p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p>	<p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p>	<p>*Non-Eligible Members 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>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<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>
<p>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>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>	

June 30, 2022

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 contribute 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 <i>Defined Benefit Component:</i> 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. <i>Defined Contribution Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

June 30, 2022

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Vesting 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 Same as Plan 1.</p>	<p>Vesting <i>Defined Benefit Component:</i> 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><i>Defined Contribution Component:</i> 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, 2022

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 <i>Defined Benefit Component:</i> See definition under Plan 1. <i>Defined Contribution Component:</i> 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 non-hazardous duty members is 1.70%.	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	Service Retirement Multiplier <i>Defined Benefit Component:</i> The retirement multiplier for the defined benefit component is 1.00%. For members that 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: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	Sheriffs and regional jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
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.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component:</i> Not applicable.

June 30, 2022

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 <i>Defined Benefit Component:</i> Same as Plan 2. Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component:</i> 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.	Earliest Unreduced Retirement Eligibility Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equal 90.	Earliest Unreduced Retirement Eligibility <i>Defined Benefit Component:</i> Normal Social Security retirement age and have at least 5 years (60 months) of service credit or when their age plus service credit equals 90 Political subdivision hazardous duty employees: Not applicable.
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.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component:</i> 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 <i>Defined Benefit Component:</i> Age 60 with at least five years (60 months) of service credit. Political subdivision hazardous duty employees: Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

June 30, 2022

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Cost-of-Living Adjustment (COLA) in Retirement 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.</p> <p>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</i> <i>Effective Dates:</i> School Division (Teachers) and Political Subdivision Employees: 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 is involuntarily separated from employment for or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. 	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 2%) up to a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA</i> <i>Effective Dates:</i> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA</i> <i>Effective Dates:</i> School Division (Teachers) and Political Subdivision Employees: Same as Plan 1 and Plan 2.</p>

June 30, 2022

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Cost-of-Living Adjustment (COLA) in Retirement (Continued) <i>Exceptions to COLA Effective Dates: (Continued)</i> School Division (Teachers) and Political Subdivision Employees (continued):</p> <ul style="list-style-type: none"> • 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. • Political subdivision employees: The member retires directly from short-term or long-term disability. 		
<p>Disability Coverage Political subdivision employees: 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.</p>	<p>Disability Coverage Political subdivision employees: 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.</p>	<p>Disability Coverage Employees of political subdivisions and school divisions (teachers), including Plan 1 and Plan 2 opt-ins, participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>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-work related disability benefits.</p>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 8 - Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
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 <i>Defined Benefit Component:</i> Same as Plan 1, with the following exception: <ul style="list-style-type: none">• Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component:</i> Not applicable.

B. Employees Covered by Benefit Terms

County Plan

As of the June 30, 2020 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>200</u>
Inactive members:	
Vested inactive members	56
Non-vested inactive members	84
Active elsewhere in VRS	<u>132</u>
Total inactive members	<u>272</u>
Active members	<u>290</u>
Total covered employees	<u><u>762</u></u>

June 30, 2022

Note 8 - Pension Plan (Continued)

B. Employees Covered by Benefit Terms (Continued)

School Board Non-Professional Plan (Agent Plan)

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

	Number
Inactive members or their beneficiaries currently receiving benefits	65
Inactive members:	
Vested	10
Non-vested	58
Active elsewhere in VRS	27
Total inactive members	95
Active members	79
Total covered employees	239

June 30, 2022

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, 2022, was 10.67% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$1,604,862 and \$1,427,654 for the years ended June 30, 2022, and 2021, 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, 2022, was 7.24% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by 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 \$125,410 and \$100,854 for the years ended June 30, 2022, and 2021, respectively.

June 30, 2022

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, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board for the professional plan were \$5,570,195 and \$5,135,443 for the years ended June 30, 2022, and June 30, 2021, respectively.

In June 2021, the Commonwealth made a special contribution of approximately \$61.3 million to the VRS Teacher Employee Plan. This special payment was authorized by a budget amendment included in Chapter 552 of the 2021 Appropriation Act, and is classified as a non-employer contribution.

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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

School Board Professional Plan (Cost-Sharing Plan)

At June 30, 2022, the School Board reported a liability for the professional plan of \$28,180,044 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The School 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board's proportion was 0.36300% as compared to 0.37339% at June 30, 2020.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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, 2021, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total pension liability	\$ 53,381,141
Plan fiduciary net position	<u>45,617,878</u>
Employers' net pension liability	<u>\$ 7,763,263</u>

Plan fiduciary net position as a percentage of the total pension liability	85.46%
--	--------

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

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, 2020, using the Entry Age Normal Actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

June 30, 2022

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Mortality Rates	15% of deaths are assumed to be service-related
- Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% 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 & Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
- Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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

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

County Plan (Agent Plan)

Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's retirement plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2021.

June 30, 2022

Note 8 - Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Inflation	2.50%
Salary increases, including inflation	3.50% - 4.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Mortality Rates	45% of deaths are assumed to be service-related.
- Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years.
- Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retire Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years.
- Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
- Beneficiaries & Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years.
- Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July, 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 MP-2020.
Retirement Rates	Adjusted rates for better fit experience and changed final retirement age from 65 to 70.
Withdrawal Rates	Decreased rates and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Largest 10 Hazardous Duty.
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

June 30, 2022

Note 8 - Pension Plan (Continued)

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, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date as of June 30, 2021.

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

Mortality Rates

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

The actuarial assumptions used in the June 30, 2020, 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:

Mortality Rates (Pre-retirement, post-retirement, health, & 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

June 30, 2022

Note 8 - Pension Plan (Continued)

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%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.000%	3.29%	0.20%
PIP - Private Investment Partnership	3.000%	6.84%	0.21%
Total	100.000%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

*On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is 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, 2022

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, 2021, 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, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021 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
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 55,545,810	\$ 47,645,777	\$ 7,900,033
Changes for the Year:			
Service cost	1,699,060	-	1,699,060
Interest	3,660,599	-	3,660,599
Change of assumptions	2,200,152	-	2,200,152
Difference between expected and actual experience	(1,002,611)	-	(1,002,611)
Contributions - employer	-	1,428,117	(1,428,117)
Contributions - employee	-	702,117	(702,117)
Net investment income	-	13,064,315	(13,064,315)
Benefit payments, including refunds of employee contributions	(2,629,437)	(2,629,437)	-
Administrative expense	-	(32,089)	32,089
Other changes	-	1,235	(1,235)
Net changes	3,927,763	12,534,258	(8,606,495)
Balances at June 30, 2021	\$ 59,473,573	\$ 60,180,035	\$ (706,462)

June 30, 2022

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, 2020	\$ 6,638,186	\$ 6,237,524	\$ 400,662
Charges for the Year:			
Service cost	162,388	-	162,388
Interest	435,245	-	435,245
Difference between expected and actual experience	(8,675)	-	(8,675)
Changes of assumptions	208,317	-	208,317
Contributions - employer	-	100,854	(100,854)
Contributions - employee	-	70,312	(70,312)
Net investment income	-	1,684,755	(1,684,755)
Benefit payments, including refunds of employee contributions	(380,212)	(380,212)	-
Administrative expense	-	(4,277)	4,277
Other changes	-	158	(158)
Net changes	417,063	1,471,590	(1,054,527)
Balances at June 30, 2021	\$ 7,055,249	\$ 7,709,114	\$ (653,865)

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)	\$ 6,896,192	\$ (706,462)	\$ (6,992,059)
School Board non-professional net pension liability (asset)	88,872	(653,865)	(1,280,980)
School Board professional net pension liability	54,385,958	28,180,044	6,622,179

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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, 2022, the County recognized pension expense of \$875,048. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>County</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 418,004	\$ (663,891)
Changes in assumptions	1,504,467	-
Net differences between projected and actual earnings on pension plan investments	-	(6,521,959)
Employer contribution subsequent to the measurement date	1,604,862	-
Total	<u>\$ 3,527,333</u>	<u>\$ (7,185,850)</u>

The \$1,604,862 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (676,413)
2024	(1,091,541)
2025	(1,522,203)
2026	(1,973,222)
2027	-
Thereafter	-
	<u>\$ (5,263,379)</u>

June 30, 2022

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, 2022, the School Board recognized pension expense related to its non-professional plan of \$69,207. At June 30, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (4,133)
Net difference between projected and actual earnings on pension plan investments	-	(833,613)
Changes in assumption	99,251	-
Employer contributions subsequent to the measurement date	125,410	-
Total	<u>\$ 224,661</u>	<u>\$ (837,746)</u>

The \$125,410 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Amount
2023	\$ (100,109)
2024	(190,373)
2025	(193,829)
2026	(254,184)
2027	-
Thereafter	-
	<u>\$ (738,495)</u>

June 30, 2022

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, 2022, the School Board recognized pension expense related to the professional plan of \$175,623. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions for the professional plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (2,400,206)
Net difference between projected and actual earnings on pension plan investments	-	(17,758,309)
Changes in assumptions	4,937,070	-
Changes in proportionate share	314,855	(1,151,861)
Employer contributions subsequent to the measurement date	5,570,195	-
Total	<u>\$ 10,822,120</u>	<u>\$ (21,310,376)</u>

The \$5,570,195 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30	Amount
2023	\$ (3,730,857)
2024	(3,307,467)
2025	(3,763,871)
2026	(5,258,326)
2027	2,070
	<u>\$ (16,058,451)</u>

June 30, 2022**Note 8 - Pension Plan (Continued)****K. Pension Plan Data**

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

L. Aggregate Pension Information**Primary Government**

	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense
County VRS Pension Plan	\$ (706,462)	\$ 3,527,333	\$ 7,185,850	\$ 875,048
Total County Plans	\$ (706,462)	\$ 3,527,333	\$ 7,185,850	\$ 875,048

Component Unit School Board

	Net Pension Liability/ (Asset)	Deferred Outflows	Deferred Inflows	Pension Expense
School Board Non-Professional VRS Pension Plan	\$ (653,865)	\$ 224,661	\$ 837,746	\$ 69,207
School Board Professional VRS Pension Plan	28,180,044	10,822,120	21,310,376	175,623
Total Component Unit School Board Plans	\$ 27,526,179	\$ 11,046,781	\$ 22,148,122	\$ 244,830

June 30, 2022

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.

Schoolboard

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, the following employees were covered by the benefit terms:

County

	Number
Active Participants	277
Retiree participants	-
Total	277

June 30, 2022

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

B. Employees Covered by Benefit Terms (Continued)

School Board

	Number
Active participants	611
Retiree participants	17
Spouses	-
Total	628

C. Total Medical Insurance Program OPEB Liability

The County’s total Medical Insurance OPEB liability of \$983,424 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021. The School Board’s total Medical Insurance OPEB liability of \$3,632,606 was measured as of June 30, 2022, 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	3.54%	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, 2022

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, 2021	<u>\$ 1,188,081</u>
Charges for the year:	
Service cost	118,688
Interest	28,159
Economic/ demographic gains or losses	(220,152)
Change in assumptions	(125,010)
Benefits paid	<u>(6,342)</u>
Net changes	<u>(204,657)</u>
Balance at June 30, 2022	<u><u>\$ 983,424</u></u>

School Board

	Total Medical Insurance OPEB Liability
Balance at June 30, 2021	<u>\$ 5,142,723</u>
Changes for the year:	
Service cost	228,784
Interest	113,731
Economic/ demographic gains or losses	(1,183,320)
Changes in assumptions	(455,792)
Benefits paid	<u>(213,520)</u>
Net changes	<u>(1,510,117)</u>
Balance at June 30, 2022	<u><u>\$ 3,632,606</u></u>

June 30, 2022

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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate (3.54%):

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County	\$ 1,069,901	\$ 983,424	\$ 903,529
School Board	3,874,159	3,632,606	3,400,796

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	\$ 848,129	\$ 983,424	\$ 1,144,528
School Board	3,240,096	3,632,606	4,090,279

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, 2022, the County recognized Medical Insurance OPEB expense of \$(5,315) and the School Board recognized Medical Insurance OPEB expense of \$282,488.

June 30, 2022

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

At June 30, 2022, 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	\$ 6,555	\$ (233,527)	\$ 703,685	\$ (1,158,777)
Changes in assumptions	14,888	(228,762)	315,108	(393,355)
	<u>\$ 21,443</u>	<u>\$ (462,289)</u>	<u>\$ 1,018,793</u>	<u>\$ (1,552,132)</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:

Fiscal Year Ending June 30,	County	School Board
2023	\$ (152,161)	\$ (60,027)
2024	(119,187)	(60,031)
2025	(84,837)	(20,006)
2026	(65,125)	(20,006)
2027	(19,536)	(81,373)
Thereafter	-	(291,896)
	<u>\$ (440,846)</u>	<u>\$ (533,339)</u>

I. Medical OPEB Expense Detail

Year Ending June 30, 2022	County	School Board
Service Cost	\$ 118,688	\$ 228,784
Interest on total OPEB Liability	28,159	113,731
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of economic/demographic gains or losses	(83,849)	(81,154)
Recognition of assumption changes or inputs	(68,313)	21,127
<u>OPEB Expense / (Income)</u>	<u>\$ (5,315)</u>	<u>\$ 282,488</u>

June 30, 2022

Note 10 - Other Postemployment Benefits – Group Life Insurance Program

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
<p>Eligible Employees</p> <p>The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program.</p> <p>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.</p>
<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

June 30, 2022

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

A. Plan Description

Reduction in Benefit Amounts

The benefit amounts provided to members covered under the GLI 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.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)

For covered members with at least 30 years of service credit, there is a minimum benefit payable under GLI. 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 \$8,722 as of June 30, 2022.

B. Contributions

The contribution requirements for the GLI are governed by Sections 51.1-506 and 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the County and School Board for the years ended June 30, 2022 and June 30, 2021 were as follows.

	2022	2021
County	\$ 85,453	\$ 80,421
School Board Non-Professional	10,299	8,127
School Board Professional	188,426	172,811

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, 2022, the participating employers' reported liabilities for its proportionate share of the net GLI OPEB liability as follows:

	2022	2021
County	\$ 837,111	\$ 1,193,052
School Board Non-Professional	84,875	138,013
School Board Professional	1,804,620	2,641,434

June 30, 2022**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)**

The net GLI OPEB liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, comparisons of the participating employers' proportions to June 30, 2020 are as follows:

	2021	2020
County	0.07190%	0.07149%
School Board Non-Professional	0.00729%	0.00827%
School Board Professional	0.15500%	0.15828%

For the year ended June 30, 2022, the County, School Board non-professional, and School Board professional employees recognized GLI OPEB expense (benefit) of \$39,550, (\$192), and \$66,032, 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, 2022, 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	\$ 95,475	\$ (6,378)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(199,800)
Change in assumptions	46,150	(114,535)
Changes in proportion	20,248	(4,953)
Employer contributions subsequent to the measurement date	85,453	-
Total	\$ 247,326	\$ (325,666)

June 30, 2022**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)**

The \$85,453 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (35,984)
2024	(26,694)
2025	(29,047)
2026	(61,207)
2027	(10,861)
Thereafter	<u>-</u>
Total	<u>\$ (163,793)</u>

School Board Non-Professional

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of of Resources</u>
Differences between expected and actual experience	\$ 9,680	\$ (647)
Net difference between projected and actual earnings on		
GLI OPEB program investments	-	(20,258)
Change in assumptions	4,679	(11,613)
Changes in proportion	21,670	(42,426)
Employer contributions subsequent to the measurement date	<u>10,299</u>	<u>-</u>
Total	<u>\$ 46,328</u>	<u>\$ (74,944)</u>

June 30, 2022**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)**

The \$10,299 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (7,850)
2024	(6,663)
2025	(6,069)
2026	(13,217)
2027	(5,116)
Thereafter	<u>-</u>
Total	<u>\$ (38,915)</u>

School Board Professional

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 205,823	\$ (13,750)
Net difference between projected and actual earnings on GLI OPEB program investments	-	(430,724)
Change in assumptions	99,488	(246,911)
Changes in proportion	23,670	(55,554)
Employer contributions subsequent to the measurement date	<u>188,426</u>	<u>-</u>
	<u>\$ 517,407</u>	<u>\$ (746,939)</u>

June 30, 2022

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)

The \$188,426 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (96,803)
2024	(75,911)
2025	(72,352)
2026	(139,601)
2027	(33,291)
Thereafter	<u>-</u>
Total	<u><u>\$ (417,958)</u></u>

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

June 30, 2022

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

D. Actuarial Assumptions (Continued)

School Board Professional

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 off males and females

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2022

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

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional

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% for females set forward 2 years.

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

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

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective 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, 2022

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

D. Actuarial Assumptions (Continued)

County and School Board Non-Professional

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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, 2022

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, 2021, NOL amounts for the GLI are as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB liability	\$ 3,577,346
Plan fiduciary net position	2,413,074
Employers' net GLI OPEB liability	\$ 1,164,272
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45%

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

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

June 30, 2022

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 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the 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 member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and 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, 2021, the rate contributed by the participating employers for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed 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	\$ 1,223,050	\$ 837,111	\$ 525,448
School Board Non-Professional	124,006	84,875	53,276
School Board Professional	2,636,616	1,804,620	1,132,746

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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

June 30, 2022

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. A single-employer plan for political subdivisions (County and School Board Non-Professional Plan) and a cost-sharing employer 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> 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: Full-time permanent salaried employees of the participating political subdivision who are covered under the VRS pension plan.</p>
<p><i>Benefit Amounts</i> The political subdivision's Retiree HIC provides the following benefits for eligible employees: 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>
<p><i>Health Insurance Credit Program Notes</i> 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.</p>

June 30, 2022

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 HIC 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 HIC 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 with at least 15 years of service credit, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.disability under the Virginia Local Disability Program (VLDP), the monthly benefit isDisability Retirement - for teacher and other professional school employees who retire on disability or go on long-term disability under the 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> <p>The monthly HIC benefit cannot exceed the individual premium amount.</p> <p>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.</p>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

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

B. Employees Covered by Benefit Terms

County Plan

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	36
Inactive members	-
Vested	2
Non-Vested	-
Active Elsewhere in VRS	-
Total inactive members	<u>38</u>
Active members	<u>158</u>
Total covered employees	<u><u>196</u></u>

School Board Non-Professional Plan

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	19
Inactive members	-
Vested	1
Non-Vested	-
Active Elsewhere in VRS	-
Total inactive members	<u>20</u>
Active members	<u>79</u>
Total covered employees	<u><u>99</u></u>

June 30, 2022

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, 2022, the contractually required employer contribution rates for the County, School Board non-professional and School Board professional were 0.20%, 0.49% 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, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the HIC Program from the participating employers for the years ended June 30, 2022, and June 30, 2021, were as follows:

	2022	2021
County	\$ 17,952	\$ 16,690
School Board Professional	421,174	386,115
School Board Non-Professional	9,189	7,259

During the 2020 session, House Bill 1513 was enacted. This bill required the addition of Health Insurance Credit benefits for non-teacher employees effective July 1, 2021. While benefit payments became effective July 1, 2021, employers were required to pre-fund the benefits beginning July 1, 2020. The bill impacted 95 employers and resulted in approximately \$2.5 million of additional employer contributions in FY2021.

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, 2021. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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, 2021, 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, 2022

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

	Teacher Employee HIC OPEB Plan
Total teacher employee HIC OPEB liability	\$ 1,477,874
Plan fiduciary net position	194,305
Teacher employee net HIC OPEB liability	<u>\$ 1,283,569</u>
Plan fiduciary net position as a percentage of the total teacher employee HIC OPEB liability	13.15%

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

E. Actuarial Assumptions

The total HIC OPEB liabilities were based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation:	
Locality-general employees	3.50%-5.35%
Teacher employees	3.50%-5.95%
Investment rate of return	6.75%, net of investment expenses, including inflation

County & School Board Non-Professional Plans

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.

June 30, 2022

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Fore 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 Plan

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 .

June 30, 2022

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

E. Actuarial Assumptions (Continued)

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Fore 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, 2022

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

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

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

June 30, 2022

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

G. Discount Rate

The discount rate used to measure the total HIC OPEB liabilities 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, 2021, the rate contributed by the School Board non-professional and School Board professional plans for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2021, on, employers are assumed 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 (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 265,045	\$ 189,842	\$ 75,203
Changes for the year:			
Service cost	8,576	-	8,576
Interest	17,166	-	17,166
Changes of assumptions	5,815	-	5,815
Difference between expected and actual experience	1,551	-	1,551
Contributions-employer	-	16,701	(16,701)
Net investment income	-	49,207	(49,207)
Benefit payments, including refunds of employee contributions	(21,471)	(21,471)	-
Administrative expenses	-	(572)	572
Net changes	11,637	43,865	(32,228)
Balance at June 30, 2021	\$ 276,682	\$ 233,707	\$ 42,975

June 30, 2022

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

School Board Non-Professional Plan

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 95,695	\$ -	\$ 95,695
Changes for the year:			
Service cost	2,214	-	2,214
Interest	6,459	-	6,459
Changes of assumptions	8,553	-	8,553
Contributions-employer	-	7,259	(7,259)
Net investment income	-	934	(934)
Administrative expenses	-	(32)	32
Net changes	17,226	8,161	9,065
Balance at June 30, 2021	\$ 112,921	\$ 8,161	\$ 104,760

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:

	Current Discount		
	1% Decrease (5.75)%	Rate (6.75)%	1% Increase (7.75)%
School Board Professional	\$ 5,213,644	\$ 4,631,375	\$ 4,138,636
School Board Non-Professional	115,767	104,760	95,287
County	72,342	42,975	17,917

June 30, 2022

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, 2022, the County plan recognized HIC OPEB expense of \$5,812. At June 30, 2022, 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	\$ 4,624	\$ (12,895)
Net difference between projected and actual earnings on investments	-	(23,576)
Change in assumptions	7,938	(864)
Employer contributions subsequent to the measurement date	17,952	-
Total	\$ 30,514	\$ (37,335)

The \$17,952 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30	Amount
2023	\$ (6,425)
2024	(5,651)
2025	(7,443)
2026	(6,441)
2027	1,187
Thereafter	-
Total	\$ (24,773)

June 30, 2022

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, 2022, the School Board Non-Professional plan recognized HIC OPEB expense of \$10,241. At June 30, 2022, 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	\$ -	\$ -
Net difference between projected and actual earnings on investments	-	(552)
Change in assumptions	6,635	-
Employer contributions subsequent to the measurement date	9,189	-
Total	<u>\$ 15,824</u>	<u>\$ (552)</u>

The \$9,189 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows (amounts expressed in the thousands):

Year Ending June 30	Amount
2023	\$ 1,780
2024	1,780
2025	1,780
2026	743
2027	-
Thereafter	-
Total	<u>\$ 6,083</u>

June 30, 2022**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, 2022, the School Board professional plan reported a liability of \$4,631,375 for its proportionate share of the VRS Teacher Employee HIC Program Net OPEB liability. The Net VRS Teacher Employee HIC OPEB liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The School 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the School Board professional plan's proportion of the VRS Teacher Employee HIC was 0.36082% as compared to 0.37066% at June 30, 2020.

For the year ended June 30, 2022, the School Board professional plan recognized VRS Teacher Employee HIC OPEB expense of \$353,576. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, 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	\$ -	\$ (80,817)
Net difference between projected and actual earnings on HIC OPEB program investments	-	(61,009)
Change in assumptions	125,194	(18,613)
Changes in proportionate share	35,939	(130,846)
Employer contributions subsequent to the measurement date	421,174	-
Total	\$ 582,307	\$ (291,285)

June 30, 2022

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 \$421,174 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2023	\$ (29,279)
2024	(29,972)
2025	(24,819)
2026	(18,869)
2027	(8,296)
Thereafter	<u>(18,917)</u>
Total	<u>\$ (130,152)</u>

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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website varetire.org/pdf/publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

June 30, 2022

Note 12 - Other Postemployment Benefits – Virginia Local Disability Program

Plan Description

The County has three types of Virginia Local Disability Programs (VLDP) OPEB plans. The first two plans, the County and School Board non-professional plans, are single-employer plans for political subdivisions. The third plan, the School Board professional plan, is a multiple-employer, cost-sharing employer 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, 2022

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

Plan Description (Continued)

<p>Benefit Amounts</p> <p>The Political Subdivision VLDP provides the following benefits for eligible employees:</p> <p><i>Short-Term Disability:</i></p> <ul style="list-style-type: none">• 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. <p><i>Long-Term Disability:</i></p> <ul style="list-style-type: none">• 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.
<p>Virginia Local Disability Program Notes</p> <ul style="list-style-type: none">• 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, 2022

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

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, 2022, 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 0.83%, 0.83%, and 0.47%, respectively. These rates were based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions 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, 2022, and June 30, 2021 were as follows:

	2022	2021
County	\$ 38,924	\$ 33,224
School Board Non-Professional	5,174	3,122
School Board Professional	54,565	40,797

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

At June 30, 2022, the County, School Board non-professional, and School Board professional plans reported OPEB assets of \$10,085, \$948 and \$9,082, respectively for their proportionate share of their VLDP Net OPEB liabilities. The VLDP Net OPEB liabilities were measured as of June 30, 2021, and the total VLDP OPEB liabilities used to calculate the VLDP net OPEB liabilities were determined by actuarial valuations as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. 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, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, comparisons of the participating employers' proportions to June 30, 2020 are as follows:

	2021	2020
County	0.99627%	1.00031%
School Board Non-Professional	0.09363%	0.10671%
School Board Professional	1.28996%	1.32800%

For the year ended June 30, 2022, the County, School Board non-professional, and School Board professional plans recognized VLDP OPEB expenses of \$27,559, \$2,584 and \$30,599, 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, 2022

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

County Plan

At June 30, 2022, 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	\$ 5,991	\$ (15,109)
Net difference between projected and actual earnings on investments	-	(5,627)
Changes in proportion	33	(131)
Change in assumptions	342	(2,734)
Employer contributions subsequent to the measurement date	38,924	-
Total	<u>\$ 45,290</u>	<u>\$ (23,601)</u>

The \$38,924 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, 2023. 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:

Year Ending June 30	Amount
2023	\$ (2,399)
2024	(2,380)
2025	(2,459)
2026	(4,653)
2027	(1,604)
Thereafter	<u>(3,740)</u>
Total	<u>\$ (17,235)</u>

June 30, 2022**Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)****School Board Non-Professional Plan**

At June 30, 2022, 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	\$ 563	\$ (1,420)
Net difference between projected and actual earnings on investments	-	(529)
Changes in proportion	408	(1,074)
Change in assumptions	32	(257)
Employer contributions subsequent to the measurement date	5,174	-
Total	\$ 6,177	\$ (3,280)

The \$5,174 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, 2023. 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:

Year Ending June 30	Amount
2023	\$ (232)
2024	(230)
2025	(250)
2026	(587)
2027	(276)
Thereafter	(702)
Total	\$ (2,277)

June 30, 2022**Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)****School Board Professional Plan**

At June 30, 2022, 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	\$ 4,541	\$ (5,047)
Net difference between projected and actual earnings on investments	-	(7,225)
Changes in proportion	284	(105)
Change in assumptions	4,929	-
Employer contributions subsequent to the measurement date	54,565	-
Total	\$ 64,319	\$ (12,377)

The \$54,565 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, 2023. 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:

Year Ending June 30	Amount
2023	\$ (1,414)
2024	(1,422)
2025	(1,410)
2026	(1,688)
2027	323
Thereafter	2,988
Total	\$ (2,623)

June 30, 2022

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

Actuarial Assumptions

The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.50%
Salary increases, including inflation:	
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 – Non-Largest Ten Locality Employers – 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, 2022

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

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

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

June 30, 2022

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to 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

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, 2021, 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	\$ 5,156	\$ 4,884
Plan fiduciary net position	6,166	5,590
Employers' net VLDP OPEB liability (asset)	\$ (1,010)	\$ (706)
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	119.59%	114.46%

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, 2022**Note 12 - Other Postemployment Benefits – Virginia Local Disability Program (Continued)*****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)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		* Expected arithmetic nominal return	7.39%

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

Discount Rate

The discount rate used to measure the total 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, 2021, 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, 2021, 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, 2022

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

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	\$ (5,402)	\$ (10,085)	\$ (14,146)
School Board Non-Professional	(508)	(948)	(1,330)
School Board Professional	(1,363)	(9,082)	(15,867)

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 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at varetire.org/Pdf/Publications/2021-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Aggregate Other Post Employment Benefits (OPEB) Information

	Primary Government			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense
<i>County OPEB Plans</i>				
Medical Insurance Program	\$ 983,424	\$ 21,443	\$ 462,289	\$ (5,315)
Group Life Insurance Program	837,111	247,326	325,666	39,550
Health Insurance Credit Program	42,975	30,514	37,335	5,812
Virginia Local Disability Program	(10,085)	45,290	23,601	27,559
Total County Plans	\$ 1,853,425	\$ 344,573	\$ 848,891	\$ 67,606

	Component Unit School Board			
	Net OPEB Liability/ (Asset)	Deferred Outflows	Deferred Inflows	OPEB Expense
<i>School Board Non-Professional Plans</i>				
Medical Insurance Program	\$ -	\$ -	\$ -	\$ -
Group Life Insurance Program	84,875	46,328	74,944	(192)
Health Insurance Credit Program	104,760	15,824	552	10,241
Virginia Local Disability Program	(948)	6,177	3,280	2,584
Total School Board Non-Professional	\$ 188,687	\$ 68,329	\$ 78,776	\$ 12,633

<i>School Board Professional Plans</i>				
Medical Insurance Program	\$ 3,632,606	\$ 1,018,793	\$ 1,552,132	\$ 282,488
Group Life Insurance Program	1,804,620	517,407	746,939	66,032
Health Insurance Credit Program	4,631,375	582,307	291,285	353,576
Virginia Local Disability Program	(9,082)	64,319	12,377	30,599
Total School Board Professional	\$ 10,059,519	\$ 2,182,826	\$ 2,602,733	\$ 732,695
Total Component Unit School Board Plans	\$ 10,248,206	\$ 2,251,155	\$ 2,681,509	\$ 745,328

June 30, 2022

Note 13 – Commitments and Contingent Liabilities

A. 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 \$1,759,718 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, 2022, the County expended \$126,699 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.

B. 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.

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. 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.

June 30, 2022

Note 13 – Commitments and Contingent Liabilities (Continued)

C. Risk Management (Continued)

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, 2022 are as follows:

	2022	2021	2020
Claims liabilities, beginning of year	\$ 296,180	\$ 516,992	\$ 480,350
Current year claims	6,163,366	5,993,195	6,389,513
Change in prior year claims	(172,970)	108,431	(521,655)
Claim payments	(5,307,888)	(5,276,149)	(4,676,902)
Legal, administrative and other expenses	(565,028)	(1,046,289)	(1,154,314)
Claims liabilities, end of year	<u>\$ 413,660</u>	<u>\$ 296,180</u>	<u>\$ 516,992</u>

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, 2022 for the County are as follows:

<u>Governmental Funds</u>	
General Fund	\$ 1,201,828
Capital Projects	28,506,406
Grant Fund	<u>\$ 29,088</u>
Total	<u><u>\$ 29,737,322</u></u>

June 30, 2022**Note 13 – Commitments and Contingent Liabilities (Continued)*****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, 2022 are presented below.

Aggregate Pension Expense Recognized for the Fiscal Year ended June 30, 2022

	County	School Professional	School Non-Professional	Total
Pension Expense	\$ 875,048	\$ 175,623	\$ 69,207	\$ 1,119,878

Aggregate Other Post Employment Benefits Expense Recognized as of June 30, 2022

	County	School Professional	School Non-Professional	Total
Medical Insurance	\$ (5,315)	\$ 282,488	\$ -	\$ 277,173
Group Life	39,550	66,032	(192)	105,390
Health Insurance Credit	5,812	353,576	10,241	369,629
Disability Program	27,559	30,599	2,584	60,742
	\$ 67,606	\$ 732,695	\$ 12,633	\$ 812,934

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 unconstitutional taxation. The County is vigorously defending the case. Since the outcome is equally likely to be favorable or unfavorable, no contingency has been recognized in the financial statements. The possible outcome ranges from a gain of \$592,264.94 to a loss of \$5,400,000 plus 10% interest per annum.

June, 30, 2022

Note 14 – Joint Ventures

In September 2009, the County amended its agreement with the Western Tidewater Water Authority 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 2022, the County contributed approximately \$1,141,537 to the Authority for the City of Norfolk and \$2,027,692 to the City of Suffolk. The County also contributed \$60,540 during the year for its share of costs incurred by the Authority.

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, 2022, the payments made to the City were \$1,048,005.81 for collections through June 30, 2021.

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 2022.

County of Isle of Wight, Virginia

Notes to the Basic Financial Statements

June, 30, 2022

Note 17 – Fund Balances

The County has the following fund balance classifications at June 30, 2022:

	General	Capital Projects	Debt Service	Other Governmental	Total
Nonspendable					
Advance to component unit	\$ 375,000	\$ -	\$ -	\$ -	\$ 375,000
Restricted for:					
Animal Control	-	-	-	77,736	77,736
RAD				32,563	32,563
Asset Forfeiture				62,182	62,182
Parks & Recreation Scholarships				2,187	2,187
Lease proceeds	371,170	-	-	-	371,170
Four-4-Life	30,913				30,913
Capital Projects	-	43,406,895	-	-	43,406,895
Committed for:					
Technology Fees	70,326	-	-	-	70,326
Debt service - PACE	2,433,877	-	-	-	2,433,877
Smithfield Volunteer Fire Dept	13,250				13,250
Economic Development	276,335	-	-	-	276,335
Drug Court				70,000	70,000
Assigned to:					
Revaluation Assessment Reserve	464,560	-	-	-	464,560
Capital Projects	-	4,084,389	-	-	4,084,389
Encumbrances	1,201,828	-			1,201,828
Special Revenue				410,358	410,358
Debt Service			5,103,954		5,103,954
Unassigned	29,574,563	-	-	-	29,574,563
	<u>\$ 34,811,822</u>	<u>\$ 47,491,284</u>	<u>\$ 5,103,954</u>	<u>\$ 655,026</u>	<u>\$ 88,062,086</u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 18 - Net Investment in Capital Assets

Net Investment in Capital Assets Calculation

Governmental Activities

All capital assets of the reporting unit (both tangible and intangible)	\$ 113,861,375	
Less: Accumulated depreciation/amortization on those assets	(28,626,779)	
Net carrying value of capital assets (may be entered directly instead of entering above)		<u>\$ 85,234,596</u>
Less:		
• Outstanding principal of capital debt and other capital borrowings of the reporting unit (only that pertaining to the reporting unit's own capital assets), limited to the portion of the debt of which proceeds were expended for capital purposes and excluding unspent proceeds ("capital-related debt")	106,475,660	
• Outstanding principal balance of debt and other borrowing used to refund capital-related debt, including refundings of capital-related debt, etc. ("capital refunding debt")	-	
• Outstanding principal balance of any other capital-related liabilities as of fiscal year end, such as accounts payable and retainage payable for capital purposes	5,592,778	
• Unamortized balance of original issue premiums on outstanding capital-related debt, including outstanding capital refunding debt		
• Unamortized balance of capital-related deferred inflows of resources, such as from "gains" on a refunding of capital-related debt and capital refunding debt, or those arising from the acquisition of a capital asset through a conduit debt associated arrangement or through a service concession arrangement or other public-private or public-public partnership	-	112,068,438
Plus:		
• Unamortized balance of original issue discounts on outstanding capital debt	-	
• Unamortized balance of capital-related deferred outflows of resources, such as from "losses" on refunding of outstanding capital debt	7,594,373	7,594,373
Equals: Net investment in capital assets		<u><u>\$ (19,239,469)</u></u>

County of Isle of Wight, Virginia

Notes to Basic Financial Statements

June 30, 2022

Note 18 - Net Investment in Capital Assets (Continued)

Business-Type Activities

All capital assets of the reporting unit (both tangible and intangible)	\$ 37,847,005	
Less: Accumulated depreciation/amortization on those assets	<u>(19,528,648)</u>	
Net carrying value of capital assets (may be entered directly instead of entering above)		<u>\$ 18,318,357</u>
Less:		
• Outstanding principal of capital debt and other capital borrowings of the reporting unit (only that pertaining to the reporting unit's own capital assets), limited to the portion of the debt of which proceeds were expended for capital purposes and excluding unspent proceeds ("capital-related debt")	33,397,760	
• Outstanding principal balance of debt and other borrowing used to refund capital-related debt, including refundings of capital-related debt, etc. ("capital refunding debt")	-	
• Outstanding principal balance of any other capital-related liabilities as of fiscal year end, such as accounts payable and retainage payable for capital purposes	330,566	
• Unamortized balance of original issue premiums on outstanding capital-related debt, including outstanding capital refunding debt	-	
• Unamortized balance of capital-related deferred inflows of resources, such as from "gains" on a refunding of capital-related debt and capital refunding debt, or those arising from the acquisition of a capital asset through a conduit debt associated arrangement or through a service concession arrangement or other public-private or public-public partnership	-	33,728,326
Plus:		
• Unamortized balance of original issue discounts on outstanding capital debt	-	
• Unamortized balance of capital-related deferred outflows of resources, such as from "losses" on refunding of outstanding capital debt	<u>2,513,541</u>	<u>2,513,541</u>
Equals: Net investment in capital assets		<u><u>\$ (12,896,428)</u></u>

This page intentionally left blank

Required Supplementary Information

*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, 2022**

	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	\$ 41,170,000	\$ 41,170,000	\$ 39,565,531	\$ (1,604,469)
Real and personal public service corporation property	1,759,000	1,759,000	1,579,536	(179,464)
Personal property	11,240,000	11,677,000	12,868,721	1,191,721
Boat/Airplane	108,000	108,000	132,334	24,334
Mobile home	167,000	167,000	183,683	16,683
Machinery and tools	5,000,000	5,000,000	5,066,064	66,064
Equipment	1,905,000	1,905,000	1,874,101	(30,899)
Penalties	400,000	400,000	495,756	95,756
Interest and other costs	170,000	170,000	189,273	19,273
Total general property taxes	61,919,000	62,356,000	61,954,999	(401,001)
Other local taxes:				
Local sales and use	3,250,000	3,590,727	3,941,291	350,564
Communications sales and use	635,000	635,000	571,761	(63,239)
Consumer's utility	985,000	985,000	1,041,962	56,962
Consumption	120,000	120,000	127,738	7,738
Business license	832,000	832,000	1,082,494	250,494
Motor vehicle licenses	1,061,000	1,061,000	1,034,287	(26,713)
Recordation and wills	750,000	750,000	852,700	102,700
Lodging	64,000	64,000	84,095	20,095
Meals tax	530,000	530,000	641,208	111,208
Bank franchise	11,000	11,000	15,937	4,937
Local penalties	7,000	7,000	10,345	3,345
Local interest	2,000	2,000	4,181	2,181
Total other local taxes	8,247,000	8,587,727	9,407,999	820,272
Permits, fees and licenses:				
Animal licenses	40,000	40,000	33,132	(6,868)
Land use application and transfer fees	1,000	1,000	1,747	747
Zoning and subdivision fees	75,000	75,000	100,889	25,889
Building permits	500,000	500,000	591,509	91,509
Concealed weapon permits	40,000	40,000	25,603	(14,397)
Misc permits/fees	48,000	48,000	63,953	15,953
Total permits, fees and licenses	704,000	704,000	816,833	112,833
Fines and forfeitures	129,000	129,000	90,024	(38,976)
Total fines and forfeitures	129,000	129,000	90,024	(38,976)

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues from use of money and property:				
Revenues from use of money	\$ 300,000	\$ 300,000	\$ (377,232)	\$ (677,232)
Revenues from use of property	185,000	185,000	211,991	26,991
Total revenues from use of money and property	485,000	485,000	(165,241)	(650,241)
Charges for services:				
Charges for Commonwealth's Attorney	13,000	13,000	10,687	(2,313)
Charges for parks and recreation	304,885	304,885	170,008	(134,877)
Charges for building construction court fee	35,000	35,000	29,796	(5,204)
Charges for law enforcement and other protections	108,000	108,000	122,327	14,327
Charges for emergency medical services	900,000	900,000	1,291,044	391,044
Charges for other services	92,000	92,000	197,769	105,769
Total charges for services	1,452,885	1,452,885	1,821,631	368,746
Miscellaneous:				
Miscellaneous	319,580	319,580	485,806	166,226
Farmers market	79,250	79,250	79,657	407
Total miscellaneous	398,830	398,830	565,463	166,633
Recovered costs:				
Indirect cost allocation	298,104	298,104	298,104	-
Recovered costs	381,345	409,898	423,378	13,480
Total recovered costs	679,449	708,002	721,482	13,480
Other local sources:				
Salty Southern Route	5,500	5,500	5,500	-
Total other local sources	5,500	5,500	5,500	-
Total revenues from local sources	74,020,664	74,826,944	75,218,690	391,746
Revenue from the Commonwealth:				
Noncategorical aid:				
State personal property tax relief	5,115,890	5,115,890	5,115,890	-
Other revenue from the Commonwealth	257,000	257,000	402,905	145,905
Total noncategorical aid	5,372,890	5,372,890	5,518,795	145,905
Categorical aid:				
Shared expenses:				
Commonwealth's Attorney	421,529	421,529	418,035	(3,494)
Sheriff	1,332,259	1,416,259	1,291,998	(124,261)
Commissioner of the Revenue	158,295	158,295	157,378	(917)
Treasurer	140,162	140,162	129,223	(10,939)
Registrar/electoral board	58,290	58,290	72,499	14,209
Clerk of the Circuit Court	291,573	291,573	349,043	57,470
Technology Trust Fund	40,284	40,284	25,803	(14,481)
Total shared expenses	2,442,392	2,526,392	2,443,979	(82,413)

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other categorical aid:				
State grants	\$ 140,000	\$ 145,807	\$ 152,577	\$ 6,770
Total other categorical aid	140,000	145,807	152,577	6,770
Total categorical aid	2,582,392	2,672,199	2,596,556	(75,643)
Total revenues from the Commonwealth	7,955,282	8,045,089	8,115,351	70,262
Revenue from the federal government:				
Homeland security	-	-	98,378	98,378
QSCB Federal Tax Credit	337,500	337,500	318,263	(19,237)
Total revenues from the federal government	337,500	337,500	416,641	79,141
Other financing sources:				
Interfund transfers	1,033,492	8,251,231	8,097,297	(153,934)
Lease obligations issued	-	-	163,184	163,184
Issuance of debt	683,500	934,745	935,000	255
Proceeds from sale of assets	10,000	10,000	71,277	61,277
Appropriated Fund Balance	180,000	5,687,278	-	(5,687,278)
Total other financing sources	1,906,992	14,883,254	9,266,758	(5,616,496)
Total General Fund revenues and other financing sources	84,220,438	98,092,787	93,017,440	(5,075,347)
Expenditures and Other Financing Uses				
General government administration				
Legislative:				
Board of Supervisors	329,300	381,095	359,172	21,923
Total legislative	329,300	381,095	359,172	21,923
General and financial administration:				
Budget and finance	802,014	898,010	786,893	111,117
Admin - Commissioner of the Revenue	765,696	765,696	744,571	21,125
County Administrator	483,251	490,251	481,340	8,911
County Attorney	575,348	683,643	681,220	2,423
Human resources	394,837	406,246	360,095	46,151
Purchasing	171,368	140,233	96,371	43,862
Real estate assessment	288,900	497,900	31,524	466,376
Admin - Treasurer	891,035	897,035	881,802	15,233
Total general and financial administration	4,372,449	4,779,014	4,063,816	715,198
Board of Elections:				
Registrar/electoral board and officials	391,778	453,898	429,111	24,787
Total Board of Elections	391,778	453,898	429,111	24,787
Total general government administration	5,093,527	5,614,007	4,852,099	761,908
Judicial administration:				
Courts:				
Circuit Court	89,388	90,888	88,795	2,093
General District Court	26,246	26,246	18,619	7,627
Fifth District Court services unit	219,026	219,026	117,059	101,967
Juvenile and Domestic Relations District Court	15,075	15,075	8,124	6,951
Expenses - Clerk of the Circuit Court	598,133	598,386	578,684	19,702
Total courts	947,868	949,621	811,281	138,340
Commonwealth's Attorney	839,802	840,463	830,300	10,163
Total Commonwealth's Attorney	839,802	840,463	830,300	10,163
Total judicial administration	1,787,670	1,790,084	1,641,581	148,503

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 5,203,963	\$ 5,794,061	\$ 5,724,065	\$ 69,996
Total law enforcement and traffic control	5,203,963	5,794,061	5,724,065	69,996
Fire and rescue services:				
Emergency services	516,872	508,407	485,337	23,070
Fire and rescue response	3,358,775	3,498,632	3,318,568	180,064
Total fire and rescue services	3,875,647	4,007,039	3,803,905	203,134
Fire & Rescue - Station Services	1,421,620	1,427,428	1,415,546	11,882
Other protection:				
Animal control	594,840	584,411	548,246	36,165
Western Tidewater Regional Jail	1,293,333	1,293,333	1,293,333	-
Total other protection	1,888,173	1,877,744	1,841,579	36,165
Total public safety	12,389,403	13,106,272	12,785,095	321,177
Public works:				
Administration:				
General Administration	318,111	318,611	310,993	7,618
Transportation	283,925	370,374	325,492	44,882
Total administration	602,036	688,985	636,485	52,500
Sanitation and waste removal:				
Programs and inspections	84,262	86,262	83,259	3,003
Refuse collection	2,902,069	3,026,270	2,738,530	287,740
Total sanitation and waste removal	2,986,331	3,112,532	2,821,789	290,743
Maintenance of general buildings and grounds:				
General Properties (Bldg&Grds)	1,494,671	1,649,561	1,548,030	101,531
Total maintenance of general buildings and grounds	1,494,671	1,649,561	1,548,030	101,531
Total public works	5,083,038	5,451,078	5,006,304	444,774
Health and welfare:				
Court Appointed Special Advocate	22,500	22,500	22,500	-
Genieve Shelter	15,000	15,000	15,000	-
Independence Center of Tidewater	7,500	7,500	7,500	-
IOW Christian Outreach	27,500	27,500	27,500	-
Senior Services of Southeastern Hampton Roads	182,089	182,089	182,089	-
Western Tidewater Health District	600,000	300,000	239,363	60,637
Western Tidewater Community Service Board	250,777	250,777	250,777	-
Western Tidewater Free Clinic	65,000	65,000	65,000	-
Total health and welfare	1,170,366	870,366	809,729	60,637
Parks and recreation:				
Parks and recreation	\$ 360,736	\$ 357,501	\$ 341,458	\$ 16,043
Parks and recreation programs	755,485	767,372	555,902	211,470
Parks and gateways	1,001,054	1,004,695	862,267	142,428
Total parks and recreation	2,117,275	2,129,568	1,759,627	369,941

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, 2022**

	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	891,490	891,490	886,837	4,653
Total library	891,490	891,490	886,837	4,653
Total parks, recreation and cultural	3,013,265	3,025,558	2,650,964	374,594
Community development:				
Planning:				
Planning & Zoning	830,216	830,766	752,338	78,428
Inspections - building	739,901	764,054	714,665	49,389
Economic Development	1,044,089	2,002,651	1,680,641	322,010
Tourism	654,121	656,375	610,101	46,274
Communications	78,648	78,648	63,353	15,295
Other Public Service Organizations	151,534	152,508	117,508	35,000
Annexation settlement payment	1,071,000	1,071,000	1,048,006	22,994
Total planning	4,569,509	5,556,002	4,986,612	569,390
Cooperative extension program	81,643	81,642	71,904	9,738
Total cooperative extension program	81,643	81,642	71,904	9,738
Total community development	4,651,152	5,637,644	5,058,516	579,128
Nondepartmental	3,667,903	3,789,064	2,062,267	1,726,797
Debt Service	12,356,056	12,371,106	12,298,959	72,147
Education	26,961,613	27,825,874	26,857,445	968,429
Total education	39,317,669	40,196,980	39,156,404	1,040,576
Other financing uses:				
Transfers out	8,046,445	18,611,734	17,429,420	1,182,314
Total other financing uses	8,046,445	18,611,734	17,429,420	1,182,314
Total General Fund expenditures and other financing uses	84,220,438	98,092,787	91,452,379	6,640,408
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	1,565,061	1,565,061
Fund balance-beginning of year	-	-	33,246,761	33,246,761
Fund balance-end of year	\$ -	\$ -	\$ 34,811,822	\$ 34,811,822

See accompanying Notes to Required Supplementary Information

Required Supplementary Information

June 30, 2022

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 department level or category level. Only the Board of Supervisors can revise the appropriation for each department or category. The County Administrator is authorized to transfer budgeted amounts within general government departments. However, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General, 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 prior years' encumbrances unless the encumbrances relate to restricted or committed resources.

*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, 2022**

County	Fiscal Year June 30			
	2021	2020	2019	2018
Total pension liability				
Service cost	\$ 1,699,060	\$ 1,687,629	\$ 1,568,075	\$ 1,568,714
Interest	3,660,599	3,405,540	3,251,497	3,051,817
Differences between expected and actual experience	(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	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)
Net change in total pension liability	3,927,763	3,877,694	4,077,400	3,024,137
Total pension liability - beginning	55,545,811	51,668,117	47,590,717	44,566,580
Total pension liability - ending (a)	\$ 59,473,574	\$ 55,545,811	\$ 51,668,117	\$ 47,590,717
Pension fiduciary net position				
Contributions - employer	\$ 1,428,117	\$ 1,345,369	\$ 1,306,667	\$ 1,153,033
Contributions - employee	702,117	715,155	684,102	701,159
Net investment income	13,064,315	912,953	2,971,352	3,075,982
Benefit payments, including refunds of employee contributions	(2,629,437)	(2,431,349)	(2,281,527)	(1,938,384)
Administrative expense	(32,089)	(30,468)	(28,973)	(26,131)
Other changes	1,236	(1,074)	(1,881)	(2,761)
Net change in plan fiduciary net position	12,534,259	510,586	2,649,740	2,962,898
Plan fiduciary net position - beginning	47,645,777	47,135,191	44,485,451	41,522,553
Plan fiduciary net position - ending (b)	\$ 60,180,036	\$ 47,645,777	\$ 47,135,191	\$ 44,485,451
County's net pension liability - ending (a)-(b)	\$ (706,462)	\$ 7,900,034	\$ 4,532,926	\$ 3,105,266
Plan fiduciary net position as a percentage of the total pension liability	101.19%	85.78%	91.23%	93.48%
Covered payroll	\$ 14,841,845	\$ 13,176,974	\$ 13,512,585	\$ 13,087,775
County's net pension liability as a percentage of covered payroll	(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, 2022**

County	Fiscal Year 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, 2022****School Board Non-Professional**

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

* 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 School Board 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 (Continued)****June 30, 2022**

School Board Non-Professional	Fiscal Year 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:

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.

This page intentionally left blank

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of County & School Board Non- Professional Pension Contributions**Virginia Retirement System***June 30, 2022**

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<i>Primary Government</i>					
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%

Component Unit School Board (Non-professional)

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:

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

(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**Required Supplementary Information**Schedule of School Board Professional Net Pension Liability - Proportionate Share of Cost Sharing Plan
Teacher Retirement - Virginia Retirement System***June 30, 2022**

	Fiscal Year June 30							
	2021	2020	2019	2018	2017	2016	2015	2014
School Board's proportion of the net pension liability	0.36300%	0.37339%	0.37230%	0.36836%	0.36865%	0.37766%	0.37104%	0.37652%
School Board's proportionate share of the net pension liability	\$ 28,180,044	\$ 54,338,051	\$ 48,996,795	\$ 43,318,672	\$ 45,337,000	\$ 51,998,000	\$ 47,534,000	\$ 45,501,000
School Board's covered payroll	\$ 31,910,325	\$ 40,959,209	\$ 36,170,924	\$ 38,245,518	\$ 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	88.31%	132.66%	135.46%	113.26%	134.24%	183.80%	186.54%	184.81%
Plan fiduciary net position as a percentage of the total pension liability	85.46%	71.47%	73.51%	74.81%	72.92%	68.28%	70.68%	70.88%

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 School Board will present information for those years which information is available.

*County of Isle of Wight, Virginia**Required Supplementary Information**Schedule of School Board Professional Pension Contributions – Virginia Retirement System***June 30, 2022**

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
<i>Component Unit School Board (Professional)</i>					
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:

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

(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

Notes to Required Supplementary Information - Virginia Retirement System

June 30, 2022

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

County and School Board Non-Professional:

Non-LEOS:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with 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

LEO:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated 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 Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

School Board Professional:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality rates. 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 of Isle of Wight, Virginia**Schedule of Changes in County OPEB Liability and Related Ratios - Medical Insurance*

County	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Total Medical Insurance OPEB liability:					
Service cost	\$ 118,688	\$ 129,197	\$ 139,510	\$ 74,762	\$ 86,867
Interest	28,159	25,793	45,025	44,404	44,679
Differences between expected and actual experience	(220,152)	-	14,748	(59,249)	(210,999)
Changes in assumptions	(125,010)	4,632	(286,514)	30,516	13,156
Benefit payments	(6,343)	(18,833)	(17,342)	(22,183)	(22,304)
Net change in total OPEB liability	(204,658)	140,789	(104,573)	68,250	(88,601)
Total Medical Insurance OPEB liability - beginning	1,188,082	1,047,293	1,151,866	1,083,616	1,172,217
County total Medical Insurance OPEB liability - ending	<u>\$ 983,424</u>	<u>\$ 1,188,082</u>	<u>\$ 1,047,293</u>	<u>\$ 1,151,866</u>	<u>\$ 1,083,616</u>
Plan fiduciary net position as a percentage of the total Medical Insurance OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 14,931,202	\$ 14,129,222	\$ 14,129,222	\$ 14,150,662	\$ 13,728,179
Total OPEB liability as a percentage of covered payroll	6.59%	8.41%	7.41%	8.14%	7.98%

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 County OPEB Contributions - Medical Insurance*

County	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 6,343	\$ 18,833	\$ 17,342	\$ 22,183	\$ 22,304
Contributions in relation to the CRC	(6,343)	(18,833)	(17,342)	(22,183)	(22,304)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 14,931,202	\$ 14,129,222	\$ 14,129,222	\$ 14,150,662	\$ 13,728,179
Contributions as a percentage of covered payroll	0.04%	0.13%	0.12%	0.16%	0.16%

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 for which information is available.

*County of Isle of Wight, Virginia**Schedule of Changes in School Board OPEB Liability and Related Ratios - Medical Insurance*

School Board Professional	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Total Medical Insurance OPEB liability:					
Service cost	\$ 228,784	\$ 269,721	\$ 209,882	\$ 238,851	\$ 223,772
Interest	113,731	113,752	120,191	134,560	113,449
Changes in assumptions	(455,792)	15,937	403,709	80,182	107,739
Differences between expected and actual experience	(1,183,320)	-	1,152,848	(350,492)	(72,529)
Benefit payments	(213,520)	(266,847)	(180,126)	(74,462)	(84,490)
Net change in total OPEB liability	(1,510,117)	132,563	1,706,504	28,639	287,941
Total Medical Insurance OPEB liability - beginning	5,142,723	5,010,160	3,303,656	3,275,017	2,987,076
School Board total Medical Insurance OPEB liability - ending	<u>\$ 3,632,606</u>	<u>\$ 5,142,723</u>	<u>\$ 5,010,160</u>	<u>\$ 3,303,656</u>	<u>\$ 3,275,017</u>
Plan fiduciary net position as a percentage of the total	0.00%	0.00%	0.00%	0.00%	0.00%
Medical Insurance OPEB liability					
Covered payroll	\$ 30,465,545	\$ 31,436,981	\$ 31,436,981	\$ 38,276,178	\$ 31,256,259
Total OPEB liability as a percentage of covered payroll	11.92%	16.36%	15.94%	8.63%	10.48%

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 OPEB Contributions - Medical Insurance*

School Board Professional	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 213,520	\$ 266,847	\$ 180,126	\$ 74,462	\$ 84,490
Contributions in relation to the CRC	(213,520)	(266,847)	(180,126)	(74,462)	(84,490)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 30,465,545	\$ 31,436,981	\$ 31,436,981	\$ 38,276,178	\$ 31,256,259
Contributions as a percentage of covered payroll	0.70%	0.85%	0.57%	0.19%	0.27%

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 for which information is available.

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

	Evaluation Date June 30				
	2021	2020	2019	2018	2017
<u>County:</u>					
Employer's proportion of the net GLI OPEB liability	0.07190%	0.07149%	0.07197%	0.07142%	0.06975%
Employer's proportionate share of the net GLI OPEB liability \$	837,111	\$ 1,193,052	\$ 1,171,000	\$ 1,085,000	\$ 1,049,000
Employer's covered payroll	14,712,526	14,712,526	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	5.69%	8.11%	8.31%	7.99%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45%	54.00%	52.00%	51.22%	48.86%
<u>School Board Non-Professional:</u>					
Employer's proportion of the net GLI OPEB liability	0.00729%	0.00827%	0.01102%	0.00842%	0.00871%
Employer's proportionate share of the net GLI OPEB liability \$	84,875	\$ 138,013	\$ 179,324	\$ 128,000	\$ 131,000
Employer's covered payroll	1,504,937	1,702,088	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	5.64%	8.11%	8.30%	8.00%	8.15%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45%	54.00%	52.00%	51.22%	48.86%
<u>School Board Professional:</u>					
Employer's proportion of the net GLI OPEB liability	0.15500%	0.15828%	0.15880%	0.15596%	0.15715%
Employer's proportionate share of the net GLI OPEB liability \$	1,804,620	\$ 2,641,434	\$ 2,584,099	\$ 2,369,000	\$ 2,365,000
Employer's covered payroll	32,001,948	32,574,973	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	5.64%	8.11%	8.30%	7.99%	8.16%
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45%	54.00%	52.00%	51.22%	48.86%

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, the School Board non-professional, and the School Board professional will present information for those years for which information is available.

County of Isle of Wight, Virginia**Schedule of Employer OPEB Contributions - Group Life Insurance**

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
County:					
Contractually required contribution (CRC)	\$ 85,453	\$ 80,421	\$ 76,554	\$ 73,368	\$ 70,608
Contributions in relation to the CRC	85,453	80,421	76,554	73,368	70,608
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 15,945,823	\$ 14,712,526	\$ 14,712,526	\$ 14,091,398	\$ 13,578,462
Contributions as a percentage of covered payroll	0.54%	0.55%	0.52%	0.52%	0.52%
School Board Non-Professional:					
Contractually required contribution (CRC)	\$ 10,299	\$ 8,127	\$ 8,851	\$ 11,236	\$ 8,323
Contributions in relation to the CRC	10,299	8,127	8,851	11,236	8,323
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,907,253	\$ 1,504,937	\$ 1,702,088	\$ 2,160,740	\$ 1,600,657
Contributions as a percentage of covered payroll	0.54%	0.54%	0.52%	0.52%	0.52%
School Board Professional:					
Contractually required contribution (CRC)	\$ 188,426	\$ 172,811	\$ 169,390	\$ 161,875	\$ 154,209
Contributions in relation to the CRC	188,426	172,811	169,390	161,875	154,209
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 34,893,690	\$ 32,001,948	\$ 32,574,973	\$ 31,129,745	\$ 29,655,602
Contributions as a percentage of covered payroll	0.54%	0.54%	0.52%	0.52%	0.52%

County of Isle of Wight, Virginia**Schedule of Employer OPEB Contributions - Group Life Insurance**

	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
<u>County:</u>					
Contractually required contribution (CRC)	\$ 66,898	\$ 60,109	\$ 54,945	\$ 55,687	\$ 54,219
Contributions in relation to the CRC	66,898	60,109	54,945	55,687	54,219
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 12,865,047	\$ 12,522,770	\$ 11,446,842	\$ 11,601,386	\$ 11,295,569
Contributions as a percentage of covered payroll	0.52%	0.48%	0.48%	0.48%	0.48%
<u>School Board Non-Professional:</u>					
Contractually required contribution (CRC)	\$ 8,356	\$ 7,730	\$ 7,861	\$ 7,808	\$ 9,438
Contributions in relation to the CRC	8,356	7,730	7,861	7,808	9,438
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,606,998	\$ 1,610,420	\$ 1,637,741	\$ 1,626,702	\$ 1,966,159
Contributions as a percentage of covered payroll	0.52%	0.48%	0.48%	0.48%	0.48%
<u>School Board Professional:</u>					
Contractually required contribution (CRC)	\$ 150,730	\$ 136,004	\$ 135,062	\$ 132,709	\$ 144,550
Contributions in relation to the CRC	150,730	136,004	135,062	132,709	144,550
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 28,986,478	\$ 28,334,241	\$ 28,137,894	\$ 27,647,631	\$ 30,114,580
Contributions as a percentage of covered payroll	0.52%	0.48%	0.48%	0.48%	0.48%

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

	Evaluation Date June 30				
	2021	2020	2019	2018	2017
Total HIC OPEB liability:					
Service cost	\$ 8,576	\$ 7,137	\$ 6,822	\$ 6,588	\$ 6,296
Interest	17,166	17,035	18,494	17,356	17,128
Differences between expected and actual experience	1,551	(917)	(24,287)	10,069	-
Changes in assumptions	5,815	-	6,129	-	(4,905)
Benefit payments	(21,471)	(21,155)	(16,834)	(18,665)	(11,866)
Net change in total OPEB liability	11,637	2,100	(9,676)	15,348	6,653
Total HIC OPEB liability - beginning	265,045	262,945	272,621	257,273	250,620
Total HIC OPEB liability - ending (a)	\$ 276,682	\$ 265,045	\$ 262,945	\$ 272,621	\$ 257,273
Plan Fiduciary Net Position:					
Contributions - employer	\$ 16,701	\$ 16,646	\$ 15,467	\$ 11,235	\$ 10,645
Net investment income	49,207	3,829	11,590	12,396	18,362
Benefit payments, including refunds of employee contributions	(21,471)	(21,155)	(16,834)	(18,665)	(11,866)
Administrative expense	(572)	(362)	(254)	(284)	(295)
Other changes	-	(2)	(14)	(934)	934
Net change in plan fiduciary net position	43,865	(1,044)	9,955	3,748	17,780
Plan fiduciary net position - beginning	189,842	190,886	180,931	177,183	159,403
Plan fiduciary net position - ending (b)	\$ 233,707	\$ 189,842	\$ 190,886	\$ 180,931	\$ 177,183
Net HIC OPEB Liability - ending (a) - (b)	\$ 42,975	\$ 75,203	\$ 72,059	\$ 91,690	\$ 80,090
Plan fiduciary net position as a percentage of the total HIC OPEB liability	84.47%	71.63%	72.60%	66.37%	68.87%
Covered payroll	\$ 8,349,674	\$ 8,240,953	\$ 7,724,797	\$ 7,470,170	\$ 7,097,196
Net OPEB liability as a percentage of covered payroll	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*

	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 17,952	\$ 16,690	\$ 16,645	\$ 15,469	\$ 11,235
Contributions in relation to the CRC	17,952	16,690	16,645	15,469	11,235
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 8,974,757	\$ 8,349,674	\$ 8,240,953	\$ 7,724,797	\$ 7,470,170
Contributions as a percentage of covered payroll	0.20%	0.20%	0.20%	0.20%	0.15%

	Fiscal Year June 30				
	2017	2016	2015	2014	2013
Contractually required contribution (CRC)	\$ 10,645	\$ 9,671	\$ 8,735	\$ 7,670	\$ 13,505
Contributions in relation to the CRC	10,645	9,671	8,735	7,670	13,505
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 7,097,196	\$ 6,908,014	\$ 6,239,478	\$ 6,392,014	\$ 11,254,257
Contributions as a percentage of covered payroll	0.15%	0.14%	0.14%	0.12%	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***

	Evaluation Date June 30	
	2021	2020
Total HIC OPEB liability:		
Service cost	\$ 2,214	\$ -
Interest	6,459	-
Changes of assumptions	8,553	-
Differences between expected and actual experience	-	-
Changes in benefit terms	-	95,695
Benefit payments	-	-
Net change in total OPEB liability	17,226	95,695
Total HIC OPEB liability - beginning	95,695	-
Total HIC OPEB liability - ending (a)	\$ 112,921	\$ 95,695
Plan Fiduciary Net Position:		
Contributions - employer	\$ 7,259	\$ -
Net investment income	934	-
Benefit payments, including refunds of employee contributions	-	-
Administrative expense	(32)	-
Other changes	-	-
Net change in plan fiduciary net position	8,161	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ 8,161	\$ -
Net HIC OPEB Liability - ending (a) - (b)	\$ 104,760	\$ 95,695
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.23%	-%
Covered payroll	\$ 1,481,467	\$ 1,660,022
Net OPEB liability as a percentage of covered payroll	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 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- Health Insurance Credit***

	Fiscal Year June 30	
	2022	2021
Contractually required contribution (CRC)	\$ 9,189	\$ 7,259
Contributions in relation to the CRC	9,189	7,259
Contribution deficiency (excess)	\$ -	\$ -
Employer's covered payroll	\$ 1,875,339	\$ 1,481,467
Contributions as a percentage of covered payroll	0.49%	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 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 Net OPEB Liability - Proportionate Share of Cost Sharing Plan Health Insurance Credit**

	Evaluation Date June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net HIC OPEB liability	0.36082%	0.37066%	0.36986%	0.36619%	0.36624%
Employer's proportionate share of the net HIC OPEB liability	\$ 4,631,375	\$ 4,835,321	\$ 4,841,827	\$ 4,649,000	\$ 4,646,000
Employer's covered payroll	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	14.51%	14.88%	15.61%	15.70%	16.07%
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13.15%	9.95%	8.97%	8.08%	7.04%

Note to Schedule:

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

*County of Isle of Wight, Virginia****Schedule of School Board Professional OPEB Contributions - Health Insurance Credit*****Last Ten Fiscal Years**

	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 421,174	\$ 386,115	\$ 389,938	\$ 372,275	\$ 364,272
Contributions in relation to the CRC	421,174	386,115	389,938	372,275	364,272
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 34,807,796	\$ 31,910,324	\$ 32,494,868	\$ 31,022,917	\$ 29,615,591
Contributions as a percentage of covered payroll	1.21%	1.21%	1.20%	1.20%	1.23%

	Fiscal Year June 30				
	2017	2016	2015	2014	2013
Contractually required contribution (CRC)	\$ 320,831	\$ 299,874	\$ 297,635	\$ 305,641	\$ 333,957
Contributions in relation to the CRC	320,831	299,874	297,635	305,641	333,957
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 28,903,680	\$ 28,290,038	\$ 28,078,735	\$ 27,535,220	\$ 30,086,223
Contributions as a percentage of covered payroll	1.11%	1.06%	1.06%	1.11%	1.11%

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

	Evaluation Date June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability	0.99627%	1.00031%	0.99652%	1.01654%	1.07225%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ (10,085)	\$ 9,985	\$ 20,188	\$ 8,000	\$ 6,000
Employer's covered payroll	\$ 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 as a percentage of its covered payroll	(0.25)%	0.27%	0.76%	0.32%	0.30%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	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*

	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 38,924	\$ 33,224	\$ 26,840	\$ 19,092	\$ 14,810
Contributions in relation to the CRC	38,924	33,224	26,840	19,092	14,810
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 4,688,681	\$ 4,002,129	\$ 3,727,778	\$ 2,651,667	\$ 2,468,217
Contributions as a percentage of covered payroll	0.83%	0.83%	0.72%	0.72%	0.60%

	Fiscal Year June 30			
	2017	2016	2015	2014
Contractually required contribution (CRC)	\$ 11,814	\$ 8,197	\$ 3,899	\$ 36
Contributions in relation to the CRC	11,814	8,197	3,899	36
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 1,968,960	\$ 1,366,240	\$ 649,779	\$ 5,919
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.61%

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 for which information is available.

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

	Evaluation Date June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability (asset)	0.09363%	0.10671%	0.21506%	0.12581%	0.14372%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ (948)	\$ 1,065	\$ 4,357	\$ 1,000	-
Employer's covered payroll	\$ 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	(0.25)%	0.27%	0.76%	0.33%	0.00%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	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***

	Fiscal Year June 30				
	2018	2017	2016	2015	2014
Contractually required contribution (CRC)	\$ 1,833	\$ 1,583	\$ 1,466	\$ 884	\$ 42
Contributions in relation to the CRC	1,833	1,583	1,466	884	42
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 305,472	\$ 263,907	\$ 244,357	\$ 147,331	\$ 6,946
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.60%	0.60%

	Fiscal Year June 30				
	2018	2017	2016	2015	2014
Contractually required contribution (CRC)	\$ 1,833	\$ 1,583	\$ 1,466	\$ 884	\$ 42
Contributions in relation to the CRC	1,833	1,583	1,466	884	42
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 305,472	\$ 263,907	\$ 244,357	\$ 147,331	\$ 6,946
Contributions as a percentage of covered payroll	0.60%	0.60%	0.60%	0.60%	0.60%

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 for which information is available.

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

	Evaluation Date Year June 30				
	2021	2020	2019	2018	2017
Employer's proportion of the net VLDP OPEB liability (asset)	1.28996%	1.32800%	1.29409%	1.27169%	1.02846%
Employer's proportionate share of the net VLDP OPEB liability (asset)	\$ (9,082)	\$ 10,655	\$ 7,523	\$ 10,000	\$ 6,000
Employer's covered payroll	\$ 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	(0.10)%	0.14%	0.12%	0.21%	0.21%
Plan fiduciary net position as a percentage of the total VLDP OPEB liability	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***

	Fiscal Year June 30				
	2022	2021	2020	2019	2018
Contractually required contribution (CRC)	\$ 54,565	\$ 40,797	\$ 32,206	\$ 25,443	\$ 14,699
Contributions in relation to the CRC	54,565	40,797	32,206	25,443	14,699
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 11,609,502	\$ 8,680,127	\$ 7,855,161	\$ 6,205,524	\$ 4,741,727
Contributions as a percentage of covered payroll	0.47%	0.47%	0.41%	0.41%	0.31%

	Fiscal Year June 30			
	2017	2016	2015	2014
Contractually required contribution (CRC)	\$ 8,997	\$ 5,607	\$ 2,342	\$ 95
Contributions in relation to the CRC	8,997	5,607	2,342	95
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 2,902,316	\$ 1,933,512	\$ 807,459	\$ 32,889
Contributions as a percentage of covered payroll	0.31%	0.29%	0.29%	0.29%

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 for which information is available.

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2022

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:

2022 3.54%

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, 2022. This is the date as of which the total OPEB liability is determined. The Reporting Date is June 30, 2022. 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.

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2022

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

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 age and service decrement 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, 2022

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, 2020, 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, 2022

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

County of Isle of Wight, Virginia

Notes to Required Supplementary Information - OPEB (Continued)

June 30, 2022

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

This page intentionally left blank

Year Ended June 30, 2022

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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Permits, privilege fees and regulatory licenses	\$ -	\$ 122,093	\$ 365,794	\$ 243,701
Revenues from use of money and property	-	-	129,474	129,474
Recovered costs	-	28,738	323,605	294,867
Intergovernmental:				
Federal	-	1,980,140	35,830	(1,944,310)
Local	-	399,683	126,502	(273,181)
Total revenues	-	2,530,654	981,205	(1,549,449)
Expenditures				
Education	-	39,271,653	11,658,939	27,612,714
Capital outlay	886,744	14,680,996	2,485,903	12,195,093
Debt Service	-	-	335,118	(335,118)
Total expenditures	886,744	53,952,649	14,479,960	39,472,689
Deficiency of revenues under expenditures	(886,744)	(51,421,995)	(13,498,755)	37,923,240
Other financing sources (uses)				
Transfers in	886,744	3,598,521	3,398,521	(200,000)
Issuance of debt	-	9,868,639	16,955,000	7,086,361
Premium on bonds issued	-	-	1,889,277	1,889,277
Fund balance	-	37,954,835	-	(37,954,835)
Total other financing sources, net	886,744	51,421,995	22,242,798	(29,179,197)
Net change in fund balance	-	-	8,744,043	8,744,043
Fund balances - beginning of year	-	-	38,747,241	38,747,241
Fund balances - end of year	\$ -	\$ -	\$ 47,491,284	\$ 47,491,284

*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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Debt Service	\$ -	\$ 2,182,300	\$ -	\$ 2,182,300
Total expenditures	-	2,182,300	-	2,182,300
Deficiency of revenues under expenditures	-	(2,182,300)	-	2,182,300
Other financing sources (uses)				
Transfers in	-	3,082,925	3,635,925	553,000
Transfers out	-	(900,625)	(900,625)	-
Total other financing sources, net	-	2,182,300	2,735,300	553,000
Net change in fund balance	-	-	2,735,300	2,735,300
Fund balances - beginning of year	-	-	2,368,654	2,368,654
Fund balances - end of year	\$ -	\$ -	\$ 5,103,954	\$ 5,103,954

This page intentionally left blank

Other Supplementary Information
Nonmajor Governmental Funds

This page intentionally left blank

County of Isle of Wight, Virginia

Other Supplementary Information
Nonmajor Governmental Funds

Year Ended June 30, 2022

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, 2022**

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Assets				
Cash and cash equivalents	\$ 32,317	\$ 50	\$ -	\$ 140,871
Due from other governments	103,500	70,244	121,429	-
Total assets	\$ 135,817	\$ 70,294	\$ 121,429	\$ 140,871
Liabilities				
Accounts payable	\$ -	\$ 40,271	\$ 7,350	\$ -
Accrued liabilities	11,392	-	4,646	-
Amounts held in escrow	-	-	-	-
Due to other funds	-	30,023	96,045	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	13,388	-
Total liabilities	11,392	70,294	121,429	-
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	124,425	-	-	140,871
Total fund balances	124,425	-	-	140,871
Total liabilities and fund balances	\$ 135,817	\$ 70,294	\$ 121,429	\$ 140,871

*County of Isle of Wight, Virginia**Combining Balance Sheets -
Nonmajor Governmental Funds (Continued)***June 30, 2022**

	County Fair Fund	Grants Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 89,793	\$ 103,868	\$ 366,899
Due from other governments	-	346,143	641,316
Total assets	\$ 89,793	\$ 450,011	\$ 1,008,215
Liabilities			
Accounts payable	\$ 10,262	\$ 84,872	\$ 142,755
Accrued liabilities	-	2,813	18,851
Amounts held in escrow	-	20,987	20,987
Due to other funds	-	-	126,068
Unearned revenues	6,503	24,637	31,140
Due to other governments	-	-	13,388
Total liabilities	16,765	133,309	353,189
Fund Balances			
Restricted	-	174,668	174,668
Committed	-	70,000	70,000
Assigned	73,028	72,034	410,358
Total fund balances	73,028	316,702	655,026
Total liabilities and fund balances	\$ 89,793	\$ 450,011	\$ 1,008,215

*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, 2022**

	Department of Social Services Fund	Children's Services Fund	E-911 Fund	Community Development Block Grant Fund
Revenues				
Other local taxes	\$ -	\$ -	\$ 466,958	\$ -
Revenues from use of money and property	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	5,000	-
Intergovernmental:				
Commonwealth of Virginia	791,278	160,982	371,990	-
Federal	1,843,283	12,868	-	-
Local	-	-	330,978	-
Total revenues	2,634,561	173,850	1,174,926	-
Expenditures				
Judicial administration	-	-	-	-
Public safety	-	-	2,077,099	-
Public works	-	-	-	-
Health and welfare	3,299,503	410,876	-	-
Parks, recreation and cultural	-	-	-	-
Community development	-	-	-	-
Total expenditures	3,299,503	410,876	2,077,099	-
Excess (deficiency) of revenues over (under) expenditures	(664,942)	(237,026)	(902,173)	-
Other financing sources (uses)				
Transfers in	768,884	237,026	902,173	-
Transfers out	(243,393)	-	-	-
Total other financing sources (uses), net	525,491	237,026	902,173	-
Net change in fund balance	(139,451)	-	-	-
Fund balances (deficit) - beginning of year	263,876	-	-	140,871
Fund balances (deficit) - end of year	\$ 124,425	\$ -	\$ -	\$ 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, 2022**

	County Fair Fund	Grants Fund	Total Governmental Funds
Revenues			
Other local taxes	\$ -	\$ -	\$ 466,958
Revenues from use of money and property	39,661	-	39,661
Charges for services	436,962	-	436,962
Miscellaneous	50,602	32,273	87,875
Intergovernmental:			
Commonwealth of Virginia	-	263,599	1,587,849
Federal	-	8,067,841	9,923,992
Local	-	88,240	419,218
Total revenues	527,225	8,451,953	12,962,515
Expenditures			
Judicial administration	-	195,353	195,353
Public safety	-	209,853	2,286,952
Public works	-	12,519	12,519
Health and welfare	-	647,054	4,357,433
Parks, recreation and cultural	462,922	-	462,922
Community development	-	58,909	58,909
Total expenditures	462,922	1,123,688	7,374,088
Excess (deficiency) of revenues over (under) expenditures	64,303	7,328,265	5,588,427
Other financing sources (uses)			
Transfers in	-	72,474	1,980,557
Transfers out	-	(7,304,488)	(7,547,881)
Total other financing sources (uses), net	-	(7,232,014)	(5,567,324)
Net change in fund balance	64,303	96,251	21,103
Fund balances (deficit) - beginning of year	8,725	220,451	633,923
Fund balances (deficit) - end of year	\$ 73,028	\$ 316,702	\$ 655,026

County of Isle of Wight, Virginia

***Statements 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental				
Commonwealth of Virginia	\$ 1,245,288	\$ 1,245,287	\$ 791,278	\$ (454,009)
Federal	1,965,871	1,965,872	1,843,283	(122,589)
Total revenues	3,211,159	3,211,159	2,634,561	(576,598)
Expenditures				
Health and welfare	4,125,140	4,125,140	3,299,503	825,637
Total expenditures	4,125,140	4,125,140	3,299,503	825,637
Excess (deficiency) of revenues over (under) expenditures	(913,981)	(913,981)	(664,942)	249,039
Other financing sources (uses)				
Transfers in	1,301,556	1,301,556	768,884	(532,672)
Transfers out	(387,575)	(387,575)	(243,393)	144,182
Total other financing sources (uses), net	913,981	913,981	525,491	(388,490)
Net change in fund balance	-	-	(139,451)	(139,451)
Fund balances - beginning of year	-	-	263,876	263,876
Fund balances - end of year	\$ -	\$ -	\$ 124,425	\$ 124,425

(Continued)

*County of Isle of Wight, Virginia****Statements 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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental				
Commonwealth of Virginia	\$ 266,267	\$ 216,778	\$ 160,982	\$ (55,796)
Federal	-	-	12,868	12,868
Total revenues	<u>266,267</u>	<u>216,778</u>	<u>173,850</u>	<u>(42,928)</u>
Expenditures				
Health and welfare	<u>453,804</u>	<u>453,804</u>	<u>410,876</u>	<u>42,928</u>
Total expenditures	<u>453,804</u>	<u>453,804</u>	<u>410,876</u>	<u>42,928</u>
Excess (deficiency) of revenues over (under) expenditures	(187,537)	(237,026)	(237,026)	-
Other financing sources (uses)				
Transfers in	<u>187,537</u>	<u>237,026</u>	<u>237,026</u>	<u>-</u>
Total other financing sources (uses), net	<u>187,537</u>	<u>237,026</u>	<u>237,026</u>	<u>-</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****Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
E-911 Fund*****For the Fiscal Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other local taxes	\$ 466,400	\$ 466,400	\$ 466,958	\$ 558
Miscellaneous	5,000	5,000	5,000	-
Intergovernmental				
Commonwealth of Virginia	342,811	345,811	371,990	26,179
Local	369,630	386,002	330,978	(55,024)
Total revenues	1,183,841	1,203,213	1,174,926	(28,287)
Expenditures				
Public safety	2,191,628	2,276,893	2,077,099	199,794
Total expenditures	2,191,628	2,276,893	2,077,099	199,794
Excess (deficiency) of revenues over (under) expenditures	(1,007,787)	(1,073,680)	(902,173)	171,507
Other financing sources (uses)				
Transfers in	1,007,787	1,073,680	902,173	(171,507)
Total other financing sources (uses), net	1,007,787	1,073,680	902,173	(171,507)
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

(Continued)

*County of Isle of Wight, Virginia****Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
County Fair Fund*****For the Fiscal Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenues from use of property	\$ 35,700	\$ 35,700	\$ 39,661	\$ 3,961
Charges for services	303,700	310,700	436,962	126,262
Miscellaneous	35,000	35,000	50,602	15,602
Total revenues	374,400	381,400	527,225	145,825
Expenditures				
Parks, recreation and cultural	444,400	475,400	462,922	12,478
Total expenditures	444,400	475,400	462,922	12,478
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(94,000)	64,303	158,303
Other financing sources (uses)				
Transfers in	70,000	94,000	-	(94,000)
Total other financing sources (uses), net	70,000	94,000	-	(94,000)
Net change in fund balance	-	-	64,303	64,303
Fund balances - beginning of year	-	-	8,725	8,725
Fund balances - end of year	\$ -	\$ -	\$ 73,028	\$ 73,028

(Continued)

*County of Isle of Wight, Virginia***Statements of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - Nonmajor Governmental Funds
Grants Fund****For the Fiscal Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ 81,440	\$ 32,273	\$ (49,167)
Intergovernmental				
Commonwealth of Virginia	55,131	443,983	263,599	(180,384)
Federal	7,273,954	8,683,820	8,067,841	(615,979)
Local	-	173,363	88,240	(85,123)
Other	-	1,600	-	(1,600)
Total revenues	7,329,085	9,384,206	8,451,953	(932,253)
Expenditures				
Judicial administration	-	660,968	195,353	465,615
Public safety	148,789	513,772	209,853	303,919
Public works	-	12,519	12,519	-
Health and welfare	7,197,062	786,966	647,054	139,912
Parks, recreation and cultural	-	2,187	-	2,187
Community development	26,874	240,704	58,909	181,795
Total expenditures	7,372,725	2,217,116	1,123,688	1,093,428
Excess (deficiency) of revenues over (under) expenditures	(43,640)	7,167,090	7,328,265	161,175
Other financing sources (uses)				
Transfers in	43,640	42,149	72,474	30,325
Transfers out	-	(7,314,239)	(7,304,488)	9,751
Fund balance	-	105,000	-	(105,000)
Total other financing sources (uses), net	43,640	(7,167,090)	(7,232,014)	(64,924)
Net change in fund balance	-	-	96,251	96,251
Fund balances - beginning of year	-	-	220,451	220,451
Fund balances - end of year	\$ -	\$ -	\$ 316,702	\$ 316,702

Other Supplementary Information
Internal Service Funds

This page intentionally left blank

County of Isle of Wight, Virginia

Other Supplementary Information
Internal Service Fund

June 30, 2022

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, 2022**

	Information Technology Fund	Risk Management Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 71,047	\$ 320,704	\$ 391,751
Total current assets	71,047	320,704	391,751
Noncurrent assets			
Capital assets			
Depreciable - net	205,064	-	205,064
Net pension asset	23,578	5,248	28,826
Net other post-employment benefits asset	206	100	306
Total noncurrent assets	228,848	5,348	234,196
Total assets	299,895	326,052	625,947
Deferred outflows of resources			
Pension plan	164,633	36,643	201,276
Other post-employment benefits	10,560	2,443	13,003
Total deferred outflows of resources	175,193	39,086	214,279
Liabilities			
Current liabilities			
Accounts payable	10,464	333	10,797
Accrued interest payable	26	-	26
Direct borrowing	4,999	-	4,999
Compensated absences	7,132	1,742	8,874
Total current liabilities	22,621	2,075	24,696
Noncurrent liabilities			
Noncurrent direct borrowing	10,155	-	10,155
Compensated absences	64,190	15,679	79,869
Other post-employment benefits	52,915	10,135	63,050
Total noncurrent liabilities	127,260	25,814	153,074
Total liabilities	149,881	27,889	177,770
Deferred inflows of resources			
Pension plan	286,732	63,819	350,551
Other post-employment benefits	24,133	4,718	28,851
Total deferred inflows of resources	310,865	68,537	379,402
Net Position			
Net investment in capital assets	189,910	-	189,910
Restricted - Capital projects	47,124	-	47,124
Unrestricted	(222,692)	268,712	46,020
Total net position	\$ 14,342	\$ 268,712	\$ 283,054

*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, 2022**

	Information Technology Fund	Risk Management Fund	Total
Operating revenues			
Charges for services	\$ 1,242,964	\$ 674,399	\$ 1,917,363
Total operating revenues	<u>1,242,964</u>	<u>674,399</u>	<u>1,917,363</u>
Operating expenses:			
Personnel services	516,009	120,742	636,751
Fringe benefits	163,646	34,894	198,540
Contractual services	5,206	507,316	512,522
Other charges	434,598	17,586	452,184
Depreciation and amortization	55,453	-	55,453
Total operating expenses	<u>1,174,912</u>	<u>680,538</u>	<u>1,855,450</u>
Operating Income (loss)	68,052	(6,139)	61,913
Nonoperating revenues (expenses)			
Interest and fiscal charges	(355)	-	(355)
Total nonoperating revenues (expenses)	<u>(355)</u>	<u>-</u>	<u>(355)</u>
Net income (loss) before transfers	67,697	(6,139)	61,558
Transfers in	13,244	15,394	28,638
Transfers out	(15,394)	-	(15,394)
Changes in net position	65,547	9,255	74,802
Net position - beginning of year	(51,205)	259,457	208,252
Net position - end of year	<u>\$ 14,342</u>	<u>\$ 268,712</u>	<u>\$ 283,054</u>

*County of Isle of Wight, Virginia**Combining Statements of Cash Flows – Internal Service Funds***For The Fiscal Year Ended June 30, 2022**

	Information Technology Fund	Risk Management Fund	Total
Cash flows from operating activities			
Received from customers and users	\$ 1,279,465	\$ 689,793	\$ 1,969,258
Payments to suppliers for goods and services	(440,314)	(528,850)	(969,164)
Payments to employees	(717,638)	(162,681)	(880,319)
Net cash provided by operating activities	121,513	(1,738)	119,775
Cash flows from noncapital and related financing activities:			
Transfer from other funds	(2,150)	-	(2,150)
Net cash provided by noncapital and related financing activities	(2,150)	-	(2,150)
Cash flows from capital and related financing activities:			
Interest paid	(364)	-	(364)
Acquisition of capital assets	(73,596)	-	(73,596)
Principal payments on direct borrowings	(4,948)	-	(4,948)
Net cash used for capital and related financing activities	(78,908)	-	(78,908)
Change in cash and cash equivalents	40,455	(1,738)	38,717
Cash and cash equivalents - beginning of year	30,592	322,442	353,034
Cash and cash equivalents - end of year	\$ 71,047	\$ 320,704	\$ 391,751
Reconciliation of operating loss to net cash provided by operating activities			
Operating loss	\$ 68,052	\$ 9,255	\$ 77,307
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation	55,453	-	55,453
Pension and OPEB expense	(1,572)	-	(1,572)
Change in			
Receivables	36,631	-	36,631
Deposits	-	-	-
Accounts payable and accrued liabilities	(510)	(3,948)	(4,458)
Payroll Payable	(548)	-	(548)
Unearned Revenue	(130)	-	(130)
Accrued Pension	(23,784)	(10,812)	(34,596)
Deferred outflows of resources	(8,438)	1,557	(6,881)
Compensated absences	(3,641)	2,210	(1,431)
Net cash provided by operating activities	\$ 121,513	\$ (1,738)	\$ 119,775

***Other Supplementary Information
Component Units & Fiduciary Funds***

This page intentionally left blank

June 30, 2022

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, 2022**

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Assets				
Cash and investments	\$ 2,134,963	\$ -	\$ -	\$ 782,496
Accounts receivable - net of allowances for uncollectibles	131,749	-	-	33,924
Lease receivable	14,922	-	-	-
Accrued interest receivable	18	-	-	-
Due from primary government	-	49,836	-	-
Due from other funds	5,066,495	193,142	-	374,664
Due from other governmental units	1,383,208	-	-	199,996
Total assets	\$ 8,731,355	\$ 242,978	\$ -	\$ 1,391,080
Liabilities				
Accounts payable	\$ 1,023,733	\$ -	\$ -	\$ 158,041
Accrued liabilities	6,390,484	-	-	53,465
Due to primary government	734,156	-	-	-
Due to other funds	567,806	-	-	-
Total liabilities	8,716,179	-	-	211,506
Deferred Inflow Lease	15,176	-	-	-
Total deferred inflow of resources	15,176	-	-	-
Fund Balances				
Fund balances:				
Committed	-	-	-	-
Assigned: Capital projects	-	242,978	-	-
Assigned: School Grants	-	-	-	-
Assigned: Student Activities	-	-	-	-
Assigned: Food Services	-	-	-	1,179,574
Total fund balances	-	242,978	-	1,179,574
Total liabilities and fund balance	\$ 8,731,355	\$ 242,978	\$ -	\$ 1,391,080

*County of Isle of Wight, Virginia****Component Unit – School Board
Combining Balance Sheets - Governmental Funds (Continued)*****June 30, 2022**

	Governmental Funds		
	School Grants Fund	Student Activities Fund	Totals
Assets			
Cash and investments	\$ -	\$ 514,067	\$ 3,431,526
Accounts receivable - net of allowances for uncollectibles	-	-	165,673
Lease receivable	-	-	14,922
Accrued interest receivable	-	-	18
Due from primary government	-	-	49,836
Due from other funds	-	-	5,634,301
Due from other governmental units	5,352,692	-	6,935,896
Total assets	\$ 5,352,692	\$ 514,067	\$ 16,232,172
Liabilities			
Accounts payable	\$ 286,156	\$ -	\$ 1,467,930
Accrued liabilities	-	-	6,443,949
Due to primary government	-	-	734,156
Due to other funds	5,066,495	-	5,634,301
Total liabilities	5,352,651	-	14,280,336
Deferred Inflow Lease	-	-	15,176
Total deferred inflow of resources	-	-	15,176
Fund Balances			
Fund balances:			
Committed	\$ -	\$ -	\$ -
Assigned: Capital projects	-	-	242,978
Assigned: School Grants	41	-	41
Assigned: Student Activities	-	514,067	514,067
Assigned: Food Services	-	-	1,179,574
Total fund balances	41	514,067	1,936,660
Total liabilities and fund balance	\$ 5,352,692	\$ 514,067	\$ 16,232,172

This page intentionally left blank

*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, 2022**

Total fund balances - School Board - governmental funds	\$ 1,936,660
--	--------------

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	2,250,178
Depreciable capital assets	149,002,643
Accumulated depreciation and amortization	(72,483,359)

Pension and OPEB assets are not available resources and, therefore are not reported in the funds

Net pension asset	653,865
Net OPEB asset	10,030

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

Direct borrowing	(5,929,869)
Lease liability	(515,278)
Compensated absences	(524,731)
OPEB liability	(10,258,236)
Net pension liability	(28,180,044)
Accrued interest	(25,469)

Deferred outflows of resources related to pension	11,046,781
Deferred outflows of resources related to OPEB	2,251,155
Deferred inflows of resources related to pension	(22,148,122)
Deferred inflows of resources related to OPEB	(2,681,509)

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.

	858,382
--	---------

Total net position- School Board - governmental activities	\$ 25,263,077
---	---------------

*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, 2022**

	Governmental Funds			
	School Operating Fund	School Capital Projects Fund	School Textbook Fund	School Cafeteria Fund
Revenues				
Revenues from use of money and property	\$ 304,228	\$ -	\$ -	\$ -
Charges for services	181,226	-	-	97,196
Miscellaneous	946,797	-	-	24,255
Recovered costs				
Federal	261,935	-	-	-
Revenue from primary government	25,848,107	213,171	225,029	-
Intergovernmental:				
Commonwealth	36,010,921	-	354,068	144,703
Federal	157,704	-	-	4,025,731
Total revenues	<u>63,710,918</u>	<u>213,171</u>	<u>579,097</u>	<u>4,291,885</u>
Expenditures				
Current:				
Administration, attendance and health	2,781,476	-	-	-
Instructional services	47,913,262	-	579,097	-
Operations and maintenance	6,216,922	-	-	-
Pupil transportation	4,218,548	-	-	-
School food services	-	-	-	4,023,935
Facilities	-	203,313	-	-
Technology	2,152,971	-	-	-
Debt Service	427,739	-	-	-
Total expenditures	<u>63,710,918</u>	<u>203,313</u>	<u>579,097</u>	<u>4,023,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>9,858</u>	<u>-</u>	<u>267,950</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,950</u>
Fund balance - beginning of year	<u>-</u>	<u>233,120</u>	<u>-</u>	<u>911,624</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 242,978</u>	<u>\$ -</u>	<u>\$ 1,179,574</u>

*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, 2022**

	Governmental Funds		
	School Grants Fund	Student Activities Fund	Totals
Revenues			
Revenues from use of money and property	\$ -	\$ -	\$ 304,228
Charges for services	-	-	278,422
Miscellaneous	18,829	874,422	1,864,303
Recovered costs			
Federal	-	-	261,935
Revenue from primary government	571,138	-	26,857,445
Intergovernmental:			
Commonwealth	386,678	-	36,896,370
Federal	6,584,443	-	10,767,878
Total revenues	7,561,088	874,422	77,230,581
Expenditures			
Current:			
Administration, attendance and health	276,891	-	3,058,367
Instructional services	4,392,326	831,594	53,716,279
Operations and maintenance	660,736	-	6,877,658
Pupil transportation	897,716	-	5,116,264
School food services	-	-	4,023,935
Facilities	68,583	-	271,896
Technology	1,265,913	-	3,418,884
Debt Service	-	-	427,739
Total expenditures	7,562,165	831,594	76,911,022
Excess (deficiency) of revenues over (under) expenditures	(1,077)	42,828	319,559
Net change in fund balance	(1,077)	42,828	319,559
Fund balance - beginning of year	1,118	471,239	1,617,101
Fund balance - end of year	\$ 41	\$ 514,067	\$ 1,936,660

This page intentionally left blank

*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, 2022**

Net change in fund balances - School Board - governmental funds	\$	319,559
--	----	---------

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.

Joint activity transfer	16,142,229	
Capital outlay	3,383,167	
Depreciation expense	(3,986,476)	
Adjustments to capital assets	(2,827)	

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.

Direct borrowing proceeds	(445,967)	
Repayment of direct borrowings	538,310	
Repayment of lease liability	137,956	

Special contributions received from the Commonwealth for the teacher cost sharing pool are not reported in the governmental funds		222,680
---	--	---------

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	97,853	
OPEB expense	158,145	
Pension benefit	5,455,898	
Increase in accrued interest	(4,994)	

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

		17,007
--	--	--------

Change in net position of School Board - governmental activities	\$	22,032,540
---	-----------	-------------------

*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, 2022**

	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	\$ 304,228	\$ 54,228
Charges for services	106,000	106,000	181,226	75,226
Miscellaneous	320,000	320,000	946,797	626,797
Recovered Costs	-	-	-	-
Federal	160,000	160,000	261,935	101,935
Revenue from the Primary Government	26,482,059	27,148,876	25,848,107	(1,300,769)
Intergovernmental				
Commonwealth	35,725,383	35,725,383	36,010,921	285,538
Federal	85,000	85,000	157,704	72,704
Total revenues	63,128,442	63,795,259	63,710,918	(84,341)
Expenditures				
Current				
Administration, attendance and health	2,787,604	2,787,604	2,781,476	6,128
Instructional services	47,792,970	47,943,853	47,913,262	30,591
Operations and maintenance	5,993,576	6,216,922	6,216,922	-
Pupil transportation	3,928,651	4,221,239	4,218,548	2,691
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	2,197,902	2,197,902	2,152,971	44,931
Debt Service	427,739	427,739	427,739	-
Capital Outlay	-	-	-	-
Total expenditures	63,128,442	63,795,259	63,710,918	84,341
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, 2022**

	School Capital Projects Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from the Primary Government	\$ 250,000	\$ 447,444	\$ 213,171	\$ (234,273)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	250,000	447,444	213,171	(234,273)
Expenditures				
Current				
Administration, attendance and health	-	-	-	\$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School Food Services	-	-	-	-
Facilities	250,000	447,444	203,313	244,131.00
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	250,000	447,444	203,313	244,131
Excess (deficiency) of revenues over (under) expenditures	-	-	9,858	9,858
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	9,858	9,858
Fund balance - beginning of year	-	-	233,120	233,120
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, 2022**

	School Textbook Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	229,554	229,554	225,029	(4,525)
Intergovernmental	-	-	-	-
Commonwealth	349,543	349,543	354,068	4,525
Federal	-	-	-	-
Total revenues	579,097	579,097	579,097	-
Expenditures				
Current				
Administration, attendance and health	\$ -	\$ -	\$ -	\$ -
Instructional Services	579,097	579,097	579,097	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	579,097	579,097	579,097	-
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, 2022**

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property			\$	-
Charges for services	776,843	776,843	97,196	(679,647)
Miscellaneous	1,200	1,200	1,413	213
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	21,000	21,000	144,703	123,703
Federal	1,278,160	3,400,957	4,048,573	647,616
Total revenues	2,077,203	4,200,000	4,291,885	91,885
Expenditures				
Current				
Administration, attendance and health	\$ -	\$ -	\$ -	\$ -
Instructional services	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
School food services	2,077,203	4,200,000	4,023,935	(176,065)
Facilities	-	-	-	-
Technology	-	-	-	-
Facilities	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	2,077,203	4,200,000	4,023,935	(176,065)
Excess (deficiency) of revenues over (under) expenditures	-	-	267,950	267,950
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	267,950	267,950
Fund balance - beginning of year	-	-	911,624	911,624
Fund balance - end of year	\$ -	\$ -	\$ 1,179,574	\$ 1,179,574

(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, 2022**

	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	284,000	302,829	302,829	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	571,138	571,138
Intergovernmental	-	-	-	-
Commonwealth	12,100	261,303	102,678	(158,625)
Federal	3,307,796	11,233,133	6,584,443	(4,648,690)
Total revenues	3,603,896	11,797,265	7,561,088	(4,236,177)
Expenditures				
Current				
Administration, attendance and health	\$ 109,435	\$ 384,950	\$ 276,891	\$ (108,059)
Instructional services	3,152,157	5,489,673	4,392,326	(1,097,347)
Operations and maintenance	-	2,170,288	660,736	(1,509,552)
Pupil transportation	-	742,512	897,716	155,204
School food services	-	-	-	-
Facilities	-	223,431	68,583	(154,848)
Technology	342,304	2,787,489	1,265,913	(1,521,576)
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	3,603,896	11,798,343	7,562,165	(4,236,178)
Excess (deficiency) of revenues over (under) expenditures	-	(1,078)	(1,077)	1
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(1,078)	(1,077)	1
Fund balance - beginning of year	-	-	1,118	1,118
Fund balance - end of year	\$ -	\$ (1,078)	\$ 41	\$ 1,119

(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, 2022**

	Student Activities Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenue from use of money and property	\$ -	\$ -	\$ 874,422	\$ 874,422
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Recovered costs	-	-	-	-
Revenue from the Primary Government	-	-	-	-
Intergovernmental	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	-	-	874,422	874,422
Expenditures				
Current				
Administration, attendance and health	\$ -	\$ -	\$ -	
Instructional services	-	-	831,594	(831,594)
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
School food services	-	-	-	-
Facilities	-	-	-	-
Technology	-	-	-	-
Debt Service	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	-	-	831,594	(831,594)
Excess (deficiency) of revenues over (under) expenditures	-	-	42,828	42,828
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	42,828	42,828
Fund balance - beginning of year	-	-	471,239	471,239
Fund balance - end of year	\$ -	\$ -	\$ 514,067	\$ 514,067

(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, 2022**

	Totals			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Revenues from use of money and property	\$ 250,000	\$ 250,000	\$ 304,228	\$ 54,228
Charges for services	882,843	882,843	278,422	(604,421)
Miscellaneous	605,200	624,029	2,125,461	1,501,432
Recovered costs	-	-	-	-
Federal	160,000	160,000	261,935	101,935
Revenue from the Primary Government	26,961,613	27,825,874	26,857,445	(968,429)
Intergovernmental				
Commonwealth	36,108,026	36,365,229	36,612,370	247,141
Federal	4,670,956	14,711,090	10,790,720	(3,920,370)
Total revenues	69,638,638	80,819,065	77,230,581	(3,588,484)
Expenditures				
Current				
Administration, attendance and health	2,897,039	3,172,554	3,058,367	114,187
Instructional services	51,524,224	54,012,623	53,716,279	296,344
Operations and maintenance	5,993,576	8,387,210	6,877,658	1,509,552
Pupil transportation	3,928,651	4,963,751	5,116,264	(152,513)
School food services	2,077,203	4,200,000	4,023,935	176,065
Facilities	250,000	670,875	271,896	398,979
Technology	2,540,206	4,985,391	3,418,884	1,566,507
Debt Service	427,739	427,739	427,739	-
Capital outlay	-	-	-	-
Total expenditures	69,638,638	80,820,143	76,911,022	3,909,121
Excess (deficiency) of revenues over (under) expenditures	-	(1,078)	319,559	320,637
Other Financing Sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(1,078)	319,559	320,637
Fund balances - beginning of year	-	-	1,617,101	1,617,101
Fund balances - end of year	\$ -	\$ (1,078)	\$ 1,936,660	\$ 1,937,738

*County of Isle of Wight, Virginia**Component Unit – School Board**Statement of Net Position - Internal Service Fund***June 30, 2022**

		School Health Benefits Fund
	Assets	
Current assets		
Cash and cash equivalents - restricted		\$ 1,274,109
Total current assets		<u>1,274,109</u>
	Liabilities	
Current liabilities		
Accounts payable		2,067
Claims payable		<u>413,660</u>
Total current liabilities		<u>415,727</u>
	Net Position	
Net position - unrestricted (deficit)		<u>\$ 858,382</u>

*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, 2022**

	School Health Benefits Fund
Operating revenues	
Recovered costs	\$ 6,163,366
Total revenues	<u>6,163,366</u>
Operating expenses	
Healthcare benefits	<u>6,146,359</u>
Total expenses	<u>6,146,359</u>
Operating income	<u>17,007</u>
Change in net position	17,007
Net position (deficit) - beginning of year	<u>841,375</u>
Net position (deficit) - end of year	<u><u>\$ 858,382</u></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, 2022**

	School Health Benefits Fund
Cash flows from operating activities	
Received from customers and users	6,163,366
Payments to suppliers for goods and services	<u>(6,033,029)</u>
Net cash provided by operating activities	<u>130,337</u>
Change in cash and cash equivalents	130,337
Cash and cash equivalents - beginning of year	<u>1,143,772</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,274,109</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 17,007
Adjustments to reconcile operating income to net cash provided by operating activities	
Change in:	
Accounts and claims payable	<u>113,330</u>
Net cash provided by operating activities	<u><u>\$ 130,337</u></u>

This page intentionally left blank

*County of Isle of Wight, Virginia**Component Unit – Economic Development Authority
Statement of Net Position***June 30, 2022**

Assets	
Current assets	
Cash and cash equivalents	\$ 708,300
Accounts receivable	11,033
Lease receivable, current	36,263
Total current assets	755,596
Noncurrent assets	
Land held for resale	9,011,625
Capital assets	
Nondepreciable	376,537
Depreciable, net	1,710,894
Total capital assets	2,087,431
Lease receivable, non current	61,725
Total noncurrent assets	11,160,781
Total assets	11,916,377
Liabilities	
Current liabilities	
Accounts payable	2,194
Unearned revenue	10,329
Advance from primary government	375,000
Total current liabilities	387,523
Deferred inflows of resources	
Deferred inflow-lease	97,435
Total deferred inflows of resources	97,435
Net Position	
Net investment in capital assets	1,712,432
Restricted	210,324
Unrestricted	9,508,663
Total net position	\$ 11,431,419

*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, 2022**

Operating revenues		
Charges for services	\$	49,799
Other revenues		36,938
Total operating revenues		<u>86,737</u>
Operating expenses		
Operations		44,398
Compensation		3,450
Depreciation		239,143
Total operating expenses		<u>286,991</u>
Operating loss		<u>(200,254)</u>
Nonoperating revenues (expenses)		
Interest revenue		1,000
Total nonoperating revenues, net		<u>1,000</u>
Change in net position		(199,254)
Net position - beginning of year		<u>11,630,673</u>
Net position - end of year	\$	<u><u>11,431,419</u></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	\$ 85,481
Payments to suppliers for goods and services	(44,872)
Payments to employees	(3,450)
Net cash provided by operating activities	<u>37,159</u>
Cash flows from investing activities	
Interest received	1,000
Net cash provided by investing activities	<u>1,000</u>
Change in cash and cash equivalents	38,159
Cash and cash equivalents - beginning of year	<u>670,141</u>
Cash and cash equivalents - end of year	<u>\$ 708,300</u>
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (200,254)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation expense	239,143
Change in accounts receivable	14,766
Change in accounts payable	(474)
Change in unearned revenue	(16,022)
Net cash provided by operating activities	<u>\$ 37,159</u>

This page intentionally left blank

Statistical Section

This page intentionally left blank

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

Financial Trends

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

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

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

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

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.

Exhibits

C-1 through C-4

C-5 through C-10

C-11 through C-13

C-14

C-15 through C-17

*County of Isle of Wight, Virginia**Net Position (Assets) by Component***Last Ten Fiscal Years**

	2022	2021	2020*	2019	2018
Governmental activities					
Net investment in capital assets	\$ (19,239,469)	\$ (21,461,167)	\$ (14,604,210)	\$ (16,230,336)	\$ (37,423,718)
Restricted	43,612,477	408,538	3,407,069	5,218,666	10,987,940
Unrestricted	10,754,267	57,878,038	38,038,624	31,713,704	41,560,882
Total governmental activities net position	\$ 35,127,275	\$ 36,825,409	\$ 26,841,483	\$ 20,702,034	\$ 15,125,104
Business-type activities					
Net investment in capital assets	\$ (12,896,428)	\$ (19,402,355)	\$ (17,996,594)	\$ (15,814,155)	\$ (22,900,089)
Restricted	420,212	332,212	3,016,665	5,282,900	5,321,509
Unrestricted	15,897,362	15,182,498	9,386,855	2,434,210	8,568,353
Total business-type activities net position	\$ 3,421,146	\$ (3,887,645)	\$ (5,593,074)	\$ (8,097,045)	\$ (9,010,227)
Primary government					
Net investment in capital assets	\$ (32,135,897)	\$ (40,863,522)	\$ (32,600,804)	\$ (32,044,491)	\$ (60,323,807)
Restricted	44,032,689	740,750	6,423,734	10,501,566	16,309,449
Unrestricted	26,651,629	73,060,536	47,425,479	34,147,914	50,129,235
Total primary government net position	\$ 38,548,421	\$ 32,937,764	\$ 21,248,409	\$ 12,604,989	\$ 6,114,877

(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.

*County of Isle of Wight, Virginia**Net Position (Assets) by Component (Continued)***Last Ten Fiscal Years**

	2017*	2016	2015	2014*	2013
Governmental activities					
Net investment in capital assets	\$ (13,319,241)	\$ 4,931	\$ 2,045,769	\$ 6,086,446	\$ 4,923,554
Restricted	18,689,154	5,440,119	7,174,341	13,734,652	24,568,034
Unrestricted	8,314,662	12,060,255	7,349,393	(1,715,310)	(5,786,028)
Total governmental activities net position	\$ 13,684,575	\$ 17,505,305	\$ 16,569,503	\$ 18,105,788	\$ 23,705,560
Business-type activities					
Net investment in capital assets	\$ (16,643,332)	\$ (16,265,290)	\$ (16,186,173)	\$ (12,140,987)	\$ (8,834,474)
Restricted	5,320,770	5,522,985	5,927,757	-	-
Unrestricted	1,392,872	(898,178)	(1,608,477)	17,086	(2,078,232)
Total business-type activities net position	\$ (9,929,690)	\$ (11,640,483)	\$ (11,866,893)	\$ (12,123,901)	\$ (10,912,706)
Primary government					
Net investment in capital assets	\$ (29,962,573)	\$ (16,260,359)	\$ (14,140,404)	\$ (6,054,541)	\$ (3,910,920)
Restricted	24,009,924	10,963,104	13,102,098	13,734,652	24,568,034
Unrestricted	9,707,534	11,162,077	5,740,916	(1,698,224)	(7,864,260)
Total primary government net position	\$ 3,754,885	\$ 5,864,822	\$ 4,702,610	\$ 5,981,887	\$ 12,792,854

* 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**

	2022	2021	2020	2019	2018
Expenses					
Governmental activities:					
General government	\$ 6,812,766	\$ 7,915,154	\$ 6,942,584	\$ 6,752,097	\$ 7,032,712
Judicial administration	2,092,876	1,624,584	1,575,825	1,624,282	1,474,725
Public safety	16,356,578	18,185,143	15,651,837	15,638,826	12,787,055
General services	5,267,674	5,705,232	6,097,278	4,706,389	5,095,079
Health and welfare	5,469,960	7,060,537	4,796,012	3,914,717	4,021,853
Education	43,382,111	26,123,526	30,148,936	32,008,845	33,451,339
Parks, recreation and cultural	3,891,446	3,696,311	3,679,176	3,197,767	3,114,863
Community development	5,145,183	5,203,477	3,488,247	4,266,517	2,792,293
Nondepartmental	-	-	-	-	-
Interest on long-term debt	4,520,822	-	4,308,156	4,501,668	5,880,446
Total governmental activities expenses	92,939,416	75,513,964	76,688,051	76,611,108	75,650,365
Business-type activities:					
Public utilities	9,456,664	7,807,503	8,783,282	8,432,300	8,595,427
Stormwater	1,187,198	1,577,626	998,538	1,058,641	1,013,796
Total business-type activities expenses	10,643,862	9,385,129	9,781,820	9,490,941	9,609,223
Total primary government expenses	\$ 103,583,278	\$ 84,899,093	\$ 86,469,871	\$ 86,102,049	\$ 85,259,588
Program Revenue					
Governmental activities:					
Charges for services:					
General government	\$ 1,593,384	\$ 1,119,816	\$ 842,074	\$ 1,362,889	\$ 43,196
Judicial administration	252,834	1,119,816	842,074	296,643	13,072
Public safety	1,428,572	267,424	289,269	1,241,386	1,465,714
Public Works	-	1,545,482	1,058,829	-	-
Health and welfare	160,982	458,248	1,245,789	217,003	-
Parks, recreation and cultural	676,227	275,255	248,050	271,808	507,198
Community development	25,219	199,711	472,346	43,231	982,610
Operating grants and contributions	5,175,787	8,736	21,116	4,758,736	7,021,642
Capital grants and contributions	9,723,179	9,315,027	7,840,352	2,964,205	-
Interest rate subsidy	-	1,341,140	1,548,678	-	-
Total governmental activities program revenues	\$ 19,036,184	15,650,655	\$ 14,408,577	\$ 11,155,901	\$ 10,033,432

(Continued)

*County of Isle of Wight, Virginia**Change in Net Position (Continued)***Last Ten Fiscal Years**

	2017	2016	2015	2014	2013
Expenses					
Governmental activities:					
General government	\$ 5,305,220	\$ 6,596,750	\$ 4,954,948	\$ 5,859,778	\$ 6,446,046
Judicial administration	1,711,476	1,358,364	1,345,313	1,334,545	1,198,998
Public safety	15,820,681	13,206,973	11,227,838	10,856,876	10,360,047
General services	5,029,762	9,279,614	6,059,730	6,444,839	6,979,003
Health and welfare	4,232,228	3,832,773	3,654,546	4,267,056	4,361,198
Education	28,709,110	28,279,608	31,627,526	25,930,462	29,976,658
Parks, recreation and cultural	3,593,465	4,118,975	3,051,601	3,250,023	2,990,630
Community development	2,259,598	3,457,268	3,066,139	2,805,145	3,174,930
Nondepartmental	-	-	-	-	-
Interest on long-term debt	5,123,993	4,498,640	4,568,504	4,507,212	3,979,848
Total governmental activities expenses	71,785,533	74,628,965	69,556,145	65,255,936	69,467,358
Business-type activities:					
Public utilities	8,787,726	8,787,726	11,146,341	8,677,215	8,214,531
Stormwater	1,456,085	1,456,085	829,480	347,845	-
Total business-type activities expenses	10,243,811	10,243,811	11,975,821	9,025,060	8,214,531
Total primary government expenses	\$ 82,029,344	\$ 84,872,776	\$ 81,531,966	\$ 74,280,996	\$ 77,681,889
Program revenue					
Governmental activities:					
Charges for services:					
General government	\$ 1,029,176	\$ 1,029,176	\$ 388,251	\$ 682	\$ 758
Judicial administration	397,063	203,810	220,034	174,940	156,543
Public safety	2,682,915	1,584,774	1,330,020	1,518,532	1,154,693
General services	193,473	-	-	-	375,498
Health and welfare	273,895	-	-	-	-
Parks, recreation and cultural	693,847	560,673	479,016	584,689	526,622
Community development	98,030	64,411	42,952	43,357	30,412
Operating grants and contributions	9,874,844	5,357,743	5,282,485	5,718,851	9,526,260
Capital grants and contributions	2,827,555	3,059,806	3,133,139	905,676	150,000
Interest rate subsidy	-	-	-	-	257,127
Total governmental activities program revenues	\$ 18,070,798	\$ 11,860,393	\$ 10,875,897	\$ 8,946,727	\$ 12,177,913

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Business-type activities					
Charges for services	\$ 9,181,773	\$ 8,390,163	\$ 7,769,192	\$ 6,640,576	\$ 6,710,500
Capital grants and contributions	-	-	-	285,844	
Total business-type activities program revenues	9,181,773	8,390,163	7,769,192	6,926,420	6,710,500
Total Primary Government program revenues	\$ 22,921,002	\$ 17,656,966	\$ 17,656,966	\$ 16,743,932	\$ 16,743,932
Net expense - governmental activities	\$ (73,903,232)	\$ (64,371,289)	\$ (63,121,548)	\$ (65,455,207)	\$ (65,616,933)
Net expense - business-type activities	(1,462,089)	(994,966)	(2,012,628)	(2,564,521)	(2,898,723)
Total primary government net expense	\$ (75,365,321)	\$ (65,366,255)	\$ (65,134,176)	\$ (68,019,728)	\$ (68,515,656)
General revenues and other changes in net position					
Governmental activities					
Property taxes	\$ 64,643,938	\$ 60,942,814	\$ 57,854,621	\$ 57,269,604	\$ 57,755,525
Other taxes	9,874,957	4,723,711	4,411,144	3,627,945	7,928,102
Revenue from use of property and money	40,944	(40,499)	1,409,372	1,194,695	786,748
Investment earnings	-	-	-	-	-
Miscellaneous	1,511,916	1,640,286	1,403,119	2,361,944	1,150,233
Intergovernmental, non-categorical aid	5,518,795	5,463,009	5,396,075	5,375,993	5,409,797
Gain on sale of assets	-	-	-	-	-
Transfers	(8,719,382)	(2,651,910)	(3,805,195)	(3,300,000)	(3,791,022)
Total governmental activities	72,871,168	70,077,411	66,669,136	66,530,181	69,239,383
Business-type activities					
Investment earnings	55,770	41,943	120,047	167,713	89,138
Gain on sale of assets	-	-	-	-	-
Miscellaneous	13,205	-	-	-	-
Transfers	8,752,382	2,651,910	3,805,195	3,300,000	3,791,022
Total business-type activities	8,821,357	2,693,853	3,925,242	3,467,713	3,880,160
Total primary government	\$ 81,692,525	\$ 72,771,264	\$ 70,594,378	\$ 69,997,894	\$ 73,119,543
Change in net position					
Governmental activities	\$ (1,032,064)	\$ 9,983,926	\$ 7,194,297	\$ 5,576,930	\$ 3,622,450
Business-type activities	7,359,268	1,705,429	1,918,848	913,182	981,437
Total primary government	\$ 6,327,204	\$ 11,689,355	\$ 9,113,145	\$ 6,490,112	\$ 4,603,887

(Continued)

County of Isle of Wight, Virginia

Change in Net Position (Continued)

Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Business-type activities					
Charges for services	\$ 6,988,013	\$ 6,009,332	\$ 5,779,255	\$ 5,206,661	\$ 3,080,643
Capital grants and contributions	23,836	2,469,514	480,741	481,900	467,939
Total business-type activities program revenues	7,011,849	8,478,846	6,259,996	5,688,561	3,548,582
Total Primary Government program revenues	\$ 19,674,359	\$ 19,683,129	\$ 17,135,893	\$ 14,635,288	\$ 15,726,495
Net expense - governmental activities	\$ 53,714,735	\$ 63,424,682	\$ 58,680,248	\$ 56,309,209	\$ 57,289,445
Net expense - business-type activities	3,255,798	1,357,666	5,715,825	3,336,499	4,665,949
Total primary government net expense	\$ 56,970,533	\$ 64,782,348	\$ 64,396,073	\$ 59,645,708	\$ 61,955,394
General revenues and other changes in net position					
Governmental activities					
Property taxes	\$ 62,107,289	\$ 56,575,683	\$ 54,539,535	\$ 48,365,143	\$ 42,408,465
Other taxes	8,637,670	7,497,791	7,005,687	7,046,183	6,709,396
Revenue from use of property and money	99,580	-	-	-	-
Investment earnings	-	1,434,262	956,397	324,636	909,387
Miscellaneous	1,328,044	356,418	379,229	840,977	-
Intergovernmental, non-categorical aid	-	-	-	-	-
Gain on sale of assets	-	62,012	218,075	-	163,555
Transfers	(4,922,005)	(1,565,679)	(5,954,960)	(2,313,266)	-
Total governmental activities	67,250,578	64,360,487	57,143,963	54,263,673	50,190,803
Business-type activities					
Investment earnings	44,586	18,397	17,873	16,438	47,754
Gain on sale of assets	-	-	-	10,275	-
Miscellaneous	-	-	-	-	-
Transfers	4,922,005	1,565,679	5,954,960	2,313,266	-
Total business-type activities	4,966,591	1,584,076	5,972,833	2,339,979	47,754
Total primary government	\$ 72,217,169	\$ 65,944,563	\$ 63,116,796	\$ 56,603,652	\$ 50,238,557
Change in net position					
Governmental activities	\$ 13,535,843	\$ 935,802	\$ (1,536,285)	\$ (2,045,536)	\$ (7,098,642)
Business-type activities	1,710,793	226,410	257,008	(996,520)	(4,618,195)
Total primary government	\$ 15,246,636	\$ 1,162,212	\$ (1,279,277)	\$ (2,045,536)	\$ (7,098,642)

*County of Isle of Wight, Virginia**Fund Balances - Governmental Funds*

Last Ten Fiscal Years					
	2022	2021	2020	2019	2018
General Fund					
Non Spendable:					
Non Spendable	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 866,742
Spendable:					
Committed	2,793,789	4,098,407	7,389,502	4,526,264	5,460,229
Restricted	402,083	3,377	246,699	-	22,259
Assigned	1,666,389	3,242,714	572,753	3,782,681	1,291,755
Unassigned	29,574,561	25,527,263	20,390,116	16,230,524	15,905,253
Total General Fund	\$ 34,811,822	\$ 33,246,761	\$ 28,974,070	\$ 24,914,469	\$ 23,546,238
All other Government funds					
Non Spendable:					
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ 4,855
Spendable:					
Restricted	43,581,563	34,112,464	2,785,370	4,843,666	10,096,400
Assigned	9,598,701	5,727,202	5,727,202	7,222,267	6,573,306
Unassigned	-	(58,334)	(58,334)	(176,175)	(49,728)
Total all other Government Funds	\$ 53,180,264	\$ 39,781,332	\$ 8,454,238	\$ 11,889,758	\$ 16,624,833

*County of Isle of Wight, Virginia**Fund Balances - Governmental Funds (Continued)*

Last Ten Fiscal Years					
	2017	2016	2015	2014	2013
General Fund					
Non Spendable:					
Non Spendable	\$ 920,645	\$ 935,898	\$ 992,540	\$ 1,045,272	\$ 89,446
Spendable:					
Committed	3,877,087	-	-	-	-
Restricted	61,568	22,170	22,126	22,081	29,650
Assigned	3,623,722	3,372,391	4,169,225	165,775	255,878
Unassigned	10,960,727	14,326,940	9,649,642	15,040,237	16,393,908
Total General Fund	\$ 19,443,749	\$ 18,657,399	\$ 14,833,533	\$ 16,273,365	\$ 16,768,882
All other Government funds					
Non Spendable:					
Non Spendable	\$ -	\$ 3,246	\$ 2,349	\$ 40,381	\$ 40,595
Spendable:					
Restricted	17,738,141	5,445,121	7,149,866	13,712,571	24,568,034
Assigned	6,318,154	3,385,036	5,242,890	4,169,285	5,020,477
Unassigned	-	-	-	-	-
Total all other Government Funds	\$ 24,056,295	\$ 8,833,403	\$ 12,395,105	\$ 17,922,237	\$ 29,629,106

*County of Isle of Wight, Virginia**Changes in Fund Balance - Governmental Funds***Last Ten Fiscal Years**

	2022	2021	2020	2019	2018
Revenues					
General property taxes	\$ 61,954,999	\$ 60,444,185	\$ 57,026,717	\$ 56,651,372	\$ 57,574,975
Other local taxes	9,874,957	9,001,515	8,040,738	8,129,901	7,928,102
Permits, fees and licenses	1,182,627	1,327,849	949,001	1,434,187	952,303
Fines and forfeitures	90,024	110,659	137,069	135,492	169,606
Revenue from use of property	3,894	(107,982)	1,409,372	1,194,695	786,748
Charges for services	2,258,593	1,821,965	1,528,095	1,594,890	1,889,881
Miscellaneous	653,338	796,103	1,279,219	1,817,107	1,150,233
Recovered costs	1,045,087	823,900	339,468	826,946	646,819
Intergovernmental	20,630,883	16,696,141	16,132,845	13,085,216	11,784,620
Total revenues	97,694,402	90,914,335	86,842,524	84,869,806	82,883,287
Expenditures					
General governmental administration	4,852,099	4,357,667	4,343,637	4,151,387	4,443,690
Judicial administration	1,836,934	1,525,324	1,527,731	1,662,999	1,582,629
Public safety	15,072,047	14,267,943	12,945,665	13,257,506	12,531,228
General services	5,018,823	4,835,470	4,487,503	4,436,961	5,201,835
Health and welfare	5,167,162	7,276,078	4,653,343	3,911,948	4,164,743
Education	38,516,384	25,780,713	28,689,619	30,571,555	31,767,458
Parks, recreation and cultural	3,113,886	2,559,866	3,189,112	2,724,889	2,873,147
Community development	5,117,425	5,072,277	3,387,273	4,254,468	2,910,174
Nondepartmental	2,062,267	2,672,290	2,208,471	2,429,187	1,846,733
Capital outlay	2,485,903	5,215,782	5,605,813	6,327,168	6,471,210
Debt service					
Principal	7,936,822	7,481,155	7,416,448	7,229,617	4,639,186
Interest	4,327,087	3,518,292	4,480,486	4,637,072	8,623,961
Other fiscal charges	370,168	1,236,778	15,350	20,032	737,635
Total expenditures	95,877,007	85,799,635	82,950,451	85,614,789	87,793,629
Excess of revenues over (under) expenditures	1,817,395	5,114,700	3,892,073	(744,983)	(4,910,342)
Other financing sources (uses)					
Transfers in	17,112,300	8,054,724	3,803,626	4,389,327	4,449,036
Transfers out	(25,877,926)	(10,759,930)	(7,630,941)	(7,689,327)	(8,240,056)
Issuance of debt	17,890,000	67,775,839	471,623	678,149	27,636,789
Premium on bonds issued	1,889,277	3,704,269	-	-	4,345,538
Lease obligations issued	163,184				
Payments to escrow agent	-	(35,357,218)	-	-	(26,610,438)
Proceeds from sale of property	71,277	90,739	87,690	-	500
Total other financing sources (uses), net	11,248,112	33,508,423	(3,268,002)	(2,621,851)	1,581,369
Net change in fund balance	\$ 13,065,507	\$ 38,623,123	\$ 624,071	\$ (3,366,834)	\$ (3,328,973)

Debt service as a percentage of noncapital expenditures

Debt Service (principal + interest)	\$ 12,263,909	\$ 10,999,447	\$ 11,896,934	\$ 11,866,689	\$ 13,263,147
Total Expenditures	\$ 95,877,007	\$ 85,799,635	\$ 82,950,451	\$ 85,614,789	\$ 87,793,629
Capitalized expenditures (Exhibit A-4)	\$ 14,157,450	\$ 4,165,813	\$ 3,989,461	\$ 5,911,288	\$ 6,335,156
Noncapital expenditures	\$ 81,719,557	\$ 81,633,822	\$ 78,960,990	\$ 79,703,501	\$ 81,458,473
	15.01%	13.47%	15.07%	14.89%	16.28%

(Continued)

*County of Isle of Wight, Virginia**Changes in Fund Balance - Governmental Funds (Continued)***Last Ten Fiscal Years**

	2017	2016	2015	2014	2013
Revenues					
General property taxes	\$ 49,835,086	\$ 51,334,720	\$ 49,173,371	\$ 43,628,917	\$ 37,158,645
Other local taxes	8,580,982	7,284,843	6,842,828	6,840,236	6,616,219
Permits, fees and licenses	2,141,092	928,634	1,121,174	635,888	1,710,818
Fines and forfeitures	151,318	139,822	153,929	118,609	105,191
Revenue from use of property	99,580	920,139	438,475	366,712	909,387
Charges for services	2,887,413	1,651,746	1,264,429	1,578,846	2,859,255
Miscellaneous	787,010	1,589,453	2,265,305	1,321,386	217,987
Recovered costs	396,686	-	-	9,327,462	-
Intergovernmental	11,344,133	13,144,754	12,297,700	2,070,994	12,625,247
Total revenues	76,223,300	76,994,111	73,557,211	65,889,050	62,202,749
Expenditures					
General governmental administration	4,376,415	6,196,320	5,118,338	5,301,989	4,869,180
Judicial administration	1,542,881	1,373,968	1,389,675	1,334,756	1,198,998
Public safety	12,618,898	12,687,614	10,840,494	10,425,432	9,973,620
General services	4,585,899	5,334,386	4,958,423	5,747,203	5,929,766
Health and welfare	3,888,786	3,783,847	3,878,728	4,244,521	4,299,377
Education	26,116,112	25,672,090	23,161,494	23,126,262	25,679,304
Parks, recreation and cultural	2,838,301	2,752,043	2,675,524	2,885,662	2,629,412
Community development	2,880,539	3,456,762	3,117,464	2,773,473	3,143,003
Nondepartmental	1,676,722	-	-	-	-
Capital projects	3,468,132	6,750,976	13,264,484	18,432,571	9,489,014
Debt service					
Principal	3,006,700	3,100,940	2,845,721	2,401,952	3,173,957
Interest	4,468,592	4,329,537	5,014,093	5,195,448	4,592,524
Other fiscal charges	178,618	-	-	-	285,487
Total expenditures	71,646,595	75,438,483	76,264,438	81,869,269	75,263,642
Excess of revenues over (under) expenditures	4,576,705	1,555,628	(2,707,227)	(15,980,219)	(13,060,893)
Other financing sources (uses)					
Transfers in	9,953,287	8,626,309	12,719,784	1,763,908	3,127,894
Transfers out	(14,719,615)	(10,191,988)	(18,674,744)	(4,077,174)	(3,127,894)
Proceeds from borrowing	16,198,865	220,514	44,871,848	6,011,099	26,044,679
Premium on bonds issued	-	-	-	-	-
Payments to escrow agent	-	-	(43,476,292)	80,000	(22,473,109)
Proceeds from sale of property	-	51,701	299,667	-	-
Total other financing sources (uses), net	11,432,537	(1,293,464)	(4,259,737)	3,777,833	3,571,570
Net change in fund balance	\$ 16,009,242	\$ 262,164	\$ (6,966,964)	\$ (12,202,386)	\$ (9,489,323)
Debt service as a percentage of noncapital expenditures	11%	12%	12%	12%	4%

This page intentionally left blank

*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	(1) Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
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%
2013	3,187,589,700	648,094,500	245,103,000	4,080,787,200	0.65	4,080,787,200	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
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
2013	4,070,990,990	353,861,037	19,586,906	380,157,383	141,582,514	4,966,178,830

- (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
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
2013	0.65	4.50	0.65	0.70	1.00/1.00

County of Isle of Wight, Virginia**Principal Property Taxpayers****Current Year and Nine Years Ago**

REAL ESTATE	2022			2013		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation Real Estate	Assessed Valuation	Rank	Percent of Total Assessed Valuation Real Estate
Taxpayer	Real Estate		Estate	Real Estate		Estate
International Paper	\$ 94,187,900	1	1.87%	\$ 109,371,400	1	2.69%
Vereit Real Estate LP	71,821,800	2	1.42%	-	-	-%
Smithfield Farmland Corp	29,296,300	3	0.58%	-	-	-%
Smithfield Foods Inc	16,106,700	8	0.32%	41,811,700	3	1.03%
Eagle Harbor Apartments, LP	26,000,000	5	0.52%	27,596,000	5	0.68%
Eagle Harbor West LLC	27,000,000	4	0.54%	12,947,700	9	0.32%
Green Mountain Coffee Roasters	19,611,300	6	0.39%	-	-	-%
Eagle Harbor Apartments II, LP	17,000,000	7	0.34%	-	-	-%
LDI Virginia LLC	15,152,400	9	0.30%	14,417,900	7	0.35%
Sentara Healthcare	14,786,800	10	0.29%	14,669,700	6	0.36%
Inland RI Holdings LLC etals	-	-	-%	41,871,600	2	1.03%
Gwaltney of Smithfield, Ltd.	-	-	-%	30,313,000	4	0.74%
Cypress Creek Dev. Co. LLC	-	-	-%	13,643,100	8	0.34%
PH Forest Investments	-	-	-%	12,757,700	10	0.31%
	\$ 330,963,200		6.57%	\$ 319,399,800		7.85%

PERSONAL PROPERTY

PERSONAL PROPERTY	2022			2013		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation Personal Property (1)	Assessed Valuation	Rank	Percent of Total Assessed Valuation Personal Property (1)
Taxpayer	Personal Property		Property (1)	Personal Property		Property (1)
International Paper	\$ 153,192,389	1	20.57%	\$ 259,110,695	1	28.95%
Gwaltney of Smithfield Ltd.	53,684,690	2	7.21%	94,796,030	2	10.59%
Keurig Green Mountain Inc	37,512,864	3	5.04%	-	-	-%
ST Tissue LLC	24,531,294	4	3.29%	-	-	-%
Cost Plus Inc.	7,116,022	5	0.96%	5,438,993	3	0.61%
Franklin Lumber LLC	6,767,764	6	0.91%	-	-	-%
Food Lion	2,922,205	7	0.39%	2,507,196	5	0.28%
Charter Communications/Spectrum SE LLC	1,907,394	8	0.26%	2,400,645	6	0.27%
C R England Inc	1,467,055	9	0.20%	2,131,694	7	0.24%
Lasalle Solutions	1,424,538	10	0.19%	-	-	-%
GE Capital	-	-	-%	-	-	0.80%
Isle of Wight Forest Products	-	-	-%	1,081,405	10	0.12%
John Morrell & Co	-	-	-%	3,141,497	4	0.35%
Smithfield Foods	-	-	-%	1,770,163	8	0.20%
Crittenden Service Inc	-	-	-%	1,109,958	9	0.12%
	\$ 290,526,215		39.02%	\$ 373,488,276		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
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%
2013	39,022,902	37,912,561	97.15%	1,110,341	37,276,878	95.53%	474,658	1.22%

- (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**

	2022	2021	2020	2019	2018
Apparel stores	\$ 2,031,198	\$ 2,283,686	\$ 3,153,733	\$ 2,796,422	\$ 2,945,495
General merchandise	20,401,798	19,503,277	18,148,931	18,426,147	18,471,979
Food stores	104,886,854	98,742,509	82,746,947	75,489,663	75,929,226
Eating and drinking establishments	45,543,766	37,892,254	36,625,313	34,531,724	32,415,274
Home furnishings and appliances	1,006,148	733,210	740,770	984,728	1,149,106
Building materials and farm tools	12,469,891	10,810,423	7,938,465	7,929,969	7,623,262
Auto dealers and supplies	5,715,223	4,359,135	4,391,501	4,652,629	4,127,154
Service stations	14,913,503	12,708,001	12,876,461	12,306,750	10,231,430
Other retail stores	6,687,611	4,906,103	4,090,605	4,527,901	7,707,369
All other outlets	79,940,378	71,284,349	64,573,472	78,248,666	76,326,354
	<u>\$ 293,596,370</u>	<u>\$ 263,222,947</u>	<u>\$ 235,286,198</u>	<u>\$ 239,894,599</u>	<u>\$ 236,926,649</u>

(Continued)

Source: Isle of Wight County Commissioner of Revenue

*County of Isle of Wight, Virginia**Taxable Sales by Category (Continued)*

Last Ten Years					
	2017	2016	2015	2014	2013
Apparel stores	\$ 3,112,767	\$ 3,138,661	\$ 3,155,626	\$ 3,390,204	\$ 2,577,049
General merchandise	17,055,174	17,052,902	15,058,574	16,305,494	17,733,688
Food stores	75,469,177	74,278,038	70,333,859	67,184,591	66,740,132
Eating and drinking establishments	30,001,191	30,638,029	28,003,995	27,356,817	28,035,436
Home furnishings and appliances	1,655,721	3,673,785	1,970,161	1,506,054	1,578,689
Building materials and farm tools	7,733,809	8,087,111	7,607,946	9,266,806	11,080,360
Auto dealers and supplies	4,262,699	3,734,038	3,699,950	3,891,078	3,662,321
Service stations	10,116,257	8,297,669	8,750,178	9,937,560	9,897,012
Other retail stores	7,444,040	8,318,528	8,155,461	6,725,858	6,528,091
All other outlets	67,585,166	63,207,520	66,100,640	56,617,257	52,632,271
	<u>\$ 224,436,001</u>	<u>\$ 220,426,281</u>	<u>\$ 212,836,390</u>	<u>\$ 202,181,719</u>	<u>\$ 200,465,049</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
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
2013	35,399	4,966,178,830	150,387,747	44,620,819	105,766,928	2.13%	7.0%	2,988

(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			Business Type Activities			Total Primary Government	Percentage Personal Income	Net Bonded Debt Per Capita
	General Obligation Bonds	Pace Loans	Direct Borrowing	General Obligation Bonds	Notes Payable	Direct Borrowing			
2022	\$ 145,555,744	\$ 4,326,512	\$ 1,905,283	\$ 35,516,372	\$ -	\$ 181,247	\$ 187,485,158	12.31%	4,804
2021	134,633,693	4,326,512	1,426,252	36,615,945	-	133,789	177,136,191	13.31%	4,705
2020	104,185,570	4,326,512	1,234,124	35,715,310	-	129,246	145,590,762	10.94%	3,867
2019	111,811,061	4,326,512	1,154,305	36,519,191	-	53,368	153,864,437	11.16%	4,008
2018	119,233,652	4,326,512	872,070	37,310,496	-	77,956	161,820,686	12.47%	4,256
2017	119,853,683	4,326,512	834,485	37,986,086	-	28,763	163,029,529	13.61%	4,397
2016	107,364,335	4,326,512	766,113	38,534,357	12,000	39,916	151,043,233	13.27%	4,145
2015	111,098,166	4,326,512	722,822	39,148,981	24,000	50,903	155,371,384	13.96%	4,315
2014	109,175,783	4,326,512	-	37,393,972	36,000	-	150,932,267	13.74%	4,233
2013	105,766,928	4,326,512	-	44,620,819	48,000	-	154,762,259	10.20%	4,372

(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**

	2022	2021	2020	2019	2018
Total assessed valuation of real estate from land book	\$ 5,208,648,086	\$ 5,045,420,400	\$ 5,007,174,280	\$ 4,771,039,019	\$ 4,719,551,693
Percent limitation according to the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	520,864,809	504,542,040	500,717,428	477,103,902	471,955,169
Total debt of the County	170,544,553	162,085,328	130,644,576	138,037,818	145,215,577
Total debt of the Town of Smithfield	6,017,455	6,855,711	5,666,352	6,710,634	7,877,421
Total debt of the Town of Windsor	992,001	1,058,724	1,195,942	1,173,269	1,228,217
Total	177,554,009	169,999,763	137,506,870	145,921,721	154,321,215
Amount by which legal debt margin exceeds total debt	\$ 343,310,800	\$ 334,542,277	\$ 363,210,558	\$ 331,182,181	\$ 317,633,954

(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**

	2017	2016	2015	2014	2013
Total assessed valuation of real estate from land book	\$ 4,646,536,085	\$ 4,579,015,110	\$ 4,197,303,286	\$ 4,147,194,000	\$ 4,070,990,990
Percent limitation according to the Code of Virginia	10%	10%	10%	10%	10%
Debt limitation	464,653,609	457,901,511	419,730,329	414,719,400	407,099,099
Total debt of the County	151,024,995	138,290,000	141,575,000	139,880,000	142,925,000
Total debt of the Town of Smithfield	6,507,832	3,970,025	4,548,745	4,494,595	4,948,510
Total debt of the Town of Windsor	1,281,529	1,422,869	1,484,849	1,846,719	1,990,105
Total	158,814,356	143,682,894	147,608,594	146,221,314	149,863,615
Amount by which legal debt margin exceeds total debt	\$ 305,839,253	\$ 314,218,617	\$ 272,121,735	\$ 268,498,086	\$ 257,235,484

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)		(1)		Registered Voters	(2)	
	Population		Per Capita Income			Unemployment Rate	
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%	
2013	35,399	(4)		42,883 (4)	26,490	6.0%	

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	2022	2021	2020	2019	2018
General government					
Board of Supervisors	1.0	1.0	0.5	0.5	0.5
County Administration	2.5	2.5	2.5	2.5	2.5
County Attorney	1.5	1.5	2.0	2.0	2.0
Commissioner of Revenue	11.0	10.5	10.5	10.5	10.5
Treasurer	9.0	10.0	9.5	10.0	11.0
Budget and Finance	7.0	7.0	8.0	7.0	7.0
Purchasing	2.0	2.0	1.0	1.0	1.0
Human Resources	3.0	3.0	2.5	2.0	2.0
Communications	1.5	1.5	1.5	1.5	1.5
Economic Development	4.0	4.0	4.0	4.0	4.0
Registrar	2.0	3.5	3.0	3.0	3.5
Inspections	8.0	8.0	5.0	5.0	5.0
Information Technology	8.0	8.0	7.0	7.5	7.5
Risk Management	2.0	2.0	2.0	2.0	1.0
Planning and Zoning	8.0	9.0	11.0	11.0	11.0
Health & Welfare	38.0	39.0	39.0	2.0	2.0
Tourism	4.0	4.0	4.0	4.0	4.5
Farmers Market	-	-	-	0.5	-
Circuit Court	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	128.5	132.5	129.0	91.0	91.5
Public Safety					
Sheriff Deputies (including Sheriff)	55.5	53.5	52.0	52.5	52.5
Administrative	4.0	4.0	4.0	4.0	4.0
Animal Control	7.0	7.5	7.0	6.5	5.0
Emergency Communications	21.8	18.0	18.0	16.5	18.5
Total Public Safety	88.3	83.0	81.0	79.5	80.0
Fire and Rescue					
Administrative	5.0	5.0	5.0	5.0	5.0
Firefighters/Paramedics	46.0	51.5	51.0	48.5	43.5
Total Fire and Rescue	51.0	56.5	56.0	53.5	48.5
General Services					
Administrative	3.9	3.9	3.9	3.9	3.9
Engineering	2.0	2.0	2.0	2.0	2.0
Stormwater	8.3	9.2	8.2	8.2	7.2
Refuse collection	10.0	36.0	25.0	23.0	23.5
Building and Grounds	10.0	10.0	10.0	8.0	8.0
Custodians	9.5	8.5	9.0	9.0	8.0
Total Public Works	43.7	69.6	58.1	54.1	52.6
Parks, Recreation and Cultural	21.0	21.0	21.0	26.0	27.0
Public Utilities	21.8	20.0	20.0	18.0	12.0
Public Schools					
Instructional Positions	447.0	434.0	420.0	412.0	365.0
Administrators	76.0	74.0	74.0	80.0	58.0
Support Personnel	266.0	236.0	234.0	267.0	241.0
Total Public Schools	789.0	744.0	728.0	759.0	664.0
Grand total	1,143.3	1,126.6	1,093.1	1,081.1	975.6

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	2017	2016	2015	2014	2013
General government					
Board of Supervisors	0.50	0.50	0.50	-	-
County Administration	2.5	3.5	3.0	4.0	4.0
County Attorney	2.0	2.0	2.0	2.0	1.50
Commissioner of Revenue	9.5	10.5	10.5	10.5	10.5
Treasurer	10.0	10.0	9.50	9.50	9.50
Budget and Finance	7.0	6.0	5.0	6.0	7.0
Purchasing	1.0	1.00	1.50	-	-
Human Resources	2.0	2.0	2.0	2.0	3.0
Communications	1.0	2.0	2.0	2.0	1.0
Economic Development	3.0	4.0	5.0	5.0	5.0
Registrar	3.0	3.50	3.50	3.50	2.50
Inspections	5.0	5.0	5.0	7.0	7.0
Information Technology	7.5	7.0	7.0	7.0	7.0
Risk Management	1.0	1.0	1.0	-	-
Planning and Zoning	10.0	10.0	10.0	9.0	10.0
Health & Welfare	1.50	1.50	1.50	1.50	1.50
Tourism	3.50	3.50	3.50	3.50	3.50
Clerk of Court	7.0	7.0	7.0	7.0	7.0
Commonwealth Attorney	6.0	6.0	6.0	6.0	6.0
Total general government	83.00	86.00	85.50	85.50	86.00
Public Safety					
Sheriff Deputies (including Sheriff)	49.0	48.5	47.50	46.5	46.5
Administrative	4.0	5.0	5.0	4.5	4.0
Animal Control	6.0	5.5	5.50	5.5	5.0
Emergency Communications	19.5	19.5	19.50	22.0	19.5
Total Public Safety	78.50	78.50	77.50	78.50	75.00
Fire and Rescue					
Administrative	5.5	5.0	5.0	6.0	4.0
Firefighters/Paramedics	47.0	58.5	54.50	60.0	55.50
Total Fire and Rescue	52.50	63.50	59.50	66.00	59.50
General Services					
Administrative	4.0	3.50	3.50	5.0	3.0
Engineering	1.50	1.90	1.90	6.0	7.0
Stormwater	9.0	10.4	10.4	4.0	0.0
Refuse collection	19.0	21.0	20.5	23.5	20.5
Building and Grounds	6.0	8.0	8.0	7.0	6.0
Custodians	-	-	-	6.50	6.50
Total Public Works	39.50	44.80	44.30	52.00	43.00
Parks, Recreation and Cultural	25.0	20.0	21.0	20.5	21.5
Public Utilities	14.6	16.2	15.2	13.0	13.0
Public Schools					
Instructional Positions	398.0	533.0	402.0	477.0	538.3
Administrators	60.0	19.0	45.5	47.0	53.40
Support Personnel	254.0	142.0	248.0	177.1	185.5
Total Public Schools	712.00	694.00	695.50	701.10	777.20
Grand total	1,005.10	1,003.00	998.50	1,016.60	1,075.20

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	2022	2021	2020	2019	2018
Sheriff					
Physical arrests	1,159	746	1,421	1,432	1,056
Traffic violations	1,614	1,988	3,252	2,487	3,037
Fire					
Emergency responses - Fire	989	914	922	737	1,108
Emergency responses - Rescue	5,493	5,284	4,804	4,756	4,598
Building Permits					
Residential	360	300	200	195	156
Residential - Value	\$ 141,181,562	\$ 68,130,237	\$ 42,297,744	\$ 36,267,481	\$ 32,555,058
Commercial	22	11	8	9	14
Commercial - Value	\$ 4,866,579	\$ 1,617,010	\$ 1,354,702	\$ 3,833,333	\$ 3,744,477
Refuse Collection					
Refuse collected (tons per day)	62	88	61	59	64
Public Schools					
Cost Per Student	\$ 12,971	\$ 11,049	\$ 10,518	\$ 11,640	\$ 10,598
Average Daily Membership	5,570	5,392	5,591	5,375	5,338
Student/Teacher Ratio	11.16	12.70	13.19	13.05	14.60
Park and Recreation					
Athletic field permits issued	102	21	12	27	26
County Fair Admissions	32,455	-	35,170	-	28,831
Library					
Volumes in collection	165,200	135,050	69,133	67,172	67,281
Total volumes borrowed	290,346	273,681	154,196	198,182	163,688
Water					
New connections	139	131	116	96	80
Average daily consumption (thousands of gallons)	0.32	0.32	0.35	0.33	0.32

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	2017	2016	2015	2014	2013
Sheriff					
Physical arrests	853	842	470	814	527
Traffic violations	3,427	3,280	2,582	2,274	2,032
Fire					
Emergency responses - Fire	1,031	793	1,728	1,334	709
Emergency responses - Rescue	4,450	4,493	4,323	4,149	4,720
Building Permits					
Residential	171	158	130	126	107
Residential - Value	\$ 32,108,219	\$ 32,638,877	\$ 28,774,421	\$ 29,193,361	\$ 25,170,632
Commercial	15	8	9	5	4
Commercial - Value	\$ 2,361,121	\$ 2,616,297	\$ 1,803,859	\$ 3,010,200	\$ 2,738,211
Refuse Collection					
Refuse collected (tons per day)	59	29	28	31.0	46.0
Public Schools					
Cost Per Student	\$ 11,288	\$ 10,341	\$ 9,922	\$ 10,113	\$ 9,628
Average Daily Membership	5,263	5,441	5,233	5,325	5,312
Student/Teacher Ratio	16.1	14.0	14.1	17.2	16.3
Park and Recreation					
Athletic field permits issued	11	24	30	32	59
County Fair Admissions	30,168	25,000	29,337	25,160	33,886
Library					
Volumes in collection	68,638	69,454	73,430	184,288	186,615
Total volumes borrowed	200,768	191,128	187,594	417,529	449,557
Water					
New connections	102	92	52	58	60
Average daily consumption (thousands of gallons)	0.35	0.33	0.65	0.58	0.60

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	30	33	30	30	30	30	30	48	49
Fire and Rescue										
Fire Units	5	5	5	5	5	5	5	5	5	5
Rescue Units	2	2	2	2	2	2	2	4	4	4
Refuse Collection										
Collection trucks	5	5	5	5	5	5	6	6	6	6
Public Schools										
School Facilities	9	9	9	9	9	9	9	9	9	9
Park and Recreation										
Parks	11	11	11	11	10	7	7	7	7	7
Acreage	3,077	3,077	3,077	3,077	569	570	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	9	12	12	12	12	12
Community centers	4	4	4	4	3	2	2	2	2	2
Museums	3	3	3	3	3	2	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

This page intentionally left blank

**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, 2022, 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 November 29, 2022.

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.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Robinson, Farnum, Cox Associates

Richmond, Virginia
November 29, 2022



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, 2022. 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of County of 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
November 29, 2022

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
DEPARTMENT OF JUSTICE:				
<u>Direct payments:</u>				
Asset Forfeiture Proceeds	16.000	n/a		\$ 19,023
Drug Court Discretionary Grant Program	16.585	n/a		83,560
<u>Pass through payments:</u>				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	39001-10220		56,235
Violence Against Women Formula Grants	16.588	20-X9425VA19/21-Y9425VA20		20,560
Total Department of Justice				\$ 179,378
DEPARTMENT OF TREASURY:				
<u>Pass through payments:</u>				
Department of Accounts:				
COVID-19 - Coronavirus Relief Fund (CRF)	21.019	10110-728021	\$ 8,782	\$ 447,963
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	Unknown	56,397	7,395,178
Total Department of Treasury				\$ 7,843,141
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	\$ 8,559	
Recreational Trails Program	20.219	VRT-323-M-190	27,271	
		Total Highway Planning and Construction Cluster		\$ 35,830
Alcohol Open Container Requirements	20.607	Unknown		6,427
Total Department of Transportation				\$ 42,257
DEPARTMENT OF HOMELAND SECURITY:				
<u>Pass through payments:</u>				
Virginia Department of Emergency Services:				
Emergency Management Performance Grants	97.042	EMP-2017-EP-00006		\$ 12,176
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Unknown		105,558
Total Department of Homeland Security				\$ 117,734
DEPARTMENT OF AGRICULTURE:				
<u>Direct payments:</u>				
COVID-19 - Child and Adult Care Food Program (CACFP)	10.558	n/a	\$ 2,146	
Child and Adult Care Food Program (CACFP)	10.558	n/a	1,285	
Total AL# 10.558				\$ 3,431
<u>Pass through payments:</u>				
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the				
Supplemental Nutrition Assistance Program	10.561	0040121/0040122		587,478
Department of Agriculture:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	17901-86556		3,063
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	202020N85034 1	\$ 381,196	
Food distribution - National School Lunch Program	10.555	Unknown	\$ 202,970	
Department of Education:				
COVID-19 - National School Lunch Program	10.555	406230		91,698
National School Lunch Program	10.555	406230		2,539,230
Total AL# 10.555				\$ 2,833,898
School Breakfast Program	10.553	405910		804,143
		Total Child Nutrition Cluster		\$ 4,019,237
Total Department of Agriculture				\$ 4,613,209
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Pass through payments:</u>				
Virginia Department of Social Services:				
Title VI-E Prevention Program	93.472	1140122		\$ 4,023
Guardianship Assistance	93.090	1110121/1110122		6,117
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121/0950122		7,336
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121/0500122		1,156
Low Income Home Energy Assistance	93.568	0600421/0600422		44,602
Stephanie Tubbs Jones Child Welfare Service Program	93.645	0900121/0900122		596
Foster Care Title IV - E	93.658	1100121/1100122		181,788
Adoption Assistance	93.659	1120121/112022		105,066
Social Services Block Grant	93.667	1000121/1000122		295,916
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121/9150122		2,405
Children's Health Insurance Program	93.767	0540121/0540122		2,993
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122		313,550
Temporary Assistance for Needy Families	93.558	0400121/0400122		241,810
COVID-19 - Elder Abuse Prevention Interventions Program	93.747	8000221		5,509
Community-Based Child Abuse Prevention Grants	93.590	9560121		654
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122		55,152
Total Department of Health and Human Services				\$ 1,268,673

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022 (Continued)

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<u>Direct payments:</u>				
Home Investment Partnerships Program	14.239	n/a		\$ 16,316
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	n/a		3,223
Total Department of Housing and Urban Development				\$ 19,539
DEPARTMENT OF EDUCATION:				
<u>Direct payments:</u>				
Adult Education - Basic Grants to States	84.002	n/a		\$ 22,740
Impact Aid	84.041	n/a		78,289
<u>Pass through payments:</u>				
Virginia Department of Education:				
Title I Grants to Local Educational Agencies	84.010	429010		699,703
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	430710, 871380	\$ 1,105,049	
COVID-19 - Special Education - Grants to States	84.027	430710, 871380	277,060	
Total AL# 84.027			\$ 1,382,109	
Special Education - Preschool grants	84.173	625210	\$ 19,590	
COVID-19 - Special Education - Preschool grants	84.173	625210	19,947	
Total AL# 84.173			\$ 39,537	
Total Special Education Cluster (IDEA):				1,421,646
Career and Technical Education - Basic Grants to States	84.048	610950, 866470		103,249
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)	84.367	614800		189,016
Student Support and Academic Enrichment Program	84.424	S424A170048		85,168
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	Unknown	\$ 59,238	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	60173, 60177, 60041	1,636,855	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	50193	2,358,417	
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	Unknown	4,000	
Total AL# 84.425				4,058,510
English Language Acquisition State Grants	84.365	605120		4,411
Total Department of Education				\$ 6,662,732
DEPARTMENT OF DEFENSE:				
<u>Direct payments:</u>				
ROTC Language and Culture Training Grants	12.357	n/a		\$ 79,415
Total Department of Defense				\$ 79,415
Total Expenditures of Federal Awards			\$ 65,179	\$ 20,826,078

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, 2022

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, 2022. 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	\$ 416,641
Capital Projects Fund	35,830
Department of Social Services Fund	1,843,283
Children's Services Fund	12,868
Grants Fund	8,067,841
Total primary government	<u>\$ 10,376,463</u>

Component Unit School Board:

School Operating Fund	\$ 157,704
School Cafeteria Fund	4,025,731
School Grants Fund	6,584,443

Total Component Unit School Board \$ 10,767,878

Total federal expenditures per basic financial statements \$ 21,144,341

Amounts required to reconcile federal revenues to expenditures:

Less: QSCB federal interest subsidy \$ (318,263)

Total federal expenditures per the Schedule of Expenditures of Federal Awards \$ 20,826,078

COUNTY OF ISLE OF WIGHT, VIRGINIA

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? 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 Fund
84.425	COVID-19 - Education Stabilization Fund
84.027 / 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

None

COUNTY OF ISLE OF WIGHT, VIRGINIA

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

Finding 2021-001:

Condition:

The School Board did not complete and file the first quarter filing of the "VDOE CRF Reporting Summary".

Recommendation:

The School Board needs to review and follow reporting requirements for the grant.

Current Status:

Planned corrective action completed.