

COUNTY OF CLARKE, VIRGINIA



FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

COUNTY OF CLARKE, VIRGINIA

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

COUNTY OF CLARKE, VIRGINIA

Board of Supervisors

David Weiss, Chairman
Beverly B. McKay, Vice Chairman

Matthew Bass

Doug Lawrence

Terri T. Catlett

County School Board

Monica Singh-Smith, Chairman
Katie Kerr-Hobert, Vice-Chairman
Renée F. Weir, Clerk

Charles "Chip" Schutte

Andrew MacDonald

Jonathan Turkel

Board of Social Services

Gerald Dodson, Chairman
Robin York, Vice-Chairman

Barbara Byrd
Laura Dabinett
Doug Lawrence

Margaret Legard
James Smith
Robert York

Other Officials

Judge of the Circuit Court Clark Andrew Ritchie
Judge of the Circuit Court Alexander R. Iden
Judge of the Circuit Court William W. Eldridge, IV
Judge of the Circuit Court Bruce D. Albertson
Clerk of the Circuit Court.....April Wilkerson
Judge of the General District Court.....Amy Beth Tisinger
Judge of the General District Court..... Kenneth L. Alger II
Judge of the General District Court..... John S. Hart, Jr.
Judge of the General District Court..... Mary L. C. Daniel
Judge of the Juvenile and Domestic Relations Court James A. Drown
Commonwealth's Attorney Anne M. Williams
Commissioner of the Revenue Donna Peake
Treasurer Sharon Keeler
Sheriff..... Anthony W. Roper
Superintendent of Schools Dr. Chuck Bishop
County Administrator Chris Boies
Director of Joint Administrative Services Brenda Bennett
Director of Department of Social Services Jennifer Parker

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Independent Auditors' Report

**To the Honorable Members of
The Board of Supervisors
County of Clarke, Virginia**

Report on the Audit of the Financial Statements

Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 19 to the financial statements, in 2022, the discretely presented component unit Clarke County Sanitary Authority restated beginning balances to correct capital assets from the prior year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Clarke, 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 Clarke, 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 Clarke, 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.

Require 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 Clarke, Virginia's basic financial statements. The accompanying other supplementary information and schedules and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 other statistical information section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of the County of Clarke, 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 Clarke, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Clarke, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 13, 2022

County of Clarke, Virginia Management's Discussion and Analysis

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

Financial Highlights

- The assets and deferred outflows of resources of the County (excluding component units) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$36.36 million (*net position*). Of this amount, \$17.39 million (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$4.08 million, of which the governmental activities accounted for 100% of the increase.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$582,674. The Fiscal Policy of Clarke County requires that certain financial designations of General Fund balance be maintained. These financial designations are reported as assigned fund balance of \$17,155,836 and are comprised of the numerous designations. Liquidity and stabilization funds comprise \$4,908,426. Saving for pay-as-you-go capital expenditures comprises \$794,925. \$350,000 is assigned for compensated absences. A total of \$11,102,485 is assigned for other requests.
- The County's total long-term obligations decreased by \$4,581,994 (16.82%) during the current fiscal year. This decrease was primarily due to planned debt service payments and a significant decrease in the actuarially determined net pension and OPEB liabilities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, liabilities and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the County may be changing. Increases in net position may indicate an improved financial position; however, even decreases in net position may reflect a changing manner in which the County may have used previously accumulated funds.

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

Overview of the Financial Statements (Continued)

Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, community development, and education. The County did not operate any business-type activities.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board, a legally separate industrial development authority and a legally separate sanitary authority for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 11 through 13 of this report.

Fund financial statements

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

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

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

The County reports ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Virginia Public Assistance Fund and the School Debt Service Fund, all of which are considered to be major funds. Data from the other County funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Overview of the Financial Statements (Continued)

Fund financial statements: (Continued)

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund statement can be found on page 18 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 81 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning budgetary comparisons for the general fund and VPA special revenue fund. Required supplementary information can be found on pages 82 through 99 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 100 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$36.36 million at the close of the most recent fiscal year. A large portion of the County's net position (\$18.56 million, 51.06% of total) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities (i.e., the County's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

Government-Wide Financial Analysis (Continued)

The following table provides a comparative summary of the County’s Statement of Net Position:

**County of Clarke, Virginia
Summary of Net Position
As of June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
Current and other assets	\$ 40,081,278	\$ 33,520,610
Capital assets	39,765,988	40,651,864
Total assets	<u>\$ 79,847,266</u>	<u>\$ 74,172,474</u>
Deferred outflows of resources	<u>\$ 1,696,788</u>	<u>\$ 1,724,475</u>
Long-term liabilities outstanding	\$ 22,658,917	\$ 27,240,911
Other liabilities	5,015,746	3,966,452
Total liabilities	<u>\$ 27,674,663</u>	<u>\$ 31,207,363</u>
Deferred inflows of resources	<u>\$ 17,512,820</u>	<u>\$ 12,900,594</u>
Net position:		
Net investment in capital assets	\$ 18,563,409	\$ 17,707,806
Restricted	402,702	6,510
Unrestricted	17,390,460	14,074,676
Total net position	<u><u>\$ 36,356,571</u></u>	<u><u>\$ 31,788,992</u></u>

An additional portion of the County’s net position (\$402,702) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$17.39 million) may be used to meet the County’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position.

As noted previously, the County’s net position increased by \$4.08 million during the current fiscal year. This is largely attributable to an increase in property and other local tax revenue.

Government-Wide Financial Analysis (Continued)

Governmental activities increased the County’s net position by \$4.08 million. The following table summarizes the County’s Statement of Activities:

**County of Clarke, Virginia
Changes in Net Position
Years Ended June 30, 2022 and 2021**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,765,276	\$ 1,285,641
Operating grants and contributions	3,448,473	2,741,319
Capital grants and contributions	791,587	147,110
General revenues:		
Property taxes	23,351,800	21,109,717
Other taxes	3,204,659	2,675,145
Unrestricted revenues from the use of money and property	132,748	145,871
Miscellaneous	383,597	321,891
Grants and contributions not restricted to specific programs	2,922,861	5,060,600
Total revenues	<u>\$ 36,001,001</u>	<u>\$ 33,487,294</u>
Expenses:		
General governmental administration	\$ 2,762,829	\$ 2,738,732
Judicial administration	810,794	754,244
Public safety	6,418,045	6,438,791
Public works	1,524,424	1,439,069
Health and welfare	2,473,655	2,198,510
Parks, recreation, and cultural	1,314,480	1,262,208
Community development	1,602,219	1,221,469
Interest on long-term debt	962,475	1,033,933
Education	14,047,398	13,483,987
Total expenses	<u>\$ 31,916,319</u>	<u>\$ 30,570,943</u>
Increase (decrease) in net position	\$ 4,084,682	\$ 2,916,351
Net position - beginning of year	32,271,889	28,872,641
Net position - end of year	<u>\$ 36,356,571</u>	<u>\$ 31,788,992</u>

Generally, net position changes are for the difference between revenues and expenses. Key elements of this net increase are as follows:

- Increase in property and other local tax revenue.
- Overall stabilization in operating expenses.
- Decrease in capital expenditures.

Financial Analysis of the County's Funds

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

Governmental funds: The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$18.41 million, an increase of \$3.09 million in comparison with the prior year. Of this total amount, \$17.88 million or 97.12% constitutes *assigned and unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *nonspendable, restricted, or committed* to indicate that it is not available for new spending because it has already been committed to a specific purpose.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, assigned and unassigned fund balance of the General Fund was \$17.74 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 67.12% of total General Fund expenditures. This is a common measure for the strength of the County's equity and an overall indicator of a healthy financial condition.

Restricted fund balance of \$6,510 for the swim team and pool in the Parks Construction Fund is included in other governmental funds.

General Fund Budgetary Highlights

There was an increase of \$3.74 million between the original budget and the final amended budgeted expenditures. The majority of this increase was related to community development expenditures.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$39.77 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and construction in progress. Major capital asset events during the current fiscal year included the following:

- Purchase of several Sheriff vehicles
- Implementation of 911 communication systems.

Capital Asset and Debt Administration (Continued)

Capital assets, net of accumulated depreciation, are illustrated in the following table:

	Governmental Activities	
	2022	2021
Land	\$ 857,713	\$ 857,713
Buildings	35,436,202	36,634,984
Improvements	1,297,285	1,362,950
Machinery & Equipment	1,597,081	645,382
Construction in progress	577,707	1,150,835
Total	\$ 39,765,988	\$ 40,651,864

Additional information on the County's capital assets can be found in note 6 on pages 33 through 34 of this report.

Long-term debt: At the end of the current fiscal year, the County had total outstanding debt of \$22.66 million and details are summarized in the following table:

	Governmental Activities	
	2022	2021
Bonds payable:		
General obligation bonds	\$ 17,450,000	\$ 18,900,000
Premiums and discounts	99,044	118,110
Lease revenue bond	3,625,070	3,724,971
Net OPEB liabilities	846,273	980,563
Capital financing activities	28,465	82,867
Net pension liability	-	2,782,948
Compensated absences	610,065	651,452
Total	\$ 22,658,917	\$ 27,240,911

Additional information on the County's long-term debt can be found in Note 8.

Economic Factors and Next Year's Budgets and Rates

Economic forecasts at the national and state level remain uncertain at this time. State revenues continue to exceed forecasts and the State cash surplus is growing. County revenues are strong and continue to outperform budgetary estimates. The large influx of federal COVID dollars have largely been received by the County and set aside for one-time expenditures. County revenues continue to outpace expenses and the overall financial outlook is strong.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Joint Administrative Services, County of Clarke, 317 W. Main Street, Suite B, Berryville, VA 22611.

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BASIC FINANCIAL STATEMENTS

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Government-wide Financial Statements

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Statement of Net Position
June 30, 2022

	Primary Government Governmental Activities	Component Units		
		School Board	Clarke County Sanitary Authority	Industrial Development Authority
ASSETS				
Cash and cash equivalents	\$ 20,917,235	\$ 1,615,980	\$ 951,540	\$ 36,530
Receivables (net of allowance for uncollectibles):				
Taxes receivable	16,196,459	-	-	-
Accounts receivable	365,272	-	144,004	-
Notes receivable	-	-	-	-
Lease receivable	-	66,346	-	-
Due from primary government	-	1,377,375	-	-
Due from other governmental units	2,198,116	1,161,603	-	-
Inventories	3,981	-	-	-
Prepaid items	4,023	32,690	779	1,324
Investments	-	-	-	113,063
Net pension asset	396,192	632,190	-	-
Capital assets (net of accumulated depreciation):				
Land	857,713	3,054,699	13,200	-
Buildings	35,436,202	14,192,207	-	-
Improvements other than buildings	1,297,285	708,274	-	-
Equipment	1,597,081	2,023,766	-	-
Lease equipment	-	86,425	-	-
Utility plant in service	-	-	8,118,464	-
Construction in progress	577,707	49,191	-	-
Total assets	<u>\$ 79,847,266</u>	<u>\$ 25,000,746</u>	<u>\$ 9,227,987</u>	<u>\$ 150,917</u>
DEFERRED OUTFLOW OF RESOURCES				
Pension related items	\$ 1,533,882	\$ 4,101,781	\$ -	\$ -
OPEB related items	162,906	486,823	-	-
Total deferred outflows of resources	<u>\$ 1,696,788</u>	<u>\$ 4,588,604</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 390,863	\$ 305,819	\$ 56,830	\$ -
Accrued liabilities	12,094	2,240,633	-	-
Customers' deposits	-	-	7,350	-
Accrued interest payable	378,510	-	3,408	-
Due to component unit	1,377,375	-	-	-
Unearned revenue	2,798,584	20,270	-	-
Long-term liabilities:				
Due within one year	1,721,200	108,592	336,246	-
Due in more than one year	20,937,717	15,209,932	2,224,312	-
Total liabilities	<u>\$ 27,674,663</u>	<u>\$ 17,885,246</u>	<u>\$ 2,628,146</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	\$ 14,368,412	\$ -	\$ -	\$ -
Lease related	-	66,167	-	-
Pension related items	2,959,410	9,503,773	-	-
OPEB related items	184,998	789,253	-	-
Total deferred inflows of resources	<u>\$ 17,512,820</u>	<u>\$ 10,359,193</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 18,563,409	\$ 20,028,178	\$ 5,571,106	\$ -
Restricted				
Swim team	4,851	-	-	-
Pool	1,659	-	-	-
Opioid settlement	146,333	-	-	-
Net pension asset	396,192	632,190	-	-
Unrestricted	17,244,127	(19,315,457)	1,028,735	150,917
Total net position	<u>\$ 36,356,571</u>	<u>\$ 1,344,911</u>	<u>\$ 6,599,841</u>	<u>\$ 150,917</u>

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

COUNTY OF CLARKE, VIRGINIA

Statement of Activities
 For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	\$ 2,762,829	\$ 34,420	\$ 276,186	\$ -
Judicial administration	810,794	860	436,570	-
Public safety	6,418,045	841,074	1,382,215	116,281
Public works	1,524,424	480,725	-	-
Health and welfare	2,473,655	-	1,313,396	-
Education	14,047,398	-	-	34,937
Parks, recreation, and cultural	1,314,480	408,197	35,606	-
Community development	1,602,219	-	4,500	640,369
Interest on long-term debt	962,475	-	-	-
Total governmental activities	\$ 31,916,319	\$ 1,765,276	\$ 3,448,473	\$ 791,587
Total primary government	\$ 31,916,319	\$ 1,765,276	\$ 3,448,473	\$ 791,587
COMPONENT UNITS:				
School Board	\$ 25,233,470	\$ 239,053	\$ 12,698,916	\$ -
Clarke County Sanitary Authority	911,210	654,537	43,428	-
Clarke County Industrial Development Authority	17,408	7,291	-	-
Total component units	\$ 26,162,088	\$ 900,881	\$ 12,742,344	\$ -
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumer utility tax				
Taxes on recordation and wills				
Motor vehicle licenses				
Other local taxes				
Unrestricted revenues from use of money and property				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Contribution from County of Clarke				
Total general revenues				
Change in net position				
Net position - beginning, as restated				
Net position - ending				

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position				
Primary Government	Component Units			
Governmental Activities	School Board	Clarke County Sanitary Authority	Industrial Development Authority	
\$ (2,452,223)	\$ -	\$ -	\$ -	\$ -
(373,364)	-	-	-	-
(4,078,475)	-	-	-	-
(1,043,699)	-	-	-	-
(1,160,259)	-	-	-	-
(14,012,461)	-	-	-	-
(870,677)	-	-	-	-
(957,350)	-	-	-	-
(962,475)	-	-	-	-
<u>\$ (25,910,983)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (25,910,983)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ (12,295,501)	\$ -	\$ -	\$ -
-	-	(213,245)	-	-
-	-	-	(10,117)	-
<u>\$ -</u>	<u>\$ (12,295,501)</u>	<u>\$ (213,245)</u>	<u>\$ (10,117)</u>	<u>\$ -</u>
\$ 23,351,800	\$ -	\$ -	\$ -	\$ -
1,536,477	-	-	-	-
336,473	-	-	-	-
418,247	-	-	-	-
355,829	-	-	-	-
557,633	-	-	-	-
132,748	41,873	4,249	-	-
383,597	856,128	165,629	-	-
2,922,861	-	-	-	-
-	14,029,434	207,000	-	-
<u>\$ 29,995,665</u>	<u>\$ 14,927,435</u>	<u>\$ 376,878</u>	<u>\$ -</u>	<u>\$ -</u>
4,084,682	2,631,934	163,633	(10,117)	-
32,271,889	(1,287,023)	6,436,208	161,034	-
<u>\$ 36,356,571</u>	<u>\$ 1,344,911</u>	<u>\$ 6,599,841</u>	<u>\$ 150,917</u>	<u>\$ -</u>

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Fund Financial Statements

Balance Sheet
 Governmental Funds
 June 30, 2022

	General	Virginia Public Assistance	School Debt Service	Other Govern- mental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 20,409,381	\$ -	\$ -	\$ 507,854	\$ 20,917,235
Receivables (net of allowance for uncollectibles):					
Taxes receivable	16,196,459	-	-	-	16,196,459
Accounts receivable	250,381	-	-	114,891	365,272
Due from other funds	35,923	-	-	80,271	116,194
Due from other governmental units	1,983,890	114,164	-	100,062	2,198,116
Inventories	3,981	-	-	-	3,981
Prepaid items	2,685	-	-	1,338	4,023
Total assets	<u>\$ 38,882,700</u>	<u>\$ 114,164</u>	<u>\$ -</u>	<u>\$ 804,416</u>	<u>\$ 39,801,280</u>
LIABILITIES					
Accounts payable	\$ 297,060	\$ 16,000	\$ -	\$ 63,385	376,445
Accrued liabilities	12,094	-	-	-	12,094
Due to other funds	-	98,164	-	18,030	116,194
Due to component unit	1,377,375	-	-	-	1,377,375
Unearned revenue	2,798,584	-	-	-	2,798,584
Total liabilities	<u>\$ 4,485,113</u>	<u>\$ 114,164</u>	<u>\$ -</u>	<u>\$ 139,735</u>	<u>\$ 4,739,012</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	\$ 16,511,161	\$ -	\$ -	\$ -	16,511,161
Unavailable revenue - opioid settlement	141,250	-	-	-	141,250
Total deferred inflows of resources	<u>\$ 16,652,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,652,411</u>
FUND BALANCES:					
Nonspendable:					
Prepaid items	\$ 2,685	\$ -	\$ -	\$ 1,338	\$ 4,023
Inventory	3,981	-	-	-	3,981
Restricted:					
Swim team	-	-	-	4,851	4,851
Pool	-	-	-	1,659	1,659
Opioid settlement	5,083	-	-	-	5,083
Committed:					
Community development	-	-	-	428,644	428,644
Public safety expenditures	-	-	-	87,585	87,585
Assigned:					
Capital projects	-	-	-	140,604	140,604
Other (Note 15)	17,155,836	-	-	-	17,155,836
Unassigned	577,591	-	-	-	577,591
Total fund balances	<u>\$ 17,745,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,681</u>	<u>\$ 18,409,857</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 38,882,700</u>	<u>\$ 114,164</u>	<u>\$ -</u>	<u>\$ 804,416</u>	<u>\$ 39,801,280</u>

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

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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$	18,409,857
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		39,765,988
The net pension asset is not a financial resource and, therefore, is not reported in the funds.		396,192
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue - property taxes	\$	2,142,749
Unavailable revenue - opioid settlement		<u>141,250</u>
		2,283,999
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when paid.		(378,510)
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items	\$	1,533,882
OPEB related items		<u>162,906</u>
		1,696,788
An internal service fund is used by management to charge the costs of health insurance to individual funds. The assets and liabilities of the health insurance internal service fund are included in the governmental activities in the Statement of Net Position.		(14,418)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items	\$	(2,959,410)
OPEB related items		<u>(184,998)</u>
		(3,144,408)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(22,658,917)</u>
Net position of governmental activities	\$	<u><u>36,356,571</u></u>

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

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

	General	Virginia Public Assistance	School Debt Service	Total Nonmajor Governmental Funds	Total
REVENUES					
General property taxes	\$ 23,067,785	\$ -	\$ -	\$ 31,116	\$ 23,098,901
Other local taxes	3,204,659	-	-	-	3,204,659
Permits, privilege fees, and regulatory licenses	485,972	-	-	-	485,972
Fines and forfeitures	188,427	-	-	-	188,427
Revenue from the use of money and property	127,878	-	-	4,870	132,748
Charges for services	1,090,877	-	-	-	1,090,877
Miscellaneous	90,068	-	107,439	45,750	243,257
Recovered costs	39,665	337	-	-	40,002
Intergovernmental:					
Commonwealth	4,636,574	381,428	-	615,137	5,633,139
Federal	413,456	774,475	34,937	306,914	1,529,782
Total revenues	<u>\$ 33,345,361</u>	<u>\$ 1,156,240</u>	<u>\$ 142,376</u>	<u>\$ 1,003,787</u>	<u>\$ 35,647,764</u>
EXPENDITURES					
Current:					
General government administration	\$ 2,466,499	\$ -	\$ -	\$ -	\$ 2,466,499
Judicial administration	782,352	-	-	-	782,352
Public safety	6,000,738	-	-	49,581	6,050,319
Public works	1,370,328	-	-	-	1,370,328
Health and welfare	594,926	1,558,835	-	296,036	2,449,797
Education	13,218,985	-	-	-	13,218,985
Parks, recreation, and cultural	1,217,932	-	-	-	1,217,932
Community development	759,579	-	-	822,902	1,582,481
Nondepartmental	17,823	-	-	-	17,823
Capital projects	-	-	-	787,229	787,229
Debt service:					
Principal retirement	-	-	1,504,402	99,901	1,604,303
Interest and other fiscal charges	-	-	860,728	151,799	1,012,527
Total expenditures	<u>\$ 26,429,162</u>	<u>\$ 1,558,835</u>	<u>\$ 2,365,130</u>	<u>\$ 2,207,448</u>	<u>\$ 32,560,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,916,199</u>	<u>\$ (402,595)</u>	<u>\$ (2,222,754)</u>	<u>\$ (1,203,661)</u>	<u>\$ 3,087,189</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ -	\$ 402,595	\$ 2,167,243	\$ 1,224,558	\$ 3,794,396
Transfers out	<u>(3,794,396)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,794,396)</u>
Total other financing sources (uses)	<u>\$ (3,794,396)</u>	<u>\$ 402,595</u>	<u>\$ 2,167,243</u>	<u>\$ 1,224,558</u>	<u>\$ -</u>
Net change in fund balances	\$ 3,121,803	\$ -	\$ (55,511)	\$ 20,897	\$ 3,087,189
Fund balances - beginning	14,623,373	-	55,511	643,784	15,322,668
Fund balances - ending	<u>\$ 17,745,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 664,681</u>	<u>\$ 18,409,857</u>

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

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

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

Net change in fund balances - total governmental funds \$ 3,087,189

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

Capital outlay	\$	772,680	
Depreciation expense		(830,143)	
Joint tenancy asset transfer		(828,413)	(885,876)

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

Property taxes	\$	252,899	
Future opioid settlement payments		141,250	394,149

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.

(497,315)

The issuance of notes receivable requires the use of current financial resources, while the receipt of payments on these notes provides current financial resources to governmental funds. However, these transactions have no effect on net position. This amount is the net effect of these differences in the treatment of long-term assets.

Principal payments received (910)

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

Principal retired	\$	1,604,303	
Bond discount amortization		(1,839)	
Bond premium amortization		20,905	1,623,369

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.

(Increase)/decrease in compensated absences	\$	41,387	
Pension expense		327,292	
OPEB expense		(35,589)	
(Increase)/decrease in accrued interest payable		30,986	364,076

Change in net position of governmental activities \$ 4,084,682

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

Statement of Net Position
 Internal Service Fund
 June 30, 2022

	<u>Health Insurance Fund</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ <u>14,418</u>
Total current liabilities	\$ <u>14,418</u>
Total liabilities	\$ <u>14,418</u>
NET POSITION	
Unrestricted	\$ <u>(14,418)</u>
Total net position	\$ <u><u>(14,418)</u></u>

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

Statement of Revenues, Expenses, and Changes in Net Position
 Internal Service Fund
 For the Year Ended June 30, 2022

	<u>Health Insurance Fund</u>
OPERATING REVENUES	
Charges for services:	
Insurance premiums	\$ <u>3,752,585</u>
Total operating revenues	\$ <u>3,752,585</u>
OPERATING EXPENSES	
Insurance claims and expenses	\$ <u>4,249,900</u>
Total operating expenses	\$ <u>4,249,900</u>
Operating income (loss)	\$ <u>(497,315)</u>
Change in net position	\$ (497,315)
Total net position - beginning	<u>482,897</u>
Total net position - ending	\$ <u><u>(14,418)</u></u>

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

Statement of Cash Flows
 Internal Service Fund
 For the Year Ended June 30, 2022

	<u>Health Insurance Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for insurance premiums	\$ 3,752,585
Payments for premiums	<u>(4,235,482)</u>
Net cash provided by (used for) operating activities	<u>\$ (482,897)</u>
Net increase (decrease) in cash and cash equivalents	\$ (482,897)
Cash and cash equivalents - beginning	<u>482,897</u>
Cash and cash equivalents - ending	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (497,315)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Increase (decrease) in accounts payable	<u>\$ 14,418</u>
Total adjustments	<u>\$ 14,418</u>
Net cash provided by (used for) operating activities	<u><u>\$ (482,897)</u></u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 265,153
Total assets	<u>\$ 265,153</u>
LIABILITIES	
Accounts payable	\$ 3,022
Total liabilities	<u>\$ 3,022</u>
NET POSITION	
Restricted for:	
Special welfare	\$ 18,236
Town of Berryville	161,415
Employee benefits	82,480
Total net position	<u>\$ 262,131</u>
Total liabilities and net assets	<u>\$ 265,153</u>

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

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

	<u>Custodial Funds</u>
ADDITIONS	
Special welfare collections	\$ 500
Interest	827
Collection of shared costs	38,439
Employee deferrals	101,504
Total additions	<u>\$ 141,270</u>
DEDUCTIONS	
Welfare costs	\$ 5,178
Town share of maintenance costs	50,692
Flexible spending account benefits	102,885
Total deductions	<u>\$ 158,755</u>
Net increase (decrease) in fiduciary net position	<u>\$ (17,485)</u>
Net position, beginning of year	<u>\$ 279,616</u>
Net position, end of year	<u><u>\$ 262,131</u></u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022

Note 1—Summary of Significant Accounting Policies:

The County of Clarke, Virginia (the "County") is governed by an elected five-member Board of Supervisors. The County provides a full range of services for its citizens. These services include police and volunteer fire protection and rescue service, sanitation services, recreational activities, cultural events, education, and social services.

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

Budgetary comparison schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. Under the GASB 34 reporting model, governments provide budgetary comparison information in their annual reports, including the original budget and a comparison of final budget and actual results.

A. Financial Reporting Entity

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

B. Individual Component Unit Disclosures

Blended Component Unit: The Conservation Easement Authority is reported as a blended component unit.

Discretely Presented Component Units:

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

The Clarke County Sanitary Authority is responsible for water and sewer treatment for many citizens in Clarke County. The Sanitary Authority consists of five members appointed by the Board of Supervisors. The Board of Supervisors has the ability to impose its will on the Sanitary Authority and therefore it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2022. The Sanitary Authority does not issue a separate financial report.

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

C. Other Related Organizations

Included in the County's Financial Report

None

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as does the proprietary fund. The fiduciary fund financial statements have no measurement focus but utilize the accrual basis of accounting for reporting its assets, liabilities, and net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, claims and judgments, postemployment benefits, and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the government the right to use lease assets, are reported as expenditures in the governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

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

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

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

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

1. Governmental Funds

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

a. General Fund

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

b. Special Revenue Funds

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Virginia Public Assistance Fund is considered a major fund. The CSA Fund, Drug Enforcement Fund, and Conservation Easement Fund are considered nonmajor funds.

c. Capital Projects Fund

The Capital Projects Fund accounts for and reports financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. The General Government Capital Projects Fund and Parks Construction Fund are considered nonmajor funds.

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

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

1. Governmental Funds: (Continued)

d. Debt Service Funds

The Debt Service Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should also be used to report financial resources being accumulated for future debt service. The School Debt Service Fund is considered a major fund. The Primary Government Debt Service Fund is considered a nonmajor fund.

2. Fiduciary Funds (Trust and Custodial Funds)

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds consisting of the Special Welfare Fund, Town of Berryville, and Cafeteria Plan Withholding. 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 own programs. These funds utilize the accrual basis of accounting.

3. Component Unit:

The Clarke County School Board has the following funds:

Governmental Funds:

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

School Food Service Fund - This fund accounts for the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

School Activity Fund - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from all school activities involving personnel, students, or property. The School Activity Fund is considered a major fund of the School Board for financial reporting purposes.

School Capital Projects Proffers Fund: Capital projects funds account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments. This fund is considered a nonmajor fund.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

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

3. Component Unit: (Continued)

School Capital Projects Fund - This fund accounts for all financial resources used for the acquisition or construction of major capital needs. This fund is considered a major fund.

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

F. Investments

Money market investments, participating interest-earning investment contracts (repurchase agreements) that have a remaining maturity at time of purchase of one year or less, nonparticipating interest-earning investment contracts (nonnegotiable certificates of deposit (CDs) and external investment pools are measured at amortized cost. All other investments are reported at fair value.

G. Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$373,690 at June 30, 2022 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

	<u>Real Property</u>	<u>Personal Property</u>
Levy	January 1	January 1
Due Date	June 5/December 5 (50% each date)	June 5/December 5 (50% each date)
Lien Date	January 1	January 1

The County bills and collects its own property taxes.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

H. Capital Assets

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

The Component Unit, Clarke County Sanitary Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed.

The Component Unit, Industrial Development Authority of Clarke County, does not have any capital assets to report.

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-40
Plant, equipment and system	20-45
Motor vehicles	5-10
Equipment	5-15
Lease Equipment	5-15
Infrastructure	25-50

I. Compensated Absences

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

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

J. Use of Estimates

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

K. Net Position

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

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

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

L. Net Position Flow Assumption

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

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

M. Long-term Obligations

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

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

N. Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

O. Fund Balance

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

- Nonspendable fund balance - amounts that are either not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

O. Fund Balance: (Continued)

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

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

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. It is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

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

Q. Leases

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

Lessee

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

Lessor

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

Key Estimates and Judgments

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

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

R. Pensions

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

S. Other Postemployment Benefits (OPEB)

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

T. Adoption of Accounting Principles

In 2022, the County adopted Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Restatement of neither beginning fund balance nor net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the leases:

	Discretely Presented Component	
	Unit - School Board	
	Government-wide	Governmental Fund
Lessor activity:		
Lease receivable	\$ 93,412	\$ 93,412
Deferred inflows of resources - lease related	\$ 93,412	\$ 93,412
Lessee activity:		
Lease equipment	\$ 62,801	\$ 62,801
Lease liabilities	\$ 62,801	\$ 62,801

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 2—Stewardship, Compliance, and Accounting:

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

1. Prior to March 15th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget 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 or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the Component Unit School Board is authorized to transfer budgeted amounts within the school system's categories.
5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds of the Primary Government and Component Unit - School Board.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all County units. Several Supplemental Appropriations were necessary during the fiscal year.

Note 3—Deposits and Investments:

Deposits

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

Investments

Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper and certain corporate notes, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 3—Deposits and Investments: (Continued)

Investments: (Continued)

As of June 30, 2022, the County does not have a formal investment policy addressing the various types of risks related to investments.

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2022 were rated by *Standard and Poor's* and the ratings are presented below using the *Standard and Poor's* rating scale.

County's Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 119,058
Total	\$ 119,058

External Investment Pools

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

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment.

Investment Type	Investment Maturity (in years)	
	Fair Value	Less Than 1 Year
Local Government Investment Pool	\$ 119,058	\$ 119,058
Total	\$ 119,058	\$ 119,058

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 4—Due from Other Governments:

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

	Primary Government	Component Unit <u>School Board</u>
Commonwealth of Virginia:		
Virginia Public Assistance funds	\$ 41,991	\$ -
Local sales tax	340,872	
State sales tax	-	501,833
Constitutional officer reimbursements	121,788	-
PPTRA	1,212,896	-
Children's Services Act	70,051	-
Other general grants	272,040	-
Federal Government:		
Virginia Public Assistance funds	72,172	-
Other general grants	66,306	-
School fund grants	-	611,321
Total due from other governments	<u>\$ 2,198,116</u>	<u>\$ 1,113,154</u>

Note 5—Interfund Obligations:

Details of the Primary Government's interfund receivables and payables as of June 30, 2022 are as follows:

Fund	Interfund Receivable	Interfund Payable
Primary Government:		
General	\$ 35,923	\$ 1,377,375
Children's Services Act	-	18,030
County Capital Projects Fund	80,271	-
Virginia Public Assistance	-	98,164
Total Primary Government	<u>\$ 116,194</u>	<u>\$ 1,493,569</u>
Component Unit - School Board:		
School Operating Fund	\$ 1,369,023	\$ -
School Capital Projects Fund	8,352	-
Total Component Unit	<u>\$ 1,377,375</u>	<u>\$ -</u>
Grand Total	<u>\$ 1,493,569</u>	<u>\$ 1,493,569</u>

The above interfund obligations represent temporary advances between funds or amounts allocable to one fund and not yet transferred between the funds.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 6—Capital Assets:

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

	Restated Balance July 1, 2021	GASB 87 Adjustment	Additions	Deletions	Joint Tenancy Transfer (Net)	Balance June 30, 2022
Primary Government:						
Capital assets not being depreciated:						
Land	\$ 857,713	\$ -	\$ -	\$ -	\$ -	\$ 857,713
Construction in Progress	1,150,835	-	65,510	638,638	-	577,707
Total capital assets not being depreciated	<u>\$ 2,008,548</u>	<u>\$ -</u>	<u>\$ 65,510</u>	<u>\$ 638,638</u>	<u>\$ -</u>	<u>\$ 1,435,420</u>
Capital assets being depreciated:						
Buildings	\$ 51,781,967	\$ -	\$ -	\$ -	\$ -	\$ 51,781,967
Improvements other than buildings	2,734,768	-	23,180	-	-	2,757,948
Equipment	4,349,770	-	1,322,628	45,793	-	5,626,605
Total capital assets being depreciated	<u>\$ 58,866,505</u>	<u>\$ -</u>	<u>\$ 1,345,808</u>	<u>\$ 45,793</u>	<u>\$ -</u>	<u>\$ 60,166,520</u>
Accumulated depreciation:						
Buildings	\$ 15,146,983	\$ -	\$ 370,369	\$ -	\$ 828,413	\$ 16,345,765
Improvements other than buildings	1,371,818	-	88,845	-	-	1,460,663
Equipment	3,704,388	-	370,929	45,793	-	4,029,524
Total accumulated depreciation	<u>\$ 20,223,189</u>	<u>\$ -</u>	<u>\$ 830,143</u>	<u>\$ 45,793</u>	<u>\$ 828,413</u>	<u>\$ 21,835,952</u>
Total capital assets being depreciated, net	<u>\$ 38,643,316</u>	<u>\$ -</u>	<u>\$ 515,665</u>	<u>\$ -</u>	<u>\$ (828,413)</u>	<u>\$ 38,330,568</u>
Net capital assets governmental activities	<u>\$ 40,651,864</u>	<u>\$ -</u>	<u>\$ 581,175</u>	<u>\$ 638,638</u>	<u>\$ (828,413)</u>	<u>\$ 39,765,988</u>
Component Unit—School Board:						
Capital assets not being depreciated:						
Land	\$ 3,054,699	\$ -	\$ -	\$ -	\$ -	\$ 3,054,699
Construction in Progress	-	-	49,191	-	-	49,191
Total capital assets not being depreciated	<u>\$ 3,054,699</u>	<u>\$ -</u>	<u>\$ 49,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,103,890</u>
Capital assets being depreciated:						
Buildings	\$ 28,786,133	\$ -	\$ 16,766	\$ -	\$ -	\$ 28,802,899
Improvements other than buildings	977,345	-	-	-	-	977,345
Equipment	6,356,606	-	344,168	157,100	-	6,543,674
Lease equipment	-	62,801	56,380	-	-	119,181
Total capital assets being depreciated	<u>\$ 36,120,084</u>	<u>\$ 62,801</u>	<u>\$ 417,314</u>	<u>\$ 157,100</u>	<u>\$ -</u>	<u>\$ 36,443,099</u>
Accumulated depreciation:						
Buildings	\$ 13,803,016	\$ -	\$ 1,636,089	\$ -	\$ (828,413)	\$ 14,610,692
Improvements other than buildings	226,490	-	42,581	-	-	269,071
Equipment	4,311,913	-	365,095	157,100	-	4,519,908
Lease equipment	-	-	32,756	-	-	32,756
Total accumulated depreciation	<u>\$ 18,341,419</u>	<u>\$ -</u>	<u>\$ 2,076,521</u>	<u>\$ 157,100</u>	<u>\$ (828,413)</u>	<u>\$ 19,432,427</u>
Total capital assets being depreciated, net	<u>\$ 17,778,665</u>	<u>\$ 62,801</u>	<u>\$ (1,659,207)</u>	<u>\$ -</u>	<u>\$ 828,413</u>	<u>\$ 17,010,672</u>
Net capital assets component unit school board	<u>\$ 20,833,364</u>	<u>\$ 62,801</u>	<u>\$ (1,610,016)</u>	<u>\$ -</u>	<u>\$ 828,413</u>	<u>\$ 20,114,562</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 6—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	256,758
Judicial administration		18,032
Public safety		313,314
Public works		134,849
Health and welfare		30,537
Parks, recreation and cultural		<u>76,653</u>
Total Governmental activities	\$	<u><u>830,143</u></u>
Component Unit School Board	\$	<u><u>2,076,521</u></u>

Legislation enacted during the year ended June 30, 2002, Section 15.2-1800.1 of the Code of Virginia, 1950, as amended, has changed the reporting of local school capital assets and related debt for financial statement purposes. Historically, debt incurred by local governments “on-behalf” of school boards was reported in the school board’s discrete column along with the related capital assets. Under the new law, local governments have a “tenancy in common” with the school board whenever the locality incurs any financial obligation for any school property which is payable over more than one fiscal year. For financial reporting purposes, the legislation permits the locality to report the portion of school property related to any outstanding financial obligation eliminating any potential deficit from capitalizing assets financed with debt. The effect on the County of Clarke, Virginia for the year ended June 30, 2022 is that school financed assets in the amount of \$35,542,393 are reported in the Primary Government for financial reporting purposes. Unspent bond proceeds reported as restricted cash and proceeds from the issuance of long-term debt are reported in the School Capital Projects Fund of the Component Unit School Board in the fund financial statements and are reported within the Primary Government in the government-wide financial statements.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 6—Capital Assets: (Continued)

Component Unit-Sanitary Authority:

A summary of the component unit Sanitary Authority property, plant, and equipment at June 30, 2022 follows:

	<u>Beginning Balance</u>	<u>Restatement</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:					
Land	\$ 13,200	\$ -	\$ -	\$ -	\$ 13,200
Construction in progress	100,879	-	34,157	135,036	-
Total capital assets not being depreciated	<u>\$ 114,079</u>	<u>\$ -</u>	<u>\$ 34,157</u>	<u>\$ 135,036</u>	<u>\$ 13,200</u>
Capital Assets being depreciated:					
Utility plant and equipment	\$ 13,433,313	\$ 179,560	\$ 293,569	\$ 24,375	\$ 13,882,067
Accumulated depreciation	(5,391,691)	(35,912)	(360,375)	(24,375)	(5,763,603)
Total capital assets being depreciated, net	<u>\$ 8,041,622</u>	<u>\$ 143,648</u>	<u>\$ (66,806)</u>	<u>\$ -</u>	<u>\$ 8,118,464</u>
Capital assets, net	<u><u>\$ 8,155,701</u></u>	<u><u>\$ 143,648</u></u>	<u><u>\$ (32,649)</u></u>	<u><u>\$ 135,036</u></u>	<u><u>\$ 8,131,664</u></u>

Note 7—Interfund Transfers:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
General Fund	\$ -	\$ 3,794,396
School Debt Service	2,167,243	-
County Capital Improvements	648,658	-
Virginia Public Assistance	402,595	-
Children's Services Act	133,399	-
Conservation Easement Fund	190,801	-
General Debt Service	251,700	-
Total	<u><u>\$ 3,794,396</u></u>	<u><u>\$ 3,794,396</u></u>

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 8—Long-Term Obligations:

Primary Government:

A summary of long-term obligations is as follows:

	<u>Balance July 1, 2021</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Governmental Activities Obligations:					
Incurred by County:					
Compensated absences	\$ 651,452	\$ 130,290	\$ 171,677	\$ 610,065	\$ 61,007
Net pension liability	2,782,948	3,515,246	6,298,194	-	-
Net OPEB liabilities	980,563	167,187	301,477	846,273	-
Direct borrowings and direct placements:					
Lease revenue bond	<u>3,724,971</u>	<u>-</u>	<u>99,901</u>	<u>3,625,070</u>	<u>104,122</u>
Total incurred by County	<u>\$ 8,139,934</u>	<u>\$ 3,812,723</u>	<u>\$ 6,871,249</u>	<u>\$ 5,081,408</u>	<u>\$ 165,129</u>
Incurred by School Board:					
Direct borrowings and direct placements:					
General obligation bonds	\$ 18,900,000	\$ -	\$ 1,450,000	\$ 17,450,000	\$ 1,510,000
Financed purchase	<u>82,867</u>	<u>-</u>	<u>54,402</u>	<u>28,465</u>	<u>28,465</u>
Total Incurred by School Board	<u>\$ 18,982,867</u>	<u>\$ -</u>	<u>\$ 1,504,402</u>	<u>\$ 17,478,465</u>	<u>\$ 1,538,465</u>
Premiums on bonds issued	\$ 128,526	\$ -	\$ 20,905	\$ 107,621	\$ 19,295
Discount on bonds issued	<u>(10,416)</u>	<u>-</u>	<u>(1,839)</u>	<u>(8,577)</u>	<u>(1,689)</u>
Total Governmental Activities Obligations	<u>\$ 27,240,911</u>	<u>\$ 3,812,723</u>	<u>\$ 8,394,717</u>	<u>\$ 22,658,917</u>	<u>\$ 1,721,200</u>

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

Year Ending June 30,	County		School Board			
	RDA Lease Revenue Bond		Bonds and Literary Loans		Financed Purchase	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 104,122	\$ 147,578	\$ 1,510,000	\$ 788,186	\$ 28,465	\$ 450
2024	108,500	143,200	1,570,000	717,518	-	-
2025	113,061	138,639	1,640,000	642,846	-	-
2026	117,814	133,886	1,685,000	564,269	-	-
2027	122,767	123,772	1,755,000	480,887	-	-
2028-2032	695,726	562,774	9,290,000	1,063,525	-	-
2033-2037	854,787	403,713	-	-	-	-
2038-2042	1,050,213	208,287	-	-	-	-
2043-2044	<u>458,080</u>	<u>18,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,625,070</u>	<u>1,880,739</u>	<u>\$ 17,450,000</u>	<u>\$ 4,257,231</u>	<u>\$ 28,465</u>	<u>\$ 450</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Direct Placements:</u>	
<u>Lease Revenue Bond:</u>	
\$4,822,000 lease revenue bond for capital projects issued May 16, 2007 due in monthly installments of \$20,975 commencing May 16, 2009 payable through May 16, 2044 including interest at 4.125%.	\$ <u>3,625,070</u>
<u>Virginia Public School Authority (VPSA) Bonds:</u>	
\$410,000 Series A issued November 10, 2004 due in annual principal installments of varying amounts through July 15, 2024, and interest payments between 4.6% and 5.6% due July 15 and January 15 of each year through July 15, 2024	\$ 60,000
\$29,200,000 plus a premium of \$635,208 Series 2006B issued November 9, 2006 due in annual principal installments varying from \$800,000 to \$1,565,000 through January 26, 2026; interest payable at rates between 4.225% to 5.1% due January 15 and July 15 each year through January 26, 2026	12,265,000
\$7,395,000 less a discount of \$35,137 Series 2010 B Build America Bonds issued under the American Recovery and Reinvestment Act of 2009 on May 13, 2010. Interest only payments due semi-annually through January 15, 2017; principal and interest payments due semi-annually beginning July 15, 2017 through July 15, 2030. Interest rate varies between 3.854% to 5.562% and is offset by a 35% federal interest subsidy received semi-annually.	\$ <u>5,125,000</u>
Total Virginia Public School Authority Bonds	\$ <u>17,450,000</u>
<u>Financed Purchase:</u>	
\$630,000 capital financing for elementary school gym, dated October 4, 2007 due in quarterly installments of principal and interest of \$14,264, interest at 4.26%	\$ <u>28,465</u>
Total Financed Purchase	\$ <u>28,465</u>
Compensated absences	\$ <u>610,065</u>
Net OPEB liabilities	\$ <u>846,273</u>
Premium on bonds issued	\$ <u>107,621</u>
Discount on bonds issued	\$ <u>(8,577)</u>
Total Primary Government	\$ <u><u>22,658,917</u></u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—School Board:

The following is a summary of long-term debt transactions of the Component Unit—School Board for the year ended June 30, 2022:

	Balance July 1, 2021	GASB 87 Adjustment	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Compensated absences	\$ 921,178	\$ -	\$ 184,236	\$ 286,732	\$ 818,682	\$ 81,868
Lease liabilities	-	62,801	56,380	32,797	86,384	26,724
Net OPEB liabilities	4,294,281	-	568,651	1,153,233	3,709,699	-
Net pension liability	21,556,805	-	3,350,669	14,203,715	10,703,759	-
Total	\$ 26,772,264	\$ 62,801	\$ 4,159,936	\$ 15,676,477	\$ 15,318,524	\$ 108,592

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

Year Ending June 30,	<u>School Board</u>	
	<u>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 26,724	\$ 458
2024	22,556	346
2025	19,907	233
2026	11,436	120
2027	5,761	17
Total	\$ 86,384	\$ 1,174

Lease liabilities outstanding as of June 30, 2022 are as follows:

<u>Description</u>	<u>Fiscal Year Lease Ends</u>	<u>Discount Rate</u>	<u>Balance</u>
Copier - DBB Lease #1657625	2025	1.00%	\$ 31,165
Copier - Ricoh Lease #300-3235520-100	2023	0.12%	973
Copier - DBB Lease #129-1734726	2027	1.00%	50,826
Copier - DDL Lease #10240F-02	2023	0.12%	1,780
Copier - DDL Lease #10240-005-01	2023	0.12%	1,640
Total			\$ 86,384

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority:

The following is a summary of long-term debt transactions of the Component Unit—Sanitary Authority for the year ended June 30, 2022:

Changes in Long-Term Obligations:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Issuances/ Increases</u>	<u>Retirements/ Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Amounts Due Within One Year</u>
Direct borrowings and direct placements:					
General Obligation Bond	\$ 364,539	\$ -	\$ 33,140	\$ 331,399	\$ 33,140
Notes payable	<u>2,530,859</u>	<u>-</u>	<u>301,700</u>	<u>2,229,159</u>	<u>303,106</u>
Totals	<u>\$ 2,895,398</u>	<u>\$ -</u>	<u>\$ 334,840</u>	<u>\$ 2,560,558</u>	<u>\$ 336,246</u>

Details of long-term indebtedness:

	<u>Amount Outstanding</u>
Water Operating Fund:	
<u>Direct Borrowings and Direct Placements:</u>	
<u>General Obligation Bond:</u>	
\$997,000 water system revenue bonds issued August 21, 2001 due in semi-annual installments of \$16,570 beginning September 1, 2002 through August 1, 2031. No interest.	\$ 331,399
<u>Notes Payable:</u>	
Note payable to VRA for the grouting project. Due June 2032. \$940 payable semiannually. No interest.	19,741
Note payable to VRA for new Boyce to Millwood line. Due June 2032. \$3,125 payable semiannually. No interest.	68,750
\$600,000 note payable to Bank of Clarke County issued February 27, 2015, due in semiannual installments of \$27,647 - \$20,259 payable through February 27, 2030, including 2.57% interest	320,000
\$787,546 note payable to VRA issued September 2, 2005 due in semiannual installments of \$26,792 payable through July 1, 2026, including 3.00% interest	<u>200,564</u>
Total Water Fund	<u>\$ 940,454</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 8—Long-Term Obligations: (Continued)

Component Unit—Sanitary Authority: (Continued)

Details of long-term indebtedness: (Continued)

	<u>Amount Outstanding</u>
Boyce Wastewater Facility	
<u>Direct Borrowings and Direct Placements:</u>	
<u>Notes Payable:</u>	
Note payable to VRA for the Millwood Sewer project. Due June 2032. \$9,602 payable semiannually. No interest.	\$ 211,248
\$3,761,429 note payable to VRA issued October 1, 2008 due in semi-annual installments of \$93,924 payable through November 1, 2029. No interest.	<u>1,408,856</u>
Total Boyce Wastewater Facility	<u>\$ 1,620,104</u>
Total Clarke County Sanitary Authority	<u><u>\$ 2,560,558</u></u>

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

<u>Year Ending June 30,</u>	<u>Direct Borrowings and Direct Placements</u>			
	<u>General Obligation Bond</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 33,140	\$ -	\$ 303,106	\$ 13,625
2024	33,140	-	304,555	11,149
2025	33,140	-	306,047	8,629
2026	33,140	-	307,584	6,063
2027	33,140	-	255,182	3,853
2028-2032	165,699	-	726,291	5,391
2033	-	-	26,394	-
Total	<u>\$ 331,399</u>	<u>\$ -</u>	<u>\$ 2,229,159</u>	<u>\$ 48,710</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 9—Unearned/Deferred/Unavailable Revenue:

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

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

	<u>Government- wide Statements</u>	<u>Balance Sheet</u>
	<u>Governmental Activities</u>	<u>Governmental Funds</u>
Primary Government: General Fund:		
Deferred/unavailable property tax revenue:		
Deferred/unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	\$ -	\$ 2,142,749
2nd half assessments due in December 2022	13,627,301	13,627,301
Prepaid property taxes due in December 2022, but paid in advance by the taxpayers	741,111	741,111
Total deferred/unavailable revenue	<u>\$ 14,368,412</u>	<u>\$ 16,511,161</u>

Note 10—Commitments and Contingencies:

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

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

Note 11—Pension Plan:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 - April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

Employees Covered by Benefit Terms

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

	<u>Primary Government</u>	<u>Component Unit School Board (Nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	80	44
Inactive members:		
Vested inactive members	19	11
Non-vested inactive members	26	16
Inactive members active elsewhere in VRS	43	8
Total inactive members	88	35
Active members	100	34
Total covered employees	<u>268</u>	<u>113</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Contributions:

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

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 10.32% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$560,922 and \$445,184 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2022 was 5.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$23,979 and \$30,410 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees

The total pension liability (asset) for General Employees in the County’s, Component Unit Clarke County Sanitary Authority’s, and Component Unit School Board’s (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

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

Mortality rates:

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

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

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

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

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

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

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

Mortality rates:

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

Pre-Retirement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

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

Mortality rates: (Continued)

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement:

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

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

All Others (Non 10 Largest) - Hazardous Duty:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Primary Government			
Balances at June 30, 2020	\$ 24,654,778	\$ 21,871,830	\$ 2,782,948
Changes for the year:			
Service cost	\$ 544,441	\$ -	\$ 544,441
Interest	1,621,406	-	1,621,406
Differences between expected and actual experience	369,260	-	369,260
Assumption changes	965,227	-	965,227
Contributions - employer	-	489,429	(489,429)
Contributions - employee	-	256,393	(256,393)
Net investment income	-	5,948,004	(5,948,004)
Benefit payments, including refunds	(1,267,900)	(1,267,900)	-
Administrative expenses	-	(14,912)	14,912
Other changes	-	560	(560)
Net changes	\$ 2,232,434	\$ 5,411,574	\$ (3,179,140)
Balances at June 30, 2021	\$ 26,887,212	\$ 27,283,404	\$ (396,192)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Changes in Net Pension Liability: (Continued)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Component School Board (Nonprofessional)			
Balances at June 30, 2020	\$ 3,632,053	\$ 3,651,564	\$ (19,511)
Changes for the year:			
Service cost	\$ 67,656	\$ -	\$ 67,656
Interest	237,835	-	237,835
Differences between expected and actual experience	22,178	-	22,178
Assumption changes	99,743	-	99,743
Contributions - employer	-	30,410	(30,410)
Contributions - employee	-	30,080	(30,080)
Net investment income	-	982,038	(982,038)
Benefit payments, including refunds	(217,130)	(217,130)	-
Administrative expenses	-	(2,529)	2,529
Other changes	-	92	(92)
Net changes	\$ 210,282	\$ 822,961	\$ (612,679)
Balances at June 30, 2021	\$ 3,842,335	\$ 4,474,525	\$ (632,190)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County of Clarke - Primary Government Net Pension Liability (Asset)	\$ 2,921,719	\$ (396,192)	\$ (3,156,725)
Component Unit School Board (Nonprofessional) Net Pension Liability (Asset)	(241,651)	(632,190)	(963,747)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

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

For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$277,873 and \$(39,268), respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (Nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 357,453	\$ -	\$ 10,505	\$ -
Change in assumptions	615,507	-	47,247	-
Net difference between projected and actual earnings on pension plan investments	-	2,959,410	-	485,286
Employer contributions subsequent to the measurement date	560,922	-	23,979	-
Total	\$ 1,533,882	\$ 2,959,410	\$ 81,731	\$ 485,286

\$560,922 and \$23,979 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ended June 30	Primary Government	Component Unit School Board (Nonprofessional)
2023	\$ (88,897)	\$ (55,858)
2024	(310,438)	(110,527)
2025	(689,163)	(112,963)
2026	(897,952)	(148,186)
2027	-	-
Thereafter	-	-

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were \$2,122,390 and \$1,950,641 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

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

At June 30, 2022, the school division reported a liability of \$10,703,759 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .13788% as compared to .14810% at June 30, 2020.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

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

For the year ended June 30, 2022, the school division recognized pension expense of \$(217,902). Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 911,683
Change in assumptions	1,875,271	-
Net difference between projected and actual earnings on pension plan investments	-	6,745,222
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,389	1,361,582
Employer contributions subsequent to the measurement date	2,122,390	-
Total	<u>\$ 4,020,050</u>	<u>\$ 9,018,487</u>

\$2,122,390 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (1,714,520)
2024	(1,550,238)
2025	(1,680,989)
2026	(2,174,193)
2027	(887)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions

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

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

Mortality rates:

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

Component Unit School Board (professional): (Continued)

Actuarial Assumptions: (Continued)

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

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

Net Pension Liability

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 11—Pension Plan: (Continued)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 20,657,675	\$ 10,703,759	\$ 2,515,333

Pension Plan Fiduciary Net Position

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

Primary Government and Component Unit School Board

Aggregate Pension Information

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 1,533,882	\$ 2,959,410	\$ (396,192)	\$ 277,873
Component Unit School Board:				
School Board Nonprofessional	81,731	485,286	(632,190)	(39,268)
School Board Professional	4,020,050	9,018,487	10,703,759	(217,902)
Totals	<u>\$ 5,635,663</u>	<u>\$ 12,463,183</u>	<u>\$ 9,675,377</u>	<u>\$ 20,703</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 12—Litigation:

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

Note 13—Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries a broad range of insurance coverages, which management considers prudent for the protection of the County's assets and operations. Coverages currently include \$2,000,000 commercial general liability, \$2,000,000 automobile liability, and \$3,000,000 public official's liability. The property policy provides insurance coverage for all of the County's real and personal property up to the replacement cost value of the asset.

Note 14—Conduit Debt:

The County has issued economic development revenue bonds through the Clarke County Industrial Development Authority. All responsibility for the payment of this debt rests with the Borrower. The County and the Authority have no responsibility for the payment of this debt. Outstanding conduit debt obligations are as follows at June 30, 2021:

Description	Original Issue	Outstanding June 30, 2022
R-1 Berryville Town bond	2,327,000	1,886,233
R-2 Clarke County bond	4,822,000	3,625,071
	\$ 7,149,000	\$ 5,511,304

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 15—Assigned Fund Balances:

Fund balances have been assigned for the following purposes:

Liquidity Designation	\$	3,926,741
Stabilization Designation		981,685
Continuing Appropriations for Capital Projects		794,925
Conservation Easements from Government Savings		150,000
Children's Services Act Shortfall		500,000
Parks Master Plan Implementation		230,000
Fire & Rescue		400,000
Government Savings		500,000
Data and Communications Technology		972,000
Leave Liability		350,000
Community Facilities		1,598,000
Economic Development		150,000
Jack Enders Boulevard Project		280,000
County Courthouse Green Project		100,000
Human Services Space		1,500,000
School Construction		100,000
Real Estate Assessment Software		50,000
Self Funded Health Insurance Account		1,000,000
Broadband		2,700,000
Berryville Clarke County Joint Government Center - Reserved		117,119
Berryville Clarke County Joint Government Center - Unreserved		150,000
Avenity Tax Software		259,000
Government Capital Projects		350,000
FY 2022 Original Budget (Surplus) Deficit		(3,634)
Total	\$	<u>17,155,836</u>

Note 16—Surety Bonds:

	<u>Amount</u>
Travelers Casualty and Surety Company of America	
April Wilkerson, Clerk of the Circuit Court	\$ 135,000
Sharon Keeler, Treasurer	400,000
Donna Peake, Commissioner of the Revenue	3,000
Anthony W. Roper, Sheriff	30,000

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions:

Health Insurance (Single-employer Defined Benefit Plan)

Plan Description

The County and School Board provide postemployment medical coverage for retired employees through a single-employer defined benefit plan. The County and School Board may change, add or delete coverage as they deem appropriate and with the approval of the Board of Supervisors. The plan does not grant retirees vested health benefits. The Plan does not issue separate financial statements.

Benefits Provided

Employees who retire from the County or School Board with service eligible for VRS benefits (Plan 1 - Age 50 and 10 years of service or Age 55 and 5 years of service; Plan 2 - age 60 and 5 years of service; Hazardous duty - age 50 and 5 years of service) and who are participating in the medical coverage are eligible to elect post-retirement coverage. Retirees are eligible to remain on the medical plan with 100% of the premium paid by the retiree. The retiree's spouse can receive benefits under the plan with the premium to be paid by the retiree. Retirees' coverage ceases at eligibility for Medicare.

Plan Membership

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

	<u>County</u>	<u>School Board</u>
Total active employees with coverage	102	246
Total inactive employees or retirees with coverage	<u>5</u>	<u>8</u>
Total	<u><u>107</u></u>	<u><u>254</u></u>

Contributions

The County and School Board do not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County and School Board. The amount paid by the County and School Board for OPEB as the benefits came due during the year ended June 30, 2022 was \$24,792 and \$46,933.

Total OPEB Liability

The County and School Board's total OPEB liabilities were measured as of June 30, 2022. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2020.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

Actuarial Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.54% as of June 30, 2022; 2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	5.10% to 4.00% over 52 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

Discount Rate

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2020. The final equivalent single discount rate used for this year’s valuation is 3.54% as of the end of the fiscal year with the expectation that the County and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

Changes in Total OPEB Liability

	County	Component Unit- School Board
	<u>Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balances at June 30, 2021	\$ 547,333	\$ 1,189,556
Changes for the year:		
Service cost	56,261	85,023
Interest	12,771	27,028
Effect of assumptions	(53,482)	(109,886)
Benefit payments	(24,792)	(46,933)
Net changes	<u>(9,242)</u>	<u>(44,768)</u>
Balances at June 30, 2022	<u>\$ 538,091</u>	<u>\$ 1,144,788</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current discount rate:

	Rate		
	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
County's Total OPEB Liability	\$ 576,346	\$ 538,091	\$ 502,548
School Board's Total OPEB Liability	\$ 1,223,718	\$ 1,144,788	\$ 1,069,998

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

The following presents the total OPEB liabilities of the County and School Board, as well as what the total OPEB liabilities would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate used of 5.10%:

	Rates		
	1% Decrease (4.10%)	Healthcare Cost Trend (5.10%)	1% Increase (6.10%)
County's Total OPEB Liability	\$ 475,864	\$ 538,091	\$ 610,993
School Board's Total OPEB Liability	\$ 1,007,412	\$ 1,144,788	\$ 1,307,336

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Health Insurance (Single-employer Defined Benefit Plan): (Continued)

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

For the year ended June 30, 2022, the County and School Board recognized OPEB expense in the amount of \$74,106 and \$89,284, respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the health insurance OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
County:		
Differences between expected and actual experience	\$ 48,157	\$ -
Changes of assumptions	15,885	66,927
Total	<u>\$ 64,042</u>	<u>\$ 66,927</u>
School Board:		
Differences between expected and actual experience	\$ -	\$ 71,908
Changes of assumptions	68,030	157,868
Total	<u>\$ 68,030</u>	<u>\$ 229,776</u>

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

<u>Year Ended June 30</u>	<u>County</u>	<u>School Board</u>
2023	\$ 5,074	\$ (22,767)
2024	439	(22,767)
2025	(4,200)	(22,767)
2026	(4,198)	(22,763)
2027	-	(37,204)
Thereafter	-	(33,478)

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance:

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 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 Group Life Insurance Plan from the entity were \$31,252 and \$29,514 from the County, \$2,660 and \$3,365 from School Board Nonprofessional, and \$72,521 and \$66,211 from School Board Professional for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the entity reported a liability of \$308,182 for the County, \$35,161 for School Board Nonprofessional, and \$691,460 School Board Professional for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the participating employer's proportion for the County, School Board Nonprofessional, and School Board Professional was .02650%, .00300%, and .05940% as compared to .02596%, .00318% and .06332% at June 30, 2020.

For the year ended June 30, 2022, the participating employer recognized GLI OPEB expense of \$17,606, \$156, and \$14,206 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

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

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

<u>County</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,149	\$ 2,348
Net difference between projected and actual earnings on GLI OPEB plan investments	-	73,557
Change in assumptions	16,990	42,166
Changes in proportion	15,473	-
Employer contributions subsequent to the measurement date	31,252	-
Total	<u>\$ 98,864</u>	<u>\$ 118,071</u>
School Board Nonprofessional		
Differences between expected and actual experience	\$ 4,010	\$ 268
Net difference between projected and actual earnings on GLI OPEB plan investments	-	8,392
Change in assumptions	1,938	4,811
Changes in proportion	-	5,006
Employer contributions subsequent to the measurement date	2,660	-
Total	<u>\$ 8,608</u>	<u>\$ 18,477</u>
School Board Professional		
Differences between expected and actual experience	\$ 78,864	\$ 5,269
Net difference between projected and actual earnings on GLI OPEB plan investments	-	165,037
Change in assumptions	38,120	94,607
Changes in proportion	-	63,850
Employer contributions subsequent to the measurement date	72,521	-
Total	<u>\$ 189,505</u>	<u>\$ 328,763</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

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

\$31,252 for the County, \$2,660 for School Board Nonprofessional, and \$72,521 for School Board Professional reported as deferred outflows of resources related to the GLI OPEB resulting from the employer’s contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>		<u>County</u>		<u>School Board Nonprofessional</u>		<u>School Board Professional</u>
2023	\$	(10,202)	\$	(3,017)	\$	(48,186)
2024		(7,772)		(2,627)		(40,513)
2025		(8,776)		(2,609)		(40,171)
2026		(20,737)		(3,363)		(63,249)
2027		(2,972)		(913)		(19,660)

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. The assumptions include several employer groups as noted below. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS Annual Report.

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Actuarial Assumptions: (Continued)

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

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

Mortality Improvement Scale:

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

NET GLI OPEB Liability

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

	GLI OPEB Plan
Total GLI OPEB Liability	\$ 3,577,346
Plan Fiduciary Net Position	2,413,074
GLI Net OPEB Liability (Asset)	\$ <u>1,164,272</u>
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%

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

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COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	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	 <u>100.00%</u>		 <u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Group Life Insurance: (Continued)

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 450,266	\$ 308,182	\$ 193,444
School Board Nonprofessional's proportionate share of the GLI Plan Net OPEB Liability	\$ 51,371	\$ 35,161	\$ 22,070
School Board Professional's proportionate share of the GLI Plan Net OPEB Liability	\$ 1,010,249	\$ 691,460	\$ 434,024

GLI Plan Fiduciary Net Position

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

HIC Plan Notes: (Continued)

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

	<u>Number</u>
Inactive members or their beneficiaries currently receiving benefits	<u>6</u>
Inactive members:	
Vested inactive members	1
Total inactive members	<u>1</u>
Active members	34
Total covered employees	<u><u>41</u></u>

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for the year ended June 30, 2022 was 0.72% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board (nonprofessional) to the HIC Plan were \$3,546 and \$4,487 for the years ended June 30, 2022 and June 30, 2021.

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Net HIC OPEB Liability

The Component Unit School Board (nonprofessional)'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.

Actuarial Assumptions

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

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

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

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Actuarial Assumptions: (Continued)

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	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	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

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

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

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2021,

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Discount Rate: (Continued)

the rate contributed by the entity for the HIC OPEB was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	\$ 57,351	\$ -	\$ 57,351
Changes for the year:			
Service cost	\$ 1,202	\$ -	\$ 1,202
Interest	3,871	-	3,871
Differences between expected and actual experience	(1)	-	(1)
Assumption changes	1,360	-	1,360
Contributions - employer	-	4,487	(4,487)
Net investment income	-	567	(567)
Administrative expenses	-	(20)	20
Net changes	\$ 6,432	\$ 5,034	\$ 1,398
Balances at June 30, 2021	\$ 63,783	\$ 5,034	\$ 58,749

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (nonprofessional) Net HIC OPEB Liability	\$ 65,252	\$ 58,749	\$ 53,157

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

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

For the year ended June 30, 2022, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$5,117. At June 30, 2022, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board (nonprofessional)'s HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1
Net difference between projected and actual earnings on HIC OPEB plan investments	-	333
Change in assumptions	1,102	-
Employer contributions subsequent to the measurement date	<u>3,546</u>	<u>-</u>
Total	<u>\$ 4,648</u>	<u>\$ 334</u>

\$3,546 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board (nonprofessional)'s contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ 175
2024	175
2025	175
2026	174
2027	69
Thereafter	-

HIC Plan Data

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$162,500 and \$148,362 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

At June 30, 2022, the school division reported a liability of \$1,779,541 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion of the VRS Teacher Employee HIC was .13864% as compared to .14855% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC OPEB expense of \$117,369. 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.

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 31,053
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	23,442
Change in assumptions	48,104	7,152
Change in proportion	5,428	150,256
Employer contributions subsequent to the measurement date	<u>162,500</u>	<u>-</u>
Total	<u>\$ 216,032</u>	<u>\$ 211,903</u>

\$162,500 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2023	\$ (29,737)
2024	(30,003)
2025	(28,518)
2026	(27,703)
2027	(21,011)
Thereafter	(21,399)

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Actuarial Assumptions

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

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

Mortality Rates - Teachers

Pre-Retirement:

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

Post-Retirement:

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

Post-Disablement:

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

Beneficiaries and Survivors:

Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally

Mortality Improvement Scale:

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

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

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

Net Teacher Employee HIC OPEB Liability

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Net Teacher Employee HIC OPEB Liability: (Continued)

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.

Long-Term Expected Rate of Return

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

<u>Asset Class (Strategy)</u>	<u>Long-Term Target Asset Allocation</u>	<u>Arithmetic Long-term Expected Rate of Return</u>	<u>Weighted Average Long-term Expected Rate of Return*</u>
Public Equity	34.00%	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	<u>100.00%</u>		<u>4.89%</u>
		Inflation	<u>2.50%</u>
		Expected arithmetic nominal return*	<u>7.39%</u>

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

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

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

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

Discount Rate

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

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	\$ 2,003,269	\$ 1,779,541	\$ 1,590,213

Teacher Employee HIC OPEB Fiduciary Net Position

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 17—Postemployment Benefits Other Than Pensions: (Continued)

Primary Government and Component Unit School Board

Aggregate Pension Information

<u>OPEB Plans:</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Primary Government:				
Group Life Insurance Plan:				
County	\$ 98,864	\$ 118,071	\$ 308,182	\$ 17,606
County Stand-Alone Plan	64,042	66,927	538,091	74,106
Totals	<u>\$ 162,906</u>	<u>\$ 184,998</u>	<u>\$ 846,273</u>	<u>\$ 91,712</u>
Component Unit School Board				
Group Life Insurance Plan:				
School Board Nonprofessional	\$ 8,608	\$ 18,477	\$ 35,161	\$ 156
School Board Professional	189,505	328,763	691,460	14,206
School Nonprofessional Health Insurance Credit Plan	4,648	334	58,749	5,117
Teacher Health Insurance Credit Plan	216,032	211,903	1,779,541	117,369
School Stand-Alone Plan	68,030	229,776	1,144,788	89,284
Totals	<u>\$ 486,823</u>	<u>\$ 789,253</u>	<u>\$ 3,709,699</u>	<u>\$ 226,132</u>

Note 18—Lease Receivable:

The School Board leases land to Shenandoah Mobile under a lease contract. In fiscal year 2022, the School Board recognized principal and interest revenue in the amount of \$27,066 and \$732, respectively. The lease term is for 41 months and payments of \$2,317 are made monthly. The balance of the lease receivable at June 30, 2022 with a discount rate of 1.00% was \$66,346. Expected future payments are as follows:

	<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$	27,259	\$ 539
2024		27,533	265
2025		11,554	29
Total	<u>\$</u>	<u>66,346</u>	<u>\$ 833</u>

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 19—Upcoming Pronouncements:

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

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

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

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

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

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

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

COUNTY OF CLARKE, VIRGINIA

Notes to Financial Statements
June 30, 2022 (Continued)

Note 20—Restatement of Beginning Balances:

In 2022, the discretely presented component unit Clarke County Sanitary Authority restated beginning net position as follows:

Net Position at June 30, 2021, as previously reported	\$	6,292,560
Unrecorded capital asset from prior year		<u>143,648</u>
Net Position at June 30, 2021, as restated	\$	<u><u>6,436,208</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information:

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 21,203,376	\$ 21,203,376	\$ 23,067,785	\$ 1,864,409
Other local taxes	2,794,393	2,794,393	3,204,659	410,266
Permits, privilege fees, and regulatory licenses	374,762	374,762	485,972	111,210
Fines and forfeitures	257,000	257,000	188,427	(68,573)
Revenue from the use of money and property	166,000	166,000	127,878	(38,122)
Charges for services	950,419	950,419	1,090,877	140,458
Miscellaneous	71,610	74,610	90,068	15,458
Recovered costs	43,377	43,377	39,665	(3,712)
Intergovernmental:				
Commonwealth	4,521,780	4,664,781	4,636,574	(28,207)
Federal	323,472	3,227,271	413,456	(2,813,815)
Total revenues	\$ 30,706,189	\$ 33,755,989	\$ 33,345,361	\$ (410,628)
EXPENDITURES				
Current:				
General government administration	\$ 2,463,370	\$ 2,549,391	\$ 2,466,499	\$ 82,892
Judicial administration	811,148	851,721	782,352	69,369
Public safety	6,066,112	6,253,512	6,000,738	252,774
Public works	1,360,613	1,375,346	1,370,328	5,018
Health and welfare	593,294	618,294	594,926	23,368
Education	13,827,537	14,298,400	13,218,985	1,079,415
Parks, recreation, and cultural	1,364,983	1,396,612	1,217,932	178,680
Community development	799,130	3,694,377	759,579	2,934,798
Nondepartmental	65,000	55,990	17,823	38,167
Total expenditures	\$ 27,351,187	\$ 31,093,643	\$ 26,429,162	\$ 4,664,481
Excess (deficiency) of revenues over (under) expenditures	\$ 3,355,002	\$ 2,662,346	\$ 6,916,199	\$ 4,253,853
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (3,726,985)	\$ (4,532,854)	\$ (3,794,396)	\$ 738,458
Total other financing sources (uses)	\$ (3,726,985)	\$ (4,532,854)	\$ (3,794,396)	\$ 738,458
Net change in fund balances	\$ (371,983)	\$ (1,870,508)	\$ 3,121,803	\$ 4,992,311
Fund balances - beginning	371,983	1,870,508	14,623,373	12,752,865
Fund balances - ending	\$ -	\$ -	\$ 17,745,176	\$ 17,745,176

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Recovered costs	\$ -	\$ -	\$ 337	\$ 337
Intergovernmental:				
Commonwealth	524,141	576,523	381,428	(195,095)
Federal	552,184	556,493	774,475	217,982
Total revenues	\$ 1,076,325	\$ 1,133,016	\$ 1,156,240	\$ 23,224
EXPENDITURES				
Current:				
Health and welfare	\$ 1,715,358	\$ 1,751,317	\$ 1,558,835	\$ 192,482
Total expenditures	\$ 1,715,358	\$ 1,751,317	\$ 1,558,835	\$ 192,482
Excess (deficiency) of revenues over (under) expenditures	\$ (639,033)	\$ (618,301)	\$ (402,595)	\$ 215,706
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 639,033	\$ 618,301	\$ 402,595	\$ (215,706)
Total other financing sources (uses)	\$ 639,033	\$ 618,301	\$ 402,595	\$ (215,706)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

COUNTY OF CLARKE, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Pension Plans
 Primary Government and Clarke County Sanitary Authority
 For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021		2020		2019		2018	
	Primary Government	Primary Government	Primary Government	Primary Government	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority
Total pension liability								
Service cost	\$ 544,441	\$ 531,657	\$ 528,990	\$ -	\$ 492,799	\$ 3,974		
Interest	1,621,406	1,533,312	1,496,565	-	1,432,214	11,552		
Changes in benefit terms	-	-	-	-	-	-		
Differences between expected and actual experience	369,260	390,076	(379,336)	-	(389,274)	(3,140)		
Changes of assumptions	965,227	-	631,784	-	-	-		
Impact in change of proportion	-	-	174,442	(174,442)	33,590	(33,590)		
Benefit payments	(1,267,900)	(1,031,991)	(851,559)	-	(730,187)	(5,888)		
Net change in total pension liability	\$ 2,232,434	\$ 1,423,054	\$ 1,600,886	\$ (174,442)	\$ 839,142	\$ (27,092)		
Total pension liability - beginning	<u>24,654,778</u>	<u>23,231,724</u>	<u>21,630,838</u>	<u>174,442</u>	<u>20,791,696</u>	<u>201,534</u>		
Total pension liability - ending (a)	<u>\$ 26,887,212</u>	<u>\$ 24,654,778</u>	<u>\$ 23,231,724</u>	<u>\$ -</u>	<u>\$ 21,630,838</u>	<u>\$ 174,442</u>		
Plan fiduciary net position								
Contributions - employer	\$ 489,429	\$ 417,934	\$ 404,706	\$ -	\$ 393,336	\$ 3,172		
Contributions - employee	256,393	250,579	240,158	-	231,775	1,870		
Impact in change of proportion	-	-	165,370	(165,370)	30,972	(30,972)		
Net investment income	5,948,004	417,018	1,382,955	-	1,421,787	11,466		
Benefit payments	(1,267,900)	(1,031,991)	(851,559)	-	(730,187)	(5,888)		
Administrator charges	(14,912)	(14,211)	(13,551)	-	(12,124)	(98)		
Other	560	(493)	(873)	-	(1,273)	(10)		
Net change in plan fiduciary net position	\$ 5,411,574	\$ 38,836	\$ 1,327,206	\$ (165,370)	\$ 1,334,286	\$ (20,460)		
Plan fiduciary net position - beginning	<u>21,871,830</u>	<u>21,832,994</u>	<u>20,505,788</u>	<u>165,370</u>	<u>19,171,502</u>	<u>185,830</u>		
Plan fiduciary net position - ending (b)	<u>\$ 27,283,404</u>	<u>\$ 21,871,830</u>	<u>\$ 21,832,994</u>	<u>\$ -</u>	<u>\$ 20,505,788</u>	<u>\$ 165,370</u>		
County's net pension liability (asset) - ending (a) - (b)	\$ (396,192)	\$ 2,782,948	\$ 1,398,730	\$ -	\$ 1,125,050	\$ 9,072		
Plan fiduciary net position as a percentage of the total pension liability	101.47%	88.71%	93.98%	0.00%	94.80%	94.80%		
Covered payroll	\$ 5,465,563	\$ 5,343,717	\$ 5,072,104	\$ -	\$ 4,781,444	\$ 38,560		
County's net pension liability (asset) as a percentage of covered payroll	-7.25%	52.08%	27.58%	0.00%	23.53%	23.53%		

During fiscal year 2020, it was determined that pension items should no longer be allocated to the Sanitary Authority.

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

2017		2016		2015		2014	
Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority	Primary Government	Clarke County Sanitary Authority
\$ 476,066	\$ 4,614	\$ 452,697	\$ 4,388	\$ 441,992	\$ 4,284	\$ 452,800	\$ 4,389
1,367,228	12,953	1,298,718	12,588	1,241,436	12,034	1,173,942	11,379
-	-	-	-	-	-	-	-
(162,685)	(1,576)	(60,723)	(290)	(174,129)	(1,688)	-	-
(63,330)	(614)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
\$ 902,415	\$ 8,447	\$ 981,634	\$ 9,814	\$ 836,414	\$ 8,108	\$ 974,527	\$ 9,446
19,889,281	193,087	18,907,647	183,273	18,071,233	175,165	17,096,706	165,719
\$ 20,791,696	\$ 201,534	\$ 19,889,281	\$ 193,087	\$ 18,907,647	\$ 183,273	\$ 18,071,233	\$ 175,165
\$ 379,396	\$ 3,678	\$ 466,664	\$ 4,524	\$ 455,266	\$ 4,412	\$ 487,123	\$ 4,722
223,948	2,170	213,350	2,068	208,804	2,024	200,072	1,939
2,099,165	20,349	298,818	2,896	744,209	7,214	2,211,300	21,434
(714,864)	(6,930)	(709,058)	(6,872)	(672,885)	(6,522)	(652,215)	(6,322)
(11,988)	(116)	(10,410)	(100)	(10,047)	(98)	(11,767)	(114)
(1,874)	(18)	(126)	(2)	(157)	(3)	117	-
\$ 1,973,783	\$ 19,133	\$ 259,238	\$ 2,514	\$ 725,190	\$ 7,027	\$ 2,234,630	\$ 21,659
17,197,719	166,697	16,938,481	164,183	16,213,291	157,156	13,978,661	135,496
\$ 19,171,502	\$ 185,830	\$ 17,197,719	\$ 166,697	\$ 16,938,481	\$ 164,183	\$ 16,213,291	\$ 157,155
\$ 1,620,194	\$ 15,704	\$ 2,691,562	\$ 26,390	\$ 1,969,166	\$ 19,090	\$ 1,857,942	\$ 18,010
92.21%	92.21%	86.47%	86.33%	89.59%	89.58%	89.72%	89.72%
\$ 4,580,226	\$ 44,397	\$ 4,332,013	\$ 41,990	\$ 4,210,911	\$ 40,817	\$ 4,003,842	\$ 38,809
35.37%	35.37%	62.13%	62.85%	46.76%	46.77%	46.40%	46.41%

COUNTY OF CLARKE, VIRGINIA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service cost	\$ 67,656	\$ 72,910	\$ 73,772	\$ 76,013
Interest	237,835	230,953	224,572	220,360
Differences between expected and actual experience	22,178	8,618	37,322	(39,142)
Changes of assumptions	99,743	-	80,351	-
Benefit payments	(217,130)	(203,908)	(201,418)	(192,699)
Net change in total pension liability	<u>\$ 210,282</u>	<u>\$ 108,573</u>	<u>\$ 214,599</u>	<u>\$ 64,532</u>
Total pension liability - beginning	<u>3,632,053</u>	<u>3,523,480</u>	<u>3,308,881</u>	<u>3,244,349</u>
Total pension liability - ending (a)	<u><u>\$ 3,842,335</u></u>	<u><u>\$ 3,632,053</u></u>	<u><u>\$ 3,523,480</u></u>	<u><u>\$ 3,308,881</u></u>
Plan fiduciary net position				
Contributions - employer	\$ 30,410	\$ 25,358	\$ 24,368	\$ 33,471
Contributions - employee	30,080	31,738	30,621	32,409
Net investment income	982,038	70,640	237,527	256,887
Benefit payments	(217,130)	(203,908)	(201,418)	(192,699)
Administrator charges	(2,529)	(2,478)	(2,451)	(2,278)
Other	92	(82)	(149)	(226)
Net change in plan fiduciary net position	<u>\$ 822,961</u>	<u>\$ (78,732)</u>	<u>\$ 88,498</u>	<u>\$ 127,564</u>
Plan fiduciary net position - beginning	<u>3,651,564</u>	<u>3,730,296</u>	<u>3,641,798</u>	<u>3,514,234</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 4,474,525</u></u>	<u><u>\$ 3,651,564</u></u>	<u><u>\$ 3,730,296</u></u>	<u><u>\$ 3,641,798</u></u>
School Division's net pension liability (asset) - ending (a) - (b)	\$ (632,190)	\$ (19,511)	\$ (206,816)	\$ (332,917)
Plan fiduciary net position as a percentage of the total pension liability	116.45%	100.54%	105.87%	110.06%
Covered payroll	\$ 623,186	\$ 653,811	\$ 634,547	\$ 671,806
School Division's net pension liability (asset) as a percentage of covered payroll	-101.44%	-2.98%	-32.59%	-49.56%

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

Exhibit 15

	2017	2016	2015	2014
\$	64,599	\$ 75,698	\$ 119,013	\$ 138,591
	220,480	218,560	213,846	200,591
	(57,419)	(87,838)	(96,657)	-
	(45,195)	-	-	-
	(175,672)	(182,286)	(155,448)	(144,212)
\$	6,793	\$ 24,134	\$ 80,754	\$ 194,970
	3,237,556	3,213,422	3,132,668	2,937,698
\$	<u>3,244,349</u>	<u>3,237,556</u>	<u>3,213,422</u>	<u>3,132,668</u>
\$	33,848	\$ 55,293	\$ 56,916	\$ 95,312
	32,641	31,776	32,933	49,538
	388,498	55,073	144,974	436,730
	(175,672)	(182,286)	(155,448)	(144,212)
	(2,302)	(2,061)	(2,023)	(2,334)
	(343)	(24)	(33)	23
\$	276,670	\$ (42,229)	\$ 77,319	\$ 435,057
	3,237,564	3,279,793	3,202,474	2,767,417
\$	<u>3,514,234</u>	<u>3,237,564</u>	<u>3,279,793</u>	<u>3,202,474</u>
\$	(269,885)	\$ (8)	\$ (66,371)	\$ (69,806)
	108.32%	100.00%	102.07%	102.23%
\$	673,225	\$ 652,740	\$ 664,350	\$ 990,746
	-40.09%	0.00%	-9.99%	-7.05%

COUNTY OF CLARKE, VIRGINIA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13788%	0.14810%	0.14945%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 10,703,759	\$ 21,556,805	\$ 19,668,469
Employer's Covered Payroll	12,261,289	13,021,678	12,582,277
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	87.30%	165.55%	156.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%

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

Exhibit 16

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.15187%	0.15127%	0.15296%	0.15349%	0.15415%
\$	17,860,000	\$ 18,603,000	\$ 21,436,000	\$ 19,319,000	\$ 18,629,000
	12,337,938	11,986,432	11,656,844	11,292,534	11,256,878
	144.76%	155.20%	183.89%	171.08%	165.49%
	74.81%	72.92%	68.28%	70.68%	70.88%

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	\$ 560,922	\$ 560,922	\$ -	\$ 5,787,429	9.69%
2021	445,184	445,184	-	5,465,563	8.15%
2020	421,269	421,269	-	5,343,717	7.88%
2019	408,108	408,108	-	5,072,104	8.05%
2018	397,195	397,195	-	4,820,004	8.24%
2017	392,632	392,632	-	4,624,623	8.49%
2016	471,292	471,292	-	4,374,003	10.77%
2015	461,738	461,738	-	4,251,728	10.86%
2014	490,778	490,778	-	4,042,651	12.14%
2013	495,262	495,262	-	4,079,590	12.14%
Component Unit School Board (Nonprofessional)					
2022	\$ 23,979	\$ 23,979	\$ -	\$ 492,527	4.87%
2021	30,410	30,410	-	623,186	4.88%
2020	25,565	25,565	-	653,811	3.91%
2019	24,582	24,582	-	634,547	3.87%
2018	33,468	33,468	-	671,806	4.98%
2017	35,810	35,810	-	673,225	5.32%
2016	55,293	55,293	-	652,740	8.47%
2015	57,201	57,201	-	664,350	8.61%
2014	95,310	95,310	-	990,747	9.62%
2013	103,670	103,670	-	1,077,653	9.62%
Component Unit School Board (Professional)*					
2022	\$ 2,122,390	\$ 2,122,390	\$ -	\$ 13,429,742	15.80%
2021	1,950,641	1,950,641	-	12,261,289	15.91%
2020	1,968,435	1,968,435	-	13,021,678	15.12%
2019	1,915,267	1,915,267	-	12,582,277	15.22%
2018	1,741,611	1,741,611	-	12,337,938	14.12%
2017	1,679,087	1,679,087	-	11,986,432	14.01%
2016	1,679,413	1,679,413	-	11,656,844	14.41%
2015	1,584,459	1,584,459	-	11,292,534	14.03%

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

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

Notes to Required Supplementary Information - Pension Plans
 For the Year Ended June 30, 2022

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

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

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

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

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

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

Component Unit School Board - Professional Employees

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government:					
2021	0.02600%	\$ 308,182	\$ 5,465,563	5.64%	67.45%
2020	0.02596%	433,230	5,343,717	8.11%	52.64%
2019	0.02587%	420,974	5,072,104	8.30%	52.00%
2018	0.02535%	385,000	4,820,004	7.99%	51.22%
2017	0.02507%	378,000	4,624,623	8.17%	48.86%
Component Unit - School Board (Nonprofessional):					
2021	0.00300%	\$ 35,161	\$ 623,186	5.64%	67.45%
2020	0.00318%	53,069	653,811	8.12%	52.64%
2019	0.00324%	52,724	634,547	8.31%	52.00%
2018	0.00353%	54,000	671,806	8.04%	51.22%
2017	0.00369%	56,000	673,225	8.32%	48.86%
Component Unit - School Board (Professional):					
2021	0.05940%	\$ 691,460	\$ 12,261,289	5.64%	67.45%
2020	0.06332%	1,056,707	13,031,868	8.11%	52.64%
2019	0.06418%	1,044,379	12,582,277	8.30%	52.00%
2018	0.06497%	987,000	12,337,938	8.00%	51.22%
2017	0.06497%	978,000	11,986,432	8.16%	48.86%

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

Schedule of Employer Contributions
 Group Life Insurance (GLI) Plan
 For the Years Ended June 30, 2013 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
County:					
2022	\$ 31,252	\$ 31,252	\$ -	\$ 5,787,429	0.54%
2021	29,514	29,514	-	5,465,563	0.54%
2020	27,787	27,787	-	5,343,717	0.52%
2019	26,375	26,375	-	5,072,104	0.52%
2018	25,064	25,064	-	4,820,004	0.52%
2017	24,048	24,048	-	4,624,623	0.52%
2016	21,010	21,010	-	4,374,003	0.48%
2015	20,408	20,408	-	4,251,728	0.48%
2014	19,405	19,405	-	4,042,651	0.48%
2013	19,582	19,582	-	4,079,590	0.48%
Component Unit - School Board (Nonprofessional):					
2022	\$ 2,660	\$ 2,660	\$ -	\$ 492,527	0.54%
2021	3,365	3,365	-	623,186	0.54%
2020	3,400	3,400	-	653,811	0.52%
2019	3,300	3,300	-	634,547	0.52%
2018	3,493	3,493	-	671,806	0.52%
2017	3,535	3,535	-	673,225	0.53%
2016	3,133	3,133	-	652,740	0.48%
2015	3,189	3,189	-	664,350	0.48%
2014	4,756	4,756	-	990,747	0.48%
2013	5,173	5,173	-	1,077,653	0.48%
Component Unit - School Board (Professional):					
2022	\$ 72,521	\$ 72,521	\$ -	\$ 13,429,742	0.54%
2021	66,211	66,211	-	12,261,289	0.54%
2020	67,766	67,766	-	13,031,868	0.52%
2019	65,428	65,428	-	12,582,277	0.52%
2018	64,238	64,238	-	12,337,938	0.52%
2017	62,315	62,315	-	11,986,432	0.52%
2016	56,000	56,000	-	11,656,844	0.48%
2015	54,776	54,776	-	11,292,534	0.49%
2014	54,159	54,159	-	11,283,075	0.48%
2013	53,623	53,623	-	11,171,543	0.48%

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

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

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

Teachers

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

Non-Largest Ten Locality Employers - General Employees

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

Non-Largest Ten Locality Employers - Hazardous Duty Employees

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

Schedule of Changes in the School Board's Net OPEB Liability and Related Ratios
 Health Insurance Credit (HIC) Plan
 For the Measurement Dates of June 30, 2020 through June 30, 2021

	<u>2021</u>	<u>2020</u>
Total HIC OPEB Liability		
Service cost	\$ 1,202	-
Interest	3,871	-
Changes in benefit terms	-	57,351
Differences between expected and actual experience	(1)	-
Changes of assumptions	1,360	-
Net change in total HIC OPEB liability	<u>\$ 6,432</u>	<u>\$ 57,351</u>
Total HIC OPEB Liability - beginning	57,351	-
Total HIC OPEB Liability - ending (a)	<u><u>\$ 63,783</u></u>	<u><u>\$ 57,351</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 4,487	\$ -
Net investment income	567	-
Administrator charges	(20)	-
Net change in plan fiduciary net position	<u>\$ 5,034</u>	<u>\$ -</u>
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ 5,034</u></u>	<u><u>\$ -</u></u>
School Board's net HIC OPEB liability - ending (a) - (b)	\$ 58,749	\$ 57,351
Plan fiduciary net position as a percentage of the total HIC OPEB liability	7.89%	0.00%
Covered payroll	\$ 623,186	\$ -
School Board's net HIC OPEB liability as a percentage of covered payroll	9.43%	N/A

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

Schedule of Employer Contributions
 Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2021 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Component Unit - School Board (Nonprofessional):					
2022	\$ 3,546	\$ 3,546	-	\$ 492,527	0.72%
2021	4,487	4,487	-	623,186	0.72%

Schedule is intended to show information for 10 years. Information prior to 2021 is not available. However, additional years will be included as they become available.

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

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

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

Non-Largest Ten Locality Employers - General Employees

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

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.13864% \$	1,779,541 \$	12,261,289	14.51%	13.15%
2020	0.14855%	1,937,598	13,021,678	14.88%	9.95%
2019	0.15001%	1,963,777	12,582,277	15.61%	8.97%
2018	0.15275%	1,939,000	12,337,938	15.72%	8.08%
2017	0.15182%	1,926,000	11,986,432	16.07%	7.04%

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

Schedule of Employer Contributions
 Teacher Employee Health Insurance Credit (HIC) Plan
 For the Years Ended June 30, 2013 through June 30, 2022

<u>Date</u>	<u>Contractually Required Contribution (1)</u>	<u>Contributions in Relation to Contractually Required Contribution (2)</u>	<u>Contribution Deficiency (Excess) (3)</u>	<u>Employer's Covered Payroll (4)</u>	<u>Contributions as a % of Covered Payroll (5)</u>
2022	\$ 162,500	\$ 162,500	\$ -	\$ 13,429,742	1.21%
2021	148,362	148,362	-	12,261,289	1.21%
2020	156,260	156,260	-	13,021,678	1.20%
2019	150,987	150,987	-	12,582,277	1.20%
2018	151,947	151,947	-	12,337,938	1.23%
2017	132,997	132,997	-	11,986,432	1.11%
2016	123,625	123,625	-	11,656,844	1.06%
2015	120,963	120,963	-	11,292,534	1.07%
2014	125,133	125,133	-	11,283,075	1.11%
2013	122,330	122,330	-	11,171,543	1.10%

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

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

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

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

OPEB - Health Insurance Plan
 Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
 For the Measurement Dates of June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
County:					
Total OPEB liability					
Service cost	\$ 56,261	\$ 57,300	\$ 24,579	\$ 22,416	\$ 22,728
Interest	12,771	11,351	14,983	15,125	13,349
Economic/demographic gains or losses	-	72,235	-	-	-
Changes in assumptions	(53,482)	(33,255)	38,349	11,370	(8,547)
Benefit payments	(24,792)	(33,098)	(17,068)	(10,637)	(7,922)
Net change in total OPEB liability	<u>\$ (9,242)</u>	<u>\$ 74,533</u>	<u>\$ 60,843</u>	<u>\$ 38,274</u>	<u>\$ 19,608</u>
Total OPEB liability - beginning	547,333	472,800	411,957	373,683	354,075
Total OPEB liability - ending	<u>\$ 538,091</u>	<u>\$ 547,333</u>	<u>\$ 472,800</u>	<u>\$ 411,957</u>	<u>\$ 373,683</u>
Covered payroll	\$ 5,294,743	\$ 5,294,743	\$ 5,014,231	\$ 5,014,231	\$ 5,014,231
County's total OPEB liability (asset) as a percentage of covered employee payroll	10.2%	10.3%	9.4%	8.2%	7.5%
School Board:					
Total OPEB liability					
Service cost	\$ 85,023	\$ 86,625	\$ 69,721	\$ 63,833	\$ 64,527
Interest	27,028	29,975	42,034	43,708	39,995
Economic/demographic gains or losses	-	(96,284)	-	-	-
Changes in assumptions	(109,886)	(71,810)	92,424	30,431	(23,128)
Benefit payments	(46,933)	(56,985)	(74,156)	(70,423)	(66,561)
Net change in total OPEB liability	<u>\$ (44,768)</u>	<u>\$ (108,479)</u>	<u>\$ 130,023</u>	<u>\$ 67,549</u>	<u>\$ 14,833</u>
Total OPEB liability - beginning	1,189,556	1,298,035	1,168,012	1,100,463	1,085,630
Total OPEB liability - ending	<u>\$ 1,144,788</u>	<u>\$ 1,189,556</u>	<u>\$ 1,298,035</u>	<u>\$ 1,168,012</u>	<u>\$ 1,100,463</u>
Covered payroll	\$ 11,583,694	\$ 11,583,694	\$ 12,818,270	\$ 12,818,270	\$ 12,818,270
School Boards total OPEB liability (asset) as a percentage of covered employee payroll	9.9%	10.3%	10.1%	9.1%	8.6%

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

OPEB - Health Insurance Plan
 Notes to Required Supplementary Information
 For the Year Ended June 30, 2022

Valuation Date: 7/1/2020
 Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability - County and School Board:

Actuarial Cost Method	Entry age normal, level % of pay
Discount Rate	3.54% as of June 30, 2022; 2.16% as of June 30, 2021
Inflation	2.50% per year as of June 30, 2021
Healthcare Trend Rate	5.50% to 4.00% over 55 years
Salary Increase Rates	County: Ranges of increases of 3.5% for 20+ years of service to 5.35% for 1-2 years of service; School Board: Ranges of increases of 3.5% for 20+ years of service to 5.95% for 1 year of service.
Retirement Age	Reduced: Age 50 and 10 years of service or Age 55 and 5 years of service; Unreduced: Age 65 and 5 years of service or Age 50 with 30 years of service
Mortality Rates	Pre-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set back 1 year and Females set back 1 year. Post-Retirement: RP-2014 Employee Mortality Tables projected to 2020 using Scale BB with Males set forward 1 year and Females set back 1 year.

OTHER SUPPLEMENTARY INFORMATION

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 446,888	\$ 60,966	\$ 507,854
Prepaid items	-	1,338	1,338
Accounts receivable	114,891	-	114,891
Due from other funds	-	80,271	80,271
Due from other governmental units	70,052	30,010	100,062
	<u>631,831</u>	<u>172,585</u>	<u>804,416</u>
Total assets	\$ <u>631,831</u>	\$ <u>172,585</u>	\$ <u>804,416</u>
LIABILITIES			
Accounts payable	\$ 54,200	\$ 9,185	\$ 63,385
Due to other funds	18,030	-	18,030
Unearned revenue	43,372	14,948	58,320
	<u>115,602</u>	<u>24,133</u>	<u>139,735</u>
Total liabilities	\$ <u>115,602</u>	\$ <u>24,133</u>	\$ <u>139,735</u>
FUND BALANCES			
Restricted:			
Swim team	\$ -	\$ 4,851	\$ 4,851
Pool	-	1,659	1,659
Committed:			
Community development	428,644	-	428,644
Public safety	87,585	-	87,585
Assigned:			
Capital projects	-	140,604	140,604
	<u>516,229</u>	<u>148,452</u>	<u>664,681</u>
Total fund balances	\$ <u>516,229</u>	\$ <u>148,452</u>	\$ <u>664,681</u>
Total liabilities and fund balances	\$ <u>631,831</u>	\$ <u>172,585</u>	\$ <u>804,416</u>

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

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
General property taxes	\$ 31,116	\$ -	\$ -	\$ 31,116
Revenue from the use of money and property	2,380	-	2,490	4,870
Miscellaneous	45,750	-	-	45,750
Intergovernmental:				
Commonwealth	498,856	-	116,281	615,137
Federal	299,571	-	7,343	306,914
Total revenues	<u>\$ 877,673</u>	<u>\$ -</u>	<u>\$ 126,114</u>	<u>\$ 1,003,787</u>
EXPENDITURES				
Current:				
Public safety	\$ 49,581	\$ -	\$ -	\$ 49,581
Health and welfare	296,036	-	-	296,036
Community development	822,902	-	-	822,902
Capital projects	-	-	787,229	787,229
Debt service:				
Principal retirement	-	99,901	-	99,901
Interest and other fiscal charges	-	151,799	-	151,799
Total expenditures	<u>\$ 1,168,519</u>	<u>\$ 251,700</u>	<u>\$ 787,229</u>	<u>\$ 2,207,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (290,846)</u>	<u>\$ (251,700)</u>	<u>\$ (661,115)</u>	<u>\$ (1,203,661)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 324,200</u>	<u>\$ 251,700</u>	<u>\$ 648,658</u>	<u>\$ 1,224,558</u>
Total other financing sources (uses)	<u>\$ 324,200</u>	<u>\$ 251,700</u>	<u>\$ 648,658</u>	<u>\$ 1,224,558</u>
Net change in fund balances	\$ 33,354	\$ -	\$ (12,457)	\$ 20,897
Fund balances - beginning	<u>482,875</u>	<u>-</u>	<u>160,909</u>	<u>643,784</u>
Fund balances - ending	<u>\$ 516,229</u>	<u>\$ -</u>	<u>\$ 148,452</u>	<u>\$ 664,681</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2022

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 87,748	\$ 359,140	\$ 446,888
Accounts receivable	-	-	114,891	114,891
Due from other governmental units	70,052	-	-	70,052
	<u>70,052</u>	<u>87,748</u>	<u>474,031</u>	<u>631,831</u>
Total assets	<u>\$ 70,052</u>	<u>\$ 87,748</u>	<u>\$ 474,031</u>	<u>\$ 631,831</u>
LIABILITIES				
Accounts payable	\$ 52,022	\$ 163	\$ 2,015	\$ 54,200
Due to other funds	18,030	-	-	18,030
Unearned revenue	-	-	43,372	43,372
	<u>70,052</u>	<u>163</u>	<u>45,387</u>	<u>115,602</u>
Total liabilities	<u>\$ 70,052</u>	<u>\$ 163</u>	<u>\$ 45,387</u>	<u>\$ 115,602</u>
FUND BALANCES				
Committed:				
Community development	\$ -	-	\$ 428,644	\$ 428,644
Public safety	-	87,585	-	87,585
	<u>-</u>	<u>87,585</u>	<u>428,644</u>	<u>516,229</u>
Total fund balances	<u>\$ -</u>	<u>\$ 87,585</u>	<u>\$ 428,644</u>	<u>\$ 516,229</u>
Total liabilities and fund balances	<u>\$ 70,052</u>	<u>\$ 87,748</u>	<u>\$ 474,031</u>	<u>\$ 631,831</u>

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

	CSA Fund	Drug Enforcement Fund	Conservation Easement Fund	Total
REVENUES				
General property taxes	\$ -	\$ -	\$ 31,116	\$ 31,116
Revenue from the use of money and property	-	546	1,834	2,380
Miscellaneous	5,144	2,396	38,210	45,750
Intergovernmental:				
Commonwealth	150,922	7,908	340,026	498,856
Federal	6,571	-	293,000	299,571
 Total revenues	 \$ 162,637	 \$ 10,850	 \$ 704,186	 \$ 877,673
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 49,581	\$ -	\$ 49,581
Health and welfare	296,036	-	-	296,036
Community development	-	-	822,902	822,902
 Total expenditures	 \$ 296,036	 \$ 49,581	 \$ 822,902	 \$ 1,168,519
 Excess (deficiency) of revenues over (under) expenditures	 \$ (133,399)	 \$ (38,731)	 \$ (118,716)	 \$ (290,846)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 133,399	\$ -	\$ 190,801	\$ 324,200
 Total other financing sources (uses)	 \$ 133,399	 \$ -	 \$ 190,801	 \$ 324,200
 Net change in fund balances	 \$ -	 \$ (38,731)	 \$ 72,085	 \$ 33,354
Fund balances - beginning	-	126,316	356,559	482,875
 Fund balances - ending	 \$ -	 \$ 87,585	 \$ 428,644	 \$ 516,229

COUNTY OF CLARKE, VIRGINIA

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

	CSA Fund				Drug Enforcement Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue from the use of money and property	-	-	-	-	-	-	546	546
Miscellaneous	-	-	5,144	5,144	-	-	2,396	2,396
Intergovernmental:								
Commonwealth	163,569	163,569	150,922	(12,647)	-	-	7,908	7,908
Federal	-	-	6,571	6,571	-	-	-	-
Total revenues	\$ 163,569	\$ 163,569	\$ 162,637	\$ (932)	\$ -	\$ -	\$ 10,850	\$ 10,850
EXPENDITURES								
Current:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	49,581	\$ (49,581)
Health and welfare	314,556	335,288	296,036	39,252	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Total expenditures	\$ 314,556	\$ 335,288	\$ 296,036	\$ 39,252	\$ -	\$ -	\$ 49,581	\$ (49,581)
Excess (deficiency) of revenues over (under) expenditures	\$ (150,987)	\$ (171,719)	\$ (133,399)	\$ 38,320	\$ -	\$ -	\$ (38,731)	\$ (38,731)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ 150,987	\$ 171,719	\$ 133,399	\$ (38,320)	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ 150,987	\$ 171,719	\$ 133,399	\$ (38,320)	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (38,731)	\$ (38,731)
Fund balances - beginning	-	-	-	-	-	-	126,316	126,316
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,585	\$ 87,585

Exhibit 34

Conservation Easement Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ 31,116	\$ 31,116
-	-	1,834	1,834
15,000	15,000	38,210	23,210
30,000	338,732	340,026	1,294
-	292,250	293,000	750
<u>\$ 45,000</u>	<u>\$ 645,982</u>	<u>\$ 704,186</u>	<u>\$ 58,204</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
45,000	836,783	822,902	13,881
<u>\$ 45,000</u>	<u>\$ 836,783</u>	<u>\$ 822,902</u>	<u>\$ 13,881</u>
\$ -	\$ (190,801)	\$ (118,716)	\$ 72,085
\$ -	\$ 190,801	\$ 190,801	\$ -
\$ -	\$ 190,801	\$ 190,801	\$ -
\$ -	\$ -	\$ 72,085	\$ 72,085
-	-	356,559	356,559
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,644</u>	<u>\$ 428,644</u>

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

	<u>Primary Government Debt Service Fund</u>
EXPENDITURES	
Debt service:	
Principal retirement	\$ 99,901
Interest and other fiscal charges	<u>151,799</u>
Total expenditures	<u>\$ 251,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (251,700)</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	<u>\$ 251,700</u>
Total other financing sources (uses)	<u>\$ 251,700</u>
Net change in fund balances	\$ -
Fund balances - beginning	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>

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

	Primary Government Debt Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
Debt service:				
Principal retirement	\$ 91,573	\$ 99,901	\$ 99,901	\$ -
Interest and other fiscal charges	160,127	151,799	151,799	-
Total expenditures	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (251,700)</u>	<u>\$ (251,700)</u>	<u>\$ (251,700)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2022

	Parks Construction Fund	General Government Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	\$ 60,966	\$ -	\$ 60,966
Due from other funds	-	80,271	80,271
Due from other governmental units	-	30,010	30,010
Prepaid items	-	1,338	1,338
Total assets	\$ 60,966	\$ 111,619	\$ 172,585
LIABILITIES			
Accounts payable	\$ -	\$ 9,185	\$ 9,185
Unearned revenue	-	14,948	14,948
Total liabilities	\$ -	\$ 24,133	\$ 24,133
FUND BALANCES			
Restricted:			
Swim team	\$ 4,851	\$ -	\$ 4,851
Pool	1,659	-	1,659
Assigned:			
Capital projects	54,456	86,148	140,604
Total fund balances	\$ 60,966	\$ 87,486	\$ 148,452
Total liabilities and fund balances	\$ 60,966	\$ 111,619	\$ 172,585

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

	Parks Construction Fund	Government Capital Projects Fund	Total
REVENUES			
Revenue from the use of money and property	\$ 2,490	\$ -	\$ 2,490
Intergovernmental:			
Commonwealth	-	116,281	116,281
Federal	-	7,343	7,343
Total revenues	<u>\$ 2,490</u>	<u>\$ 123,624</u>	<u>\$ 126,114</u>
EXPENDITURES			
Capital projects	<u>\$ -</u>	<u>\$ 787,229</u>	<u>\$ 787,229</u>
Total expenditures	<u>\$ -</u>	<u>\$ 787,229</u>	<u>\$ 787,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,490</u>	<u>\$ (663,605)</u>	<u>\$ (661,115)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>\$ -</u>	<u>\$ 648,658</u>	<u>\$ 648,658</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 648,658</u>	<u>\$ 648,658</u>
Net change in fund balances	\$ 2,490	\$ (14,947)	\$ (12,457)
Fund balances - beginning	<u>58,476</u>	<u>102,433</u>	<u>160,909</u>
Fund balances - ending	<u><u>\$ 60,966</u></u>	<u><u>\$ 87,486</u></u>	<u><u>\$ 148,452</u></u>

COUNTY OF CLARKE, VIRGINIA

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

	Parks Construction Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 2,490	\$ 2,490
Intergovernmental:				
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ 2,490</u>
EXPENDITURES				
Capital projects	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ 2,490</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ -	\$ 2,490	\$ 2,490
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>58,476</u>	<u>58,476</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 60,966</u></u>	<u><u>\$ 60,966</u></u>

General Government Capital Projects Fund				
Budgeted Amounts		Actual	Variance with Final Budget	
Original	Final		Positive (Negative)	
\$ -	\$ -	\$ -	\$ -	-
-	241,452	116,281	(125,171)	
-	7,343	7,343	-	
\$ -	\$ 248,795	\$ 123,624	\$ (125,171)	
\$ 520,605	\$ 1,384,467	\$ 787,229	\$ 597,238	
\$ 520,605	\$ 1,384,467	\$ 787,229	\$ 597,238	
\$ (520,605)	\$ (1,135,672)	\$ (663,605)	\$ 472,067	
\$ 520,605	\$ 1,135,672	\$ 648,658	\$ (487,014)	
\$ 520,605	\$ 1,135,672	\$ 648,658	\$ (487,014)	
\$ -	\$ -	\$ (14,947)	\$ (14,947)	
-	-	102,433	102,433	
\$ -	\$ -	\$ 87,486	\$ 87,486	

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

	Custodial Funds			
	Special Welfare Fund	Town of Berryville	Cafeteria Plan Withholding Fund	Total
ASSETS				
Cash and cash equivalents	\$ 18,236	\$ 163,523	\$ 83,394	\$ 265,153
Total assets	<u>\$ 18,236</u>	<u>\$ 163,523</u>	<u>\$ 83,394</u>	<u>\$ 265,153</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2,108	\$ 914	\$ 3,022
Total liabilities	<u>\$ -</u>	<u>\$ 2,108</u>	<u>\$ 914</u>	<u>\$ 3,022</u>
NET POSITION				
Restricted for:				
Special welfare	\$ 18,236	\$ -	\$ -	\$ 18,236
Town of Berryville	-	161,415	-	161,415
Employee benefits	-	-	82,480	82,480
Total net position	<u>\$ 18,236</u>	<u>\$ 161,415</u>	<u>\$ 82,480</u>	<u>\$ 262,131</u>
Total liabilities and net position	<u>\$ 18,236</u>	<u>\$ 163,523</u>	<u>\$ 83,394</u>	<u>\$ 265,153</u>

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

	Custodial Funds			
	Special Welfare	Town of Berryville	Cafeteria Plan Withholding Fund	Total
ADDITIONS				
Special welfare collections	\$ 500	\$ -	\$ -	\$ 500
Interest	6	821	-	827
Collection of shared costs	-	38,439	-	38,439
Employee deferrals	-	-	101,504	101,504
Total additions	<u>\$ 506</u>	<u>\$ 39,260</u>	<u>\$ 101,504</u>	<u>\$ 141,270</u>
DEDUCTIONS				
Welfare costs	\$ 5,178	\$ -	\$ -	\$ 5,178
Town share of maintenance costs	-	50,692	-	50,692
Flexible spending account benefits	-	-	102,885	102,885
Total deductions	<u>\$ 5,178</u>	<u>\$ 50,692</u>	<u>\$ 102,885</u>	<u>\$ 158,755</u>
Net increase (decrease) in fiduciary net position	<u>\$ (4,672)</u>	<u>\$ (11,432)</u>	<u>\$ (1,381)</u>	<u>\$ (17,485)</u>
Net position, beginning of year	<u>\$ 22,908</u>	<u>\$ 172,847</u>	<u>\$ 83,861</u>	<u>\$ 279,616</u>
Net position, end of year	<u><u>\$ 18,236</u></u>	<u><u>\$ 161,415</u></u>	<u><u>\$ 82,480</u></u>	<u><u>\$ 262,131</u></u>

Discretely Presented Component Unit-School Board

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

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 500	\$ 748,886	\$ 336,846	\$ -	\$ 529,748	\$ 1,615,980
Lease receivable	66,346	-	-	-	-	66,346
Due from primary government	1,369,023	-	-	8,352	-	1,377,375
Due from other governmental units	1,029,202	104,768	-	27,633	-	1,161,603
Prepaid items	32,690	-	-	-	-	32,690
Total assets	<u>\$ 2,497,761</u>	<u>\$ 853,654</u>	<u>\$ 336,846</u>	<u>\$ 35,985</u>	<u>\$ 529,748</u>	<u>\$ 4,253,994</u>
LIABILITIES						
Accounts payable	\$ 192,200	\$ 77,634	\$ -	\$ 35,985	\$ -	\$ 305,819
Accrued liabilities	2,218,624	22,188	-	-	-	2,240,812
Unearned revenue	20,270	-	-	-	-	20,270
Total liabilities	<u>\$ 2,431,094</u>	<u>\$ 99,822</u>	<u>\$ -</u>	<u>\$ 35,985</u>	<u>\$ -</u>	<u>\$ 2,566,901</u>
DEFERRED INFLOWS OF RESOURCES						
Lease related	\$ 66,167	\$ -	\$ -	\$ -	\$ -	\$ 66,167
Total deferred inflows of resources	<u>\$ 66,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,167</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	\$ 32,690	\$ -	\$ -	\$ -	\$ -	\$ 32,690
Assigned:						
School operating	500	753,832	-	-	-	754,332
School activities	-	-	336,846	-	-	336,846
Capital projects	-	-	-	-	529,748	529,748
Unassigned	(32,690)	-	-	-	-	(32,690)
Total fund balances	<u>\$ 500</u>	<u>\$ 753,832</u>	<u>\$ 336,846</u>	<u>\$ -</u>	<u>\$ 529,748</u>	<u>\$ 1,620,926</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,497,761</u>	<u>\$ 853,654</u>	<u>\$ 336,846</u>	<u>\$ 35,985</u>	<u>\$ 529,748</u>	<u>\$ 4,253,994</u>

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

Total fund balances per above	\$ 1,620,926
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,114,562
The net pension asset is not an available resource and, therefore, is not reported in the funds.	632,190
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension related items	\$ 4,101,781
OPEB related items	<u>486,823</u>
	4,588,604
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	
Pension related items	\$ (9,503,773)
OPEB related items	<u>(789,253)</u>
	(10,293,026)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(15,318,524)</u>
Net position of governmental activities	<u>\$ 1,344,732</u>

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

	School Operating Fund	School Food Service Fund	School Activity Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Revenue from the use of money and property	\$ 39,547	\$ 2,326	\$ -	\$ -	\$ -	\$ 41,873
Charges for services	145,529	93,345	-	-	-	238,874
Miscellaneous	90,524	-	397,506	-	368,098	856,128
Recovered costs	14,368	5,725	-	-	-	20,093
Intergovernmental:						
Local government	12,591,016	-	-	610,005	-	13,201,021
Commonwealth	9,724,643	41,687	-	120,028	-	9,886,358
Federal	1,372,869	1,303,220	-	51,888	-	2,727,977
Total revenues	\$ 23,978,496	\$ 1,446,303	\$ 397,506	\$ 781,921	\$ 368,098	\$ 26,972,324
EXPENDITURES						
Current:						
Education	\$ 23,978,496	\$ 1,075,612	\$ 354,336	\$ -	\$ -	\$ 25,408,444
Capital projects	-	-	-	781,921	-	781,921
Total expenditures	\$ 23,978,496	\$ 1,075,612	\$ 354,336	\$ 781,921	\$ -	\$ 26,190,365
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 370,691	\$ 43,170	\$ -	\$ 368,098	\$ 781,959
Net change in fund balances	\$ -	\$ 370,691	\$ 43,170	\$ -	\$ 368,098	\$ 781,959
Fund balances - beginning	500	383,141	293,676	-	161,650	838,967
Fund balances - ending	\$ 500	\$ 753,832	\$ 336,846	\$ -	\$ 529,748	\$ 1,620,926

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

Net change in fund balances - total governmental funds - per above	\$ 781,959
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.	(781,603)

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

(56,380)

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. This amount reflects the changes in compensated absences, net OPEB liabilities, and accrued interest payable, etc.

Pension expense	\$ 2,490,044
OPEB expense	62,442
Principal payment on lease liability	32,797
Decrease in compensated absences	102,496
	<u>2,687,779</u>
Change in net position of governmental activities	\$ <u>2,631,755</u>

COUNTY OF CLARKE, VIRGINIA

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

	School Operating Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 48,521	\$ 48,521	\$ 39,547	\$ (8,974)
Charges for services	155,990	155,990	145,529	(10,461)
Miscellaneous	56,379	56,379	90,524	34,145
Recovered costs	21,174	29,174	14,368	(14,806)
Intergovernmental:				
Local government	13,347,572	13,310,434	12,591,016	(719,418)
Commonwealth	9,282,224	9,304,121	9,724,643	420,522
Federal	1,253,728	2,299,170	1,372,869	(926,301)
Total revenues	<u>\$ 24,165,588</u>	<u>\$ 25,203,789</u>	<u>\$ 23,978,496</u>	<u>\$ (1,225,293)</u>
EXPENDITURES				
Current:				
Education	<u>\$ 24,145,588</u>	<u>\$ 25,183,789</u>	<u>\$ 23,978,496</u>	<u>\$ 1,205,293</u>
Total expenditures	<u>\$ 24,145,588</u>	<u>\$ 25,183,789</u>	<u>\$ 23,978,496</u>	<u>\$ 1,205,293</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (20,000)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	(20,000)	(20,000)	-	20,000
Total other financing sources (uses)	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ 20,000</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	500	500
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>

School Food Service Fund				School Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 300	\$ 300	\$ 2,326	\$ 2,026	\$ -	\$ -	\$ -	\$ -
487,005	487,005	93,345	(393,660)	-	-	-	-
-	-	-	-	-	-	397,506	397,506
4,000	4,000	5,725	1,725	-	-	-	-
-	-	-	-	-	-	-	-
9,691	9,691	41,687	31,996	-	-	-	-
300,000	300,000	1,303,220	1,003,220	-	-	-	-
<u>\$ 800,996</u>	<u>\$ 800,996</u>	<u>\$ 1,446,303</u>	<u>\$ 645,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,506</u>	<u>\$ 397,506</u>
<u>\$ 800,996</u>	<u>\$ 800,996</u>	<u>\$ 1,075,612</u>	<u>\$ (274,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,336</u>	<u>\$ (354,336)</u>
<u>\$ 800,996</u>	<u>\$ 800,996</u>	<u>\$ 1,075,612</u>	<u>\$ (274,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,336</u>	<u>\$ (354,336)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 370,691</u>	<u>\$ 370,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,170</u>	<u>\$ 43,170</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ 370,691	\$ 370,691	\$ -	\$ -	\$ 43,170	\$ 43,170
-	-	383,141	383,141	-	-	293,676	293,676
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 753,832</u>	<u>\$ 753,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336,846</u>	<u>\$ 336,846</u>

Balance Sheet
 Nonmajor Capital Project Fund - Discretely Presented Component Unit - School Board
 June 30, 2022

	<u>School Capital Project Proffers Fund</u>
ASSETS	
Cash and cash equivalents	\$ <u>529,748</u>
Total assets	\$ <u><u>529,748</u></u>
FUND BALANCE	
Assigned:	
Capital projects	\$ <u>529,748</u>
Total fund balances	\$ <u>529,748</u>
Total liabilities and fund balances	\$ <u><u>529,748</u></u>

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

	School Capital Project Proffers Fund
	<u> </u>
REVENUES	
Miscellaneous	\$ 368,098
	<u> </u>
Total revenues	\$ 368,098
	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	\$ 368,098
	<u> </u>
Net change in fund balances	\$ 368,098
Fund balances - beginning	161,650
	<u> </u>
Fund balances - ending	\$ 529,748
	<u> </u>

COUNTY OF CLARKE, VIRGINIA

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

	School Capital Projects Proffers Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 368,098	\$ 368,098
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	-	-	-	-
Federal	-	-	-	-
Total revenues	\$ -	\$ -	\$ 368,098	\$ 368,098
EXPENDITURES				
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 368,098	\$ 368,098
Net change in fund balances	\$ -	\$ -	\$ 368,098	\$ 368,098
Fund balances - beginning	-	-	161,650	161,650
Fund balances - ending	\$ -	\$ -	\$ 529,748	\$ 529,748

School Capital Projects Fund			
Budgeted Amounts			Variance with Final Budget
Original	Final	Actual	Positive (Negative)
\$ -	\$ -	\$ -	-
462,000	932,863	610,005	(322,858)
154,000	352,568	120,028	(232,540)
-	801,518	51,888	(749,630)
<u>\$ 616,000</u>	<u>\$ 2,086,949</u>	<u>\$ 781,921</u>	<u>\$ (1,305,028)</u>
<u>\$ 616,000</u>	<u>\$ 2,086,949</u>	<u>\$ 781,921</u>	<u>\$ 1,305,028</u>
<u>\$ 616,000</u>	<u>\$ 2,086,949</u>	<u>\$ 781,921</u>	<u>\$ 1,305,028</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Discretely Presented Component Unit – Sanitary Authority

Combining Statement of Net Position
 Discretely Presented Component Unit - Sanitary Authority
 As of June 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 530,677	\$ 420,863	\$ 951,540
Accounts receivable	68,524	75,480	144,004
Prepaid items	399	380	779
Total current assets	\$ 599,600	\$ 496,723	\$ 1,096,323
Noncurrent assets:			
Capital assets:			
Land	\$ 13,200	\$ -	\$ 13,200
Utility plant in service	6,833,232	7,048,835	13,882,067
Accumulated depreciation	(3,460,000)	(2,303,603)	(5,763,603)
Sub-total	\$ 3,386,432	\$ 4,745,232	\$ 8,131,664
Total capital assets	\$ 3,386,432	\$ 4,745,232	\$ 8,131,664
Total noncurrent assets	\$ 3,386,432	\$ 4,745,232	\$ 8,131,664
Total assets	\$ 3,986,032	\$ 5,241,955	\$ 9,227,987
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 41,014	\$ 15,816	\$ 56,830
Accrued interest payable	3,408	-	3,408
Customers' deposits	6,750	600	7,350
Bonds payable - current portion	129,194	207,052	336,246
Total current liabilities	\$ 180,366	\$ 223,468	\$ 403,834
Noncurrent liabilities:			
Bonds payable - net of current portion	\$ 811,260	\$ 1,413,052	\$ 2,224,312
Total noncurrent liabilities	\$ 811,260	\$ 1,413,052	\$ 2,224,312
Total liabilities	\$ 991,626	\$ 1,636,520	\$ 2,628,146
NET POSITION			
Net investment in capital assets	\$ 2,445,978	\$ 3,125,128	\$ 5,571,106
Unrestricted	548,428	480,307	1,028,735
Total net position	\$ 2,994,406	\$ 3,605,435	\$ 6,599,841

Combining Statement of Revenues, Expenses, and Changes in Net Position
 Discretely Presented Component Unit - Sanitary Authority
 For the Year Ended June 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for services:			
Customer service charges	\$ 289,606	\$ 319,581	\$ 609,187
Connection fees	1,150	400	1,550
Availability fees	27,600	16,200	43,800
Coronavirus relief funds	21,714	21,714	43,428
Miscellaneous	7,776	12,861	20,637
Total operating revenues	\$ 347,846	\$ 370,756	\$ 718,602
OPERATING EXPENSES			
Office supplies and expenses	\$ 11,150	\$ 10,862	\$ 22,012
Plant maintenance	1,575	20,355	21,930
Pipeline/road repairs	12,906	-	12,906
Pump station maintenance	-	4,554	4,554
Operating supplies / small equipment	7,977	46,085	54,062
Professional services	111,049	142,816	253,865
Salaries and wages	20,245	20,245	40,490
Benefits	8,979	8,979	17,958
Testing services	3,344	12,973	16,317
Utilities	22,067	70,785	92,852
Depreciation	166,106	194,268	360,374
Total operating expenses	\$ 365,398	\$ 531,922	\$ 897,320
Operating income (loss)	\$ (17,552)	\$ (161,166)	\$ (178,718)
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ 2,840	\$ 1,409	\$ 4,249
Tower rental	144,992	-	144,992
County operating subsidy	-	207,000	207,000
Transfers	(72,000)	72,000	-
Interest expense	(13,890)	-	(13,890)
Total nonoperating revenues (expenses)	\$ 61,942	\$ 280,409	\$ 342,351
Change in net position	\$ 44,390	\$ 119,243	\$ 163,633
Total net position - beginning, as restated	2,950,016	3,486,192	6,436,208
Total net position - ending	\$ 2,994,406	\$ 3,605,435	\$ 6,599,841

Combining Statement of Cash Flows
Discretely Presented Component Unit - Sanitary Authority
For the Year Ended June 30, 2022

	Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 336,838	\$ 367,252	\$ 704,090
Payments to suppliers	(145,548)	(317,350)	(462,898)
Payments to and on behalf of employees	(29,224)	(29,224)	(58,448)
Net cash provided by (used for) operating activities	\$ 162,066	\$ 20,678	\$ 182,744
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Tower rental	\$ 144,992	\$ -	\$ 144,992
Transfers	(72,000)	72,000	-
Operating subsidy from Clarke County	-	207,000	207,000
Net cash provided by (used for) noncapital financing activities	\$ 72,992	\$ 279,000	\$ 351,992
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of property, plant and equipment	\$ (153,605)	\$ (39,087)	\$ (192,692)
Retirements of long-term indebtedness	(127,788)	(207,052)	(334,840)
Interest paid on debt	(13,890)	-	(13,890)
Net cash provided by (used for) capital and related financing activities	\$ (295,283)	\$ (246,139)	\$ (541,422)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	\$ 2,840	\$ 1,409	\$ 4,249
Net cash provided by (used for) investing activities	\$ 2,840	\$ 1,409	\$ 4,249
Net increase (decrease) in cash and cash equivalents	\$ (57,385)	\$ 54,948	\$ (2,437)
Cash and cash equivalents - beginning	588,062	365,915	953,977
Cash and cash equivalents - ending	\$ 530,677	\$ 420,863	\$ 951,540
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (17,552)	\$ (161,166)	\$ (178,718)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	166,106	194,268	360,374
(Increase) decrease in accounts receivable	7,719	15,723	23,442
(Increase) decrease in prepaid items	(168)	(380)	(548)
Increase (decrease) in accounts payable	24,688	(8,540)	16,148
Increase (decrease) in customers' deposits	500	-	500
Increase (decrease) unearned revenue	(19,227)	(19,227)	(38,454)
Total adjustments	\$ 179,618	\$ 181,844	\$ 361,462
Net cash provided by (used for) operating activities	\$ 162,066	\$ 20,678	\$ 182,744

Discretely Presented Component Unit-Industrial Development Authority

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

	<u>Industrial Development Authority</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 36,530
Investments	113,063
Prepaid items	<u>1,324</u>
Total assets	<u>\$ 150,917</u>
NET POSITION	
Unrestricted	<u>150,917</u>

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

	<u>Industrial Development Authority</u>
OPERATING REVENUES	
Charges for services:	
Bond repayment and application fees	\$ <u>7,291</u>
Total operating revenues	\$ <u>7,291</u>
OPERATING EXPENSES	
Contribution to Lord Fairfax Small Business Park	\$ 6,000
Board members' fee	1,050
Insurance	<u>1,327</u>
Total operating expenses	\$ <u>8,377</u>
Operating income (loss)	\$ <u>(1,086)</u>
NONOPERATING REVENUES (EXPENSES)	
Unrealized gain (loss) on investments	\$ (14,212)
Interest/dividend income	<u>5,181</u>
Total nonoperating revenues (expenses)	\$ <u>(9,031)</u>
Change in net position	\$ (10,117)
Total net position - beginning	<u>161,034</u>
Total net position - ending	<u><u>\$ 150,917</u></u>

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

	<u>Industrial Development Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 7,291
Payments to board	(1,050)
Payments to suppliers	<u>(7,255)</u>
Net cash provided (used) by operating activities	<u>\$ (1,014)</u>
Net increase (decrease) in cash and cash equivalents	\$ (1,014)
Cash and cash equivalents - beginning	<u>37,544</u>
Cash and cash equivalents - ending	<u><u>\$ 36,530</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (1,086)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
(Increase) decrease in prepaid items	<u>\$ 72</u>
Total adjustments	<u>\$ 72</u>
Net cash provided by (used for) operating activities	<u><u>\$ (1,014)</u></u>

Supporting Schedules

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

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 15,031,293	\$ 15,031,293	\$ 15,072,030	\$ 40,737
Real and personal public service corporation taxes	406,014	406,014	452,417	46,403
Personal property taxes	5,277,789	5,277,789	6,948,452	1,670,663
Mobile home taxes	700	700	735	35
Machinery and tools taxes	169,680	169,680	193,587	23,907
Penalties	191,418	191,418	263,656	72,238
Interest	126,482	126,482	136,908	10,426
Total general property taxes	<u>\$ 21,203,376</u>	<u>\$ 21,203,376</u>	<u>\$ 23,067,785</u>	<u>\$ 1,864,409</u>
Other local taxes:				
Local sales and use taxes	\$ 1,400,000	\$ 1,400,000	\$ 1,536,477	\$ 136,477
Consumers' utility taxes	355,000	355,000	336,473	(18,527)
Consumption taxes	34,351	34,351	34,984	633
Cigarette taxes	100,000	100,000	216,489	116,489
Motor vehicle licenses	315,000	315,000	355,829	40,829
Meals taxes	150,000	150,000	191,715	41,715
Taxes on recordation and wills	357,852	357,852	418,247	60,395
Transient occupancy taxes	61,250	61,250	90,310	29,060
Business license taxes	20,940	20,940	24,135	3,195
Total other local taxes	<u>\$ 2,794,393</u>	<u>\$ 2,794,393</u>	<u>\$ 3,204,659</u>	<u>\$ 410,266</u>
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,385	\$ 5,385	\$ 4,185	\$ (1,200)
Land use application fees	5,250	5,250	6,900	1,650
Animal shelter fees	6,370	6,370	9,930	3,560
Building and related permits	260,292	260,292	358,237	97,945
Zoning and subdivision	84,748	84,748	96,636	11,888
Transfer fees	522	522	677	155
Signs permits and inspection fees	300	300	-	(300)
Weapons permits	7,000	7,000	4,902	(2,098)
Other permits and fees	4,895	4,895	4,505	(390)
Total permits, privilege fees, and regulatory licenses	<u>\$ 374,762</u>	<u>\$ 374,762</u>	<u>\$ 485,972</u>	<u>\$ 111,210</u>
Fines and forfeitures:				
Court fines and forfeitures	\$ 257,000	\$ 257,000	\$ 188,427	\$ (68,573)
Total fines and forfeitures	<u>\$ 257,000</u>	<u>\$ 257,000</u>	<u>\$ 188,427</u>	<u>\$ (68,573)</u>
Revenue from use of money and property:				
Revenue from use of money	\$ 100,000	\$ 100,000	\$ 70,878	\$ (29,122)
Revenue from use of property	66,000	66,000	57,000	(9,000)
Total revenue from use of money and property	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 127,878</u>	<u>\$ (38,122)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Sheriff's fees	\$ 796	\$ 796	\$ 1,450	\$ 654
Charges for ambulance and rescue	450,000	450,000	556,608	106,608
Charges for courthouse security	50,000	50,000	64,053	14,053
Charges for jail processing	1,180	1,180	613	(567)
Court appointed attorney	206	206	120	(86)
Charges for other localities	5,000	5,000	5,000	-
Charges for Commonwealth's Attorney	1,607	1,607	740	(867)
Charges for parks and recreation	395,900	395,900	408,197	12,297
Charges for engineer's fees/biosolids applications	7,500	7,500	20,950	13,450
E-tickets	18,000	18,000	11,303	(6,697)
Other charges for services	20,230	20,230	21,843	1,613
Total charges for services	\$ 950,419	\$ 950,419	\$ 1,090,877	\$ 140,458
Miscellaneous:				
Miscellaneous	\$ 71,610	\$ 74,610	\$ 90,068	\$ 15,458
Total miscellaneous	\$ 71,610	\$ 74,610	\$ 90,068	\$ 15,458
Recovered costs:				
Rebates and refunds	\$ 5,000	\$ 5,000	\$ 7,674	\$ 2,674
Insurance recovery	7,500	7,500	1,689	(5,811)
Gifts and donations in lieu of taxes	1,000	1,000	1,910	910
Sale of salvage	5,101	5,101	-	(5,101)
Loan repayment	918	918	918	-
Recycling and other rebates and refunds	23,858	23,858	27,474	3,616
Total recovered costs	\$ 43,377	\$ 43,377	\$ 39,665	\$ (3,712)
Total revenue from local sources	\$ 25,860,937	\$ 25,863,937	\$ 28,295,331	\$ 2,431,394
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 23,000	\$ 23,000	\$ 21,670	\$ (1,330)
Taxes on deeds	73,824	73,824	103,231	29,407
Quarterly rental tax	-	-	300	300
Communications tax	335,000	335,000	306,863	(28,137)
Personal property tax relief funds	2,483,842	2,483,842	2,483,842	-
Total noncategorical aid	\$ 2,915,666	\$ 2,915,666	\$ 2,915,981	\$ 315

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2020 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 210,066	\$ 210,066	\$ 209,237	\$ (829)
Sheriff	843,260	885,244	842,785	(42,459)
Commissioner of revenue	92,167	92,167	91,877	(290)
Treasurer	121,244	121,244	120,515	(729)
Registrar/electoral board	39,594	50,076	63,794	13,718
Clerk of the Circuit Court	182,969	182,969	227,333	44,364
Total shared expenses	<u>\$ 1,489,300</u>	<u>\$ 1,541,766</u>	<u>\$ 1,555,541</u>	<u>\$ 13,775</u>
Other categorical aid:				
Fire programs fund	\$ 53,500	\$ 53,500	\$ 37,480	\$ (16,020)
Litter control grant	5,000	7,981	7,981	-
Virginia Commission for the Arts	4,500	4,500	4,500	-
Other categorical aid	53,814	141,368	115,091	(26,277)
Total other categorical aid	<u>\$ 116,814</u>	<u>\$ 207,349</u>	<u>\$ 165,052</u>	<u>\$ (42,297)</u>
Total categorical aid	<u>\$ 1,606,114</u>	<u>\$ 1,749,115</u>	<u>\$ 1,720,593</u>	<u>\$ (28,522)</u>
Total revenue from the Commonwealth	<u>\$ 4,521,780</u>	<u>\$ 4,664,781</u>	<u>\$ 4,636,574</u>	<u>\$ (28,207)</u>
Revenue from the federal government:				
Payments in lieu of taxes	\$ 7,129	\$ 7,129	\$ 6,880	\$ (249)
Categorical aid:				
Crime victim assistance	\$ 72,191	\$ 72,191	\$ 51,151	\$ (21,040)
Fiscal recovery funds (ARPA)	-	2,862,226	75,625	(2,786,601)
SCAAP grant	1,689	1,689	-	(1,689)
Emergency management	14,123	14,123	7,500	(6,623)
DMV 402 grant	14,625	14,625	14,271	(354)
SAFER grant	184,962	184,962	192,224	7,262
Local law enforcement block grant	700	2,846	2,146	(700)
American battlefield protection	-	39,427	35,606	(3,821)
Violence against women formula grants	28,053	28,053	28,053	-
Total categorical aid	<u>\$ 316,343</u>	<u>\$ 3,220,142</u>	<u>\$ 406,576</u>	<u>\$ (2,813,566)</u>
Total revenue from the federal government	<u>\$ 323,472</u>	<u>\$ 3,227,271</u>	<u>\$ 413,456</u>	<u>\$ (2,813,815)</u>
Total General Fund	<u>\$ 30,706,189</u>	<u>\$ 33,755,989</u>	<u>\$ 33,345,361</u>	<u>\$ (410,628)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Revenue from local sources:				
Recovered costs:				
Expenditure refunds	\$ -	\$ -	\$ 337	\$ 337
Total recovered costs	\$ -	\$ -	\$ 337	\$ 337
Total revenue from local sources	\$ -	\$ -	\$ 337	\$ 337
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 524,141	\$ 576,523	\$ 381,428	\$ (195,095)
Total categorical aid	\$ 524,141	\$ 576,523	\$ 381,428	\$ (195,095)
Total revenue from the Commonwealth	\$ 524,141	\$ 576,523	\$ 381,428	\$ (195,095)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ 552,184	\$ 556,493	\$ 774,475	\$ 217,982
Total categorical aid	\$ 552,184	\$ 556,493	\$ 774,475	\$ 217,982
Total revenue from the federal government	\$ 552,184	\$ 556,493	\$ 774,475	\$ 217,982
Total Virginia Public Assistance Fund	\$ 1,076,325	\$ 1,133,016	\$ 1,156,240	\$ 23,224
Children's Services Act Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 5,144	\$ 5,144
Total miscellaneous	\$ -	\$ -	\$ 5,144	\$ 5,144
Total revenue from local sources	\$ -	\$ -	\$ 5,144	\$ 5,144
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Children's services	\$ 163,569	\$ 163,569	\$ 150,922	\$ (12,647)
Total categorical aid	\$ 163,569	\$ 163,569	\$ 150,922	\$ (12,647)
Total revenue from the Commonwealth	\$ 163,569	\$ 163,569	\$ 150,922	\$ (12,647)
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ -	\$ -	\$ 6,571	\$ 6,571
Total categorical aid	\$ -	\$ -	\$ 6,571	\$ 6,571
Total revenue from the federal government	\$ -	\$ -	\$ 6,571	\$ 6,571
Total Children's Services Act Fund	\$ 163,569	\$ 163,569	\$ 162,637	\$ (932)

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Drug Enforcement Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 546	\$ 546
Revenue from the use of property				-
Total revenue from use of money and property	\$ -	\$ -	\$ 546	\$ 546
Miscellaneous:				
Gifts and donations	\$ -	\$ -	\$ 2,396	\$ 2,396
Total miscellaneous	\$ -	\$ -	\$ 2,396	\$ 2,396
Total revenue from local sources	\$ -	\$ -	\$ 2,942	\$ 2,942
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Asset forfeiture	\$ -	\$ -	\$ 7,908	\$ 7,908
Total revenue from the Commonwealth	\$ -	\$ -	\$ 7,908	\$ 7,908
Total drug enforcement fund	\$ -	\$ -	\$ 10,850	\$ 10,850
Conservation Easement Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ -	\$ -	\$ 31,116	\$ 31,116
Revenue from use of money and property:				
Revenue from use of money	\$ -	\$ -	\$ 1,834	\$ 1,834
Miscellaneous:				
Miscellaneous	\$ 15,000	\$ 15,000	\$ 38,210	\$ 23,210
Total revenue from local sources	\$ 15,000	\$ 15,000	\$ 71,160	\$ 56,160
Intergovernmental:				
Revenue from the Commonwealth:				
Other categorical aid:				
Conservation easement grants	\$ 30,000	\$ 338,732	\$ 340,026	\$ 1,294
Revenue from the federal government:				
Categorical aid:				
Conservation easement grants	\$ -	\$ 292,250	\$ 293,000	\$ 750
Total Conservation Easement Fund	\$ 45,000	\$ 645,982	\$ 704,186	\$ 58,204

Schedule of Revenues - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Funds:				
School Debt Service Fund				
Revenue from local sources:				
Miscellaneous:				
Expenditure refunds	\$ 107,344	\$ 107,344	\$ 107,439	\$ 95
Total revenue from local sources	<u>\$ 107,344</u>	<u>\$ 107,344</u>	<u>\$ 107,439</u>	<u>\$ 95</u>
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
BAB interest subsidy	\$ 93,125	\$ 93,125	\$ 34,937	\$ (58,188)
Total School Debt Service Fund	<u>\$ 200,469</u>	<u>\$ 200,469</u>	<u>\$ 142,376</u>	<u>\$ (58,093)</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Other categorical aid	\$ -	\$ 241,452	\$ 116,281	\$ (125,171)
Total revenue from the Commonwealth	<u>\$ -</u>	<u>\$ 241,452</u>	<u>\$ 116,281</u>	<u>\$ (125,171)</u>
Revenue from the federal government:				
Categorical aid:				
Other categorical aid	\$ 932,095	\$ 939,438	\$ 7,343	\$ (932,095)
Total categorical aid	<u>\$ 932,095</u>	<u>\$ 939,438</u>	<u>\$ 7,343</u>	<u>\$ (932,095)</u>
Total revenue from the federal government	<u>\$ 932,095</u>	<u>\$ 939,438</u>	<u>\$ 7,343</u>	<u>\$ (932,095)</u>
Total General Government Capital Projects Fund	<u>\$ 932,095</u>	<u>\$ 1,180,890</u>	<u>\$ 123,624</u>	<u>\$ (1,057,266)</u>
Parks Construction Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 2,490	\$ 2,490
Total revenue from use of money and property	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ 2,490</u>
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ 2,490</u>
Total Parks Construction Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ 2,490</u>
Total Primary Government	<u>\$ 33,123,647</u>	<u>\$ 37,079,915</u>	<u>\$ 35,647,764</u>	<u>\$ (1,432,151)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 48,521	\$ 48,521	\$ 39,547	\$ (8,974)
Charges for services:				
Tuition	\$ 68,530	\$ 68,530	\$ 75,061	\$ 6,531
Dual enrollment	60,000	60,000	54,398	(5,602)
Registration fees	25,000	25,000	16,070	(8,930)
Parking fees	2,460	2,460	-	(2,460)
Total charges for services	<u>\$ 155,990</u>	<u>\$ 155,990</u>	<u>\$ 145,529</u>	<u>\$ (10,461)</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Other miscellaneous	\$ 35,000	\$ 35,000	\$ 68,153	\$ 33,153
Private gifts and donations	21,379	21,379	22,371	992
Total miscellaneous	<u>\$ 56,379</u>	<u>\$ 56,379</u>	<u>\$ 90,524</u>	<u>\$ 34,145</u>
Recovered costs:				
Rebates and refunds	\$ 4,625	\$ 12,625	\$ 11,274	\$ (1,351)
Insurance recoveries	10,900	10,900	1,131	(9,769)
Sale of equipment	5,649	5,649	1,963	(3,686)
Total recovered costs	<u>\$ 21,174</u>	<u>\$ 29,174</u>	<u>\$ 14,368</u>	<u>\$ (14,806)</u>
Total revenue from local sources	<u>\$ 282,064</u>	<u>\$ 290,064</u>	<u>\$ 289,968</u>	<u>\$ (96)</u>
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 13,347,572	\$ 13,310,434	\$ 12,591,016	\$ (719,418)
Total revenues from local governments	<u>\$ 13,347,572</u>	<u>\$ 13,310,434</u>	<u>\$ 12,591,016</u>	<u>\$ (719,418)</u>
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,508,896	\$ 2,508,896	\$ 3,128,237	\$ 619,341
At risk payments	52,530	52,530	55,620	3,090
Basic school aid	3,752,036	3,752,036	3,849,866	97,830
Foster home children	-	3,235	7,564	4,329
Gifted and talented children	39,508	39,508	41,928	2,420
Homebound education	3,114	3,114	51	(3,063)
Special education - soq	545,059	545,059	578,446	33,387
Special education - foster children	3,235	-	25,341	25,341
Vocational education - soq	107,548	107,548	114,136	6,588
Vocational equipment	8,224	8,224	-	(8,224)
Vocational - occupational	-	-	3,618	3,618
Textbook payments	78,627	78,627	65,066	(13,561)
Remedial education	59,261	59,261	62,891	3,630
Share of fringe benefits	797,468	797,468	846,317	48,849
Remedial summer school	20,949	20,949	46,088	25,139
Industry certification program	3,432	3,432	2,689	(743)
Mentor teacher program	2,251	2,251	2,045	(206)
SOL algebra readiness	9,429	9,429	9,426	(3)
Early intervention	24,890	24,890	54,447	29,557
Salary supplement/bonus	5,000	5,000	-	(5,000)
Compensation supplement	547,991	547,991	588,313	40,322
Project graduation	4,206	4,206	3,725	(481)
ISAEP	8,386	8,386	8,233	(153)
English as a second language	37,613	37,613	47,016	9,403
No loss funding	-	446,241	-	(446,241)
Other categorical aid	662,571	238,227	183,580	(54,647)
Total categorical aid	<u>\$ 9,282,224</u>	<u>\$ 9,304,121</u>	<u>\$ 9,724,643</u>	<u>\$ 420,522</u>
Total revenue from the Commonwealth	<u>\$ 9,282,224</u>	<u>\$ 9,304,121</u>	<u>\$ 9,724,643</u>	<u>\$ 420,522</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Title I part A: Grants to local educational agencies	\$ 176,582	\$ 176,582	\$ 163,225	\$ (13,357)
Title II part A: Improving teacher quality	38,331	38,331	44,939	6,608
Title III, Part A: English language acquisition grants	6,250	6,250	6,228	(22)
Title IV, Part A: Student support and academic enrichment grants	13,726	13,726	12,833	(893)
Medicaid	8,165	8,165	2,070	(6,095)
Vocational education basic grants to states	22,628	22,628	23,758	1,130
Title VI-B: Special education grants to states	405,000	504,546	582,098	77,552
Special education preschool handicapped grant	17,540	24,781	23,534	(1,247)
Coronavirus Relief Fund	565,506	125,400	8,439	(116,961)
Education Stabilization Fund	-	1,378,761	505,745	(873,016)
Total categorical aid	<u>\$ 1,253,728</u>	<u>\$ 2,299,170</u>	<u>\$ 1,372,869</u>	<u>\$ (926,301)</u>
Total revenue from the federal government	<u>\$ 1,253,728</u>	<u>\$ 2,299,170</u>	<u>\$ 1,372,869</u>	<u>\$ (926,301)</u>
Total School Operating Fund	<u>\$ 24,165,588</u>	<u>\$ 25,203,789</u>	<u>\$ 23,978,496</u>	<u>\$ (1,225,293)</u>
Special Revenue Funds:				
School Food Service Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ 300	\$ 300	\$ 2,326	\$ 2,026
Total revenue from use of money and property	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 2,326</u>	<u>\$ 2,026</u>
Charges for services:				
Cafeteria sales	\$ 487,005	\$ 487,005	\$ 80,520	\$ (406,485)
Other charges for services	-	-	12,825	12,825
Total charges for services	<u>\$ 487,005</u>	<u>\$ 487,005</u>	<u>\$ 93,345</u>	<u>\$ (393,660)</u>
Recovered costs:				
Expenditure refunds and rebates	\$ 4,000	\$ 4,000	\$ 5,725	\$ 1,725
Total recovered costs	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 5,725</u>	<u>\$ 1,725</u>
Total revenue from local sources	<u>\$ 491,305</u>	<u>\$ 491,305</u>	<u>\$ 101,396</u>	<u>\$ (389,909)</u>
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 9,691	\$ 9,691	\$ 41,687	\$ 31,996
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 300,000	\$ 300,000	\$ 1,293,448	\$ 993,448
Education Stabilization Fund	-	-	9,772	9,772
Total categorical aid	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,303,220</u>	<u>\$ 1,003,220</u>
Total revenue from the federal government	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,303,220</u>	<u>\$ 1,003,220</u>
Total School Food Service Fund	<u>\$ 800,996</u>	<u>\$ 800,996</u>	<u>\$ 1,446,303</u>	<u>\$ 645,307</u>

Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2022 (continued)

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board: (Continued)				
School Activity Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 397,506	\$ 397,506
Total miscellaneous revenue	\$ -	\$ -	\$ 397,506	\$ 397,506
Total revenue from local sources	\$ -	\$ -	\$ 397,506	\$ 397,506
Total School Activity Fund	\$ -	\$ -	\$ 397,506	\$ 397,506
Capital Projects Funds:				
School Capital Projects Fund:				
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Clarke, Virginia	\$ 462,000	\$ 932,863	\$ 610,005	\$ (322,858)
Total revenues from local governments	\$ 462,000	\$ 932,863	\$ 610,005	\$ (322,858)
Revenue from the Commonwealth:				
Categorical aid:				
Technology grant	\$ 154,000	\$ 352,568	\$ 120,028	\$ (232,540)
Total revenue from the Commonwealth	\$ 154,000	\$ 352,568	\$ 120,028	\$ (232,540)
Revenue from the federal government:				
Categorical aid:				
Education Stabilization Fund	\$ -	\$ 456,791	\$ 24,255	\$ (432,536)
State and Local Fiscal Recovery Fund	-	344,727	27,633	(317,094)
Total categorical aid	\$ -	\$ 801,518	\$ 51,888	\$ (749,630)
Total revenue from the federal government	\$ -	\$ 801,518	\$ 51,888	\$ (749,630)
Total School Capital Projects Fund	\$ 616,000	\$ 2,086,949	\$ 781,921	\$ (1,305,028)
Capital Projects Fund:				
School Capital Projects Proffers Fund:				
Revenue from local sources:				
Miscellaneous revenue:				
Gifts and donations	\$ -	\$ -	\$ 368,098	\$ 368,098
Total School Capital Projects Proffers Fund	\$ -	\$ -	\$ 368,098	\$ 368,098
Total Discretely Presented Component Unit - School Board	\$ 25,582,584	\$ 28,091,734	\$ 26,972,324	\$ (1,119,410)

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 56,814	\$ 55,137	\$ 55,710	\$ (573)
General and financial administration:				
County administrator	\$ 398,888	\$ 394,958	\$ 395,516	\$ (558)
Independent auditor	47,000	47,000	47,720	(720)
Legal services	25,000	69,798	69,798	-
Commissioner of revenue	225,184	240,117	241,011	(894)
Data processing	489,861	496,973	457,159	39,814
Information systems	64,853	65,806	66,101	(295)
Finance and purchasing	610,039	610,039	577,336	32,703
Treasurer	353,406	364,004	365,054	(1,050)
Total general and financial administration	\$ 2,214,231	\$ 2,288,695	\$ 2,219,695	\$ 69,000
Board of elections:				
Registrar	\$ 108,277	\$ 121,320	\$ 119,729	\$ 1,591
Electoral board and officials	84,048	84,239	71,365	12,874
Total board of elections	\$ 192,325	\$ 205,559	\$ 191,094	\$ 14,465
Total general government administration	\$ 2,463,370	\$ 2,549,391	\$ 2,466,499	\$ 82,892
Judicial administration:				
Courts:				
Circuit court	\$ 19,860	\$ 51,526	\$ 20,052	\$ 31,474
General district court	8,620	8,620	8,012	608
Magistrate	50	50	-	50
Juvenile and domestic relations court	6,400	6,400	5,289	1,111
Clerk of the circuit court	270,338	273,043	268,917	4,126
Victim Witness Program	72,191	72,191	69,578	2,613
Regional court services	6,930	6,930	6,930	-
Blue Ridge legal services	1,500	1,500	1,500	-
Total courts	\$ 385,889	\$ 420,260	\$ 380,278	\$ 39,982
Commonwealth's attorney:				
Commonwealth's attorney	\$ 425,259	\$ 431,461	\$ 402,074	\$ 29,387
Total commonwealth's attorney	\$ 425,259	\$ 431,461	\$ 402,074	\$ 29,387
Total judicial administration	\$ 811,148	\$ 851,721	\$ 782,352	\$ 69,369

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 2,859,691	\$ 3,003,753	\$ 2,964,059	\$ 39,694
Criminal justice training	19,593	19,593	19,422	171
Drug task force	12,500	12,865	12,865	-
Total law enforcement and traffic control	<u>\$ 2,891,784</u>	<u>\$ 3,036,211</u>	<u>\$ 2,996,346</u>	<u>\$ 39,865</u>
Fire and rescue services:				
Emergency medical services	\$ 1,658,265	\$ 1,691,772	\$ 1,629,352	\$ 62,420
Fire and rescue departments	558,300	557,206	469,896	87,310
Lord Fairfax Emergency Medical Services	6,575	6,575	6,575	-
Forestry services	2,874	2,874	2,873	1
Total fire and rescue services	<u>\$ 2,226,014</u>	<u>\$ 2,258,427</u>	<u>\$ 2,108,696</u>	<u>\$ 149,731</u>
Correction and detention:				
Regional jail	\$ 520,285	\$ 520,285	\$ 509,978	\$ 10,307
Juvenile detention home	36,168	37,700	37,700	-
Probation office	400	400	48	352
Total correction and detention	<u>\$ 556,853</u>	<u>\$ 558,385</u>	<u>\$ 547,726</u>	<u>\$ 10,659</u>
Inspections:				
Building	\$ 251,409	\$ 260,277	\$ 244,478	\$ 15,799
Total inspections	<u>\$ 251,409</u>	<u>\$ 260,277</u>	<u>\$ 244,478</u>	<u>\$ 15,799</u>
Other protection:				
Animal control	\$ 139,852	\$ 139,852	\$ 103,132	\$ 36,720
Medical examiner	200	360	360	-
Total other protection	<u>\$ 140,052</u>	<u>\$ 140,212</u>	<u>\$ 103,492</u>	<u>\$ 36,720</u>
Total public safety	<u>\$ 6,066,112</u>	<u>\$ 6,253,512</u>	<u>\$ 6,000,738</u>	<u>\$ 252,774</u>
Public works:				
Sanitation and waste removal:				
Refuse collection and disposal	\$ 180,000	\$ 183,363	\$ 183,363	\$ -
Sanitation	244,000	245,860	240,644	5,216
Convenience center services	72,708	88,691	88,691	-
Litter control program	4,000	7,981	7,981	-
Total sanitation and waste removal	<u>\$ 500,708</u>	<u>\$ 525,895</u>	<u>\$ 520,679</u>	<u>\$ 5,216</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public Works: (continued)				
Maintenance of general buildings and grounds:				
General properties	\$ 859,905	\$ 849,451	\$ 849,649	\$ (198)
Total maintenance of general buildings and grounds	\$ 859,905	\$ 849,451	\$ 849,649	\$ (198)
Total public works	\$ 1,360,613	\$ 1,375,346	\$ 1,370,328	\$ 5,018
Health and welfare:				
Health:				
Supplement of local health department	\$ 193,642	\$ 193,642	\$ 192,367	\$ 1,275
Our Health	6,500	6,500	6,500	-
Total health	\$ 200,142	\$ 200,142	\$ 198,867	\$ 1,275
Mental health and mental retardation:				
Northwestern Community Services	\$ 96,350	\$ 96,350	\$ 96,350	-
Concern Hotline	1,500	1,500	1,500	-
Northern Shen. Valley Substance Abuse Coalition	15,000	15,000	15,000	-
Total mental health and mental retardation	\$ 112,850	\$ 112,850	\$ 112,850	-
Welfare:				
Shenandoah area on aging	\$ 40,000	\$ 40,000	\$ 40,000	-
Virginia Regional Transit	19,302	19,302	19,302	-
FISH human services	1,000	1,000	1,000	-
Abused women's shelter	4,000	29,000	29,000	-
Tax relief for the elderly	215,000	215,000	192,907	22,093
Independent living center	1,000	1,000	1,000	-
Total welfare	\$ 280,302	\$ 305,302	\$ 283,209	\$ 22,093
Total health and welfare	\$ 593,294	\$ 618,294	\$ 594,926	\$ 23,368
Education:				
Other instructional costs:				
Contribution to Clarke County Public Schools	\$ 13,809,572	\$ 14,280,435	\$ 13,201,020	\$ 1,079,415
Lord Fairfax Community College	17,965	17,965	17,965	-
Total education	\$ 13,827,537	\$ 14,298,400	\$ 13,218,985	\$ 1,079,415
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 502,060	\$ 519,906	\$ 506,229	\$ 13,677
Recreation center	131,987	135,646	135,945	(299)
Swimming pool	94,032	94,412	75,844	18,568
Concession stand	16,524	16,524	16,259	265
Programs	325,392	330,136	183,667	146,469
Total parks and recreation	\$ 1,069,995	\$ 1,096,624	\$ 917,944	\$ 178,680

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Parks, recreation, and culture: (continued)				
Cultural enrichment:				
Barns of Rose Hill	\$ 6,750	\$ 11,750	\$ 11,750	\$ -
Virginia commission for the arts	9,000	9,000	9,000	-
Total cultural enrichment	\$ 15,750	\$ 20,750	\$ 20,750	\$ -
Library:				
Contribution to Handley library	\$ 279,238	\$ 279,238	\$ 279,238	\$ -
Total library	\$ 279,238	\$ 279,238	\$ 279,238	\$ -
Total parks, recreation, and cultural	\$ 1,364,983	\$ 1,396,612	\$ 1,217,932	\$ 178,680
Community development:				
Planning and community development:				
Planning administration	\$ 481,021	\$ 465,132	\$ 449,035	\$ 16,097
Help with housing	2,500	2,500	2,500	-
Board of zoning appeals	3,520	24,519	24,519	-
Office of Economic Development	158,900	188,900	123,129	65,771
Berryville Development Authority	900	900	436	464
Small business development center	2,000	2,000	2,000	-
Blandy Experimental Farm	3,000	3,000	3,000	-
Planning commission	14,389	14,389	10,768	3,621
Board of septic appeals	1,566	1,588	249	1,339
Historic preservation	13,400	74,931	41,295	33,636
Northern Shenandoah Valley Regional Commission	10,694	10,694	10,694	-
Berryville Main St	3,500	3,500	3,500	-
Regional airport	5,000	5,000	5,000	-
Other - broadband	-	2,798,584	-	2,798,584
Total planning and community development	\$ 700,390	\$ 3,595,637	\$ 676,125	\$ 2,919,512
Environmental management:				
Friends of the Shenandoah	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Water quality monitoring	30,000	30,000	25,790	4,210
Lord Fairfax Soil and Water Conservation	5,000	5,000	5,000	-
Biosolids Application	1,106	1,106	257	849
Total environmental management	\$ 44,106	\$ 44,106	\$ 39,047	\$ 5,059
Cooperative extension program:				
Cooperative extension service	\$ 52,134	\$ 52,134	\$ 41,907	\$ 10,227
Northern Virginia 4-H Center	2,500	2,500	2,500	-
Total cooperative extension program	\$ 54,634	\$ 54,634	\$ 44,407	\$ 10,227
Total community development	\$ 799,130	\$ 3,694,377	\$ 759,579	\$ 2,934,798

Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Nondepartmental:				
Miscellaneous	\$ -	\$ 13,142	\$ 13,142	\$ -
Unemployment compensation	10,000	10,000	4,681	5,319
Legal/professional services contingency	55,000	32,848	-	32,848
Total nondepartmental	<u>\$ 65,000</u>	<u>\$ 55,990</u>	<u>\$ 17,823</u>	<u>\$ 38,167</u>
Total General Fund	<u>\$ 27,351,187</u>	<u>\$ 31,093,643</u>	<u>\$ 26,429,162</u>	<u>\$ 4,664,481</u>
Special Revenue Funds:				
Virginia Public Assistance Fund:				
Health and welfare:				
Welfare and social services:				
Public assistance and welfare administration	\$ 1,715,358	\$ 1,751,317	\$ 1,558,835	\$ 192,482
Total health and welfare	<u>\$ 1,715,358</u>	<u>\$ 1,751,317</u>	<u>\$ 1,558,835</u>	<u>\$ 192,482</u>
Total Virginia Public Assistance Fund	<u>\$ 1,715,358</u>	<u>\$ 1,751,317</u>	<u>\$ 1,558,835</u>	<u>\$ 192,482</u>
Children's Services Act Fund:				
Health and welfare:				
Welfare and social services:				
Program expenditures	\$ 314,556	\$ 335,288	\$ 296,036	\$ 39,252
Total health and welfare	<u>\$ 314,556</u>	<u>\$ 335,288</u>	<u>\$ 296,036</u>	<u>\$ 39,252</u>
Total Children's Services Act Fund	<u>\$ 314,556</u>	<u>\$ 335,288</u>	<u>\$ 296,036</u>	<u>\$ 39,252</u>
Drug Enforcement Fund:				
Public Safety:				
Public Safety				
Operations	\$ -	\$ -	\$ 49,581	\$ (49,581)
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,581</u>	<u>\$ (49,581)</u>
Total Drug Enforcement Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,581</u>	<u>\$ (49,581)</u>
Conservation Easement Fund:				
Community development:				
Development rights				
Development rights	\$ 45,000	\$ 836,783	\$ 822,902	\$ 13,881
Total Conservation Easement Fund	<u>\$ 45,000</u>	<u>\$ 836,783</u>	<u>\$ 822,902</u>	<u>\$ 13,881</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Debt Service Fund:				
School Debt Service Fund:				
Debt service:				
Principal retirement	\$ 1,504,402	\$ 1,504,402	\$ 1,504,402	\$ -
Interest and other fiscal charges	860,728	860,728	860,728	-
Total School Debt Service Fund	<u>\$ 2,365,130</u>	<u>\$ 2,365,130</u>	<u>\$ 2,365,130</u>	<u>\$ -</u>
Primary Government Debt Service Fund:				
Debt service:				
Principal retirement	\$ 91,573	\$ 99,901	\$ 99,901	\$ -
Interest and other fiscal charges	160,127	151,799	151,799	-
Total Primary Government Debt Service	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ 251,700</u>	<u>\$ -</u>
Capital Projects Fund:				
General Government Capital Projects Fund:				
Capital projects:				
Communications equipment	\$ 75,000	\$ 435,266	\$ 432,051	\$ 3,215
Courthouse general project	-	17,996	16,722	1,274
Asphalt	-	23,180	23,180	-
Vehicles	-	25,164	14,451	10,713
Technology and equipment improvements	-	16,329	15,211	1,118
Sheriff vehicles	174,000	149,157	110,374	38,783
Furniture replacements	-	27,430	27,400	30
HVAC	225,000	219,711	39,711	180,000
Berryville business park	-	11,425	11,425	-
Westwood tower site work	-	117,605	12,220	105,385
Sheriff equipment	-	22,026	-	22,026
Reassessment	-	14,784	14,784	-
Swimming pool	-	33,144	-	33,144
Landscaping	-	7,336	-	7,336
Fencing - ballfield and pool	-	70,092	1,048	69,044
AFG Radios	978,700	943,438	11,343	932,095
E911 Phone	-	182,479	57,309	125,170
Total General Government Capital Projects Fund	<u>\$ 1,452,700</u>	<u>\$ 2,316,562</u>	<u>\$ 787,229</u>	<u>\$ 1,529,333</u>
Total Primary Government	<u>\$ 33,495,631</u>	<u>\$ 38,950,423</u>	<u>\$ 32,560,575</u>	<u>\$ 6,389,848</u>

Schedule of Expenditures - Budget and Actual
 Governmental Funds
 For the Year Ended June 30, 2021 (Continued)

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Discretely Presented Component Unit - School Board				
School Operating Fund:				
Education:				
Instruction	\$ 19,475,739	\$ 20,118,382	\$ 19,030,837	\$ 1,087,545
Administration, attendance and health	1,234,549	1,525,877	1,431,914	93,963
Pupil transportation services	1,103,475	1,204,878	1,185,024	19,854
Operation and maintenance services	2,331,825	2,334,652	2,330,721	3,931
Total School Operating Fund	<u>\$ 24,145,588</u>	<u>\$ 25,183,789</u>	<u>\$ 23,978,496</u>	<u>\$ 1,205,293</u>
Special Revenue Fund:				
School Food Service Fund:				
Education:				
School food services:				
Administration of school food program	\$ 800,996	\$ 800,996	\$ 1,075,612	\$ (274,616)
Total School Food Service Fund	<u>\$ 800,996</u>	<u>\$ 800,996</u>	<u>\$ 1,075,612</u>	<u>\$ (274,616)</u>
School Activity Fund:				
Education:				
Instruction	\$ -	\$ -	\$ 354,336	\$ (354,336)
Total School Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,336</u>	<u>\$ (354,336)</u>
Capital Projects Fund:				
School Capital Projects Fund:				
Capital projects:				
Band equipment	\$ -	\$ 11,934	\$ 6,179	\$ 5,755
Athletic equipment and uniforms	8,000	8,905	8,905	-
Furniture replacement	28,000	35,931	35,593	338
Bus purchases	85,000	173,012	173,012	-
School vehicles	25,000	90,000	89,492	508
School security system	-	26,471	26,471	-
Fencing	-	9,606	-	9,606
School food - service equipment	-	10,845	3,995	6,850
HVAC	175,000	974,919	91,157	883,762
Roof replacements	-	8,371	1,800	6,571
Flooring replacements	10,000	10,000	6,525	3,475
Security improvements	40,000	50,031	21,347	28,684
Surfacing	10,000	9,291	-	9,291
Playgrounds and fields	-	19,284	19,284	-
Technology	220,000	605,174	277,854	327,320
School repairs	-	2,791	2,308	483
Signs	-	1,056	758	298
Painting	15,000	33,330	17,241	16,089
Johnson Williams middle renovation	-	5,998	-	5,998
Total capital projects	<u>\$ 616,000</u>	<u>\$ 2,086,949</u>	<u>\$ 781,921</u>	<u>\$ 1,305,028</u>
Total School Capital Projects Fund	<u>\$ 616,000</u>	<u>\$ 2,086,949</u>	<u>\$ 781,921</u>	<u>\$ 1,305,028</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,562,584</u>	<u>\$ 28,071,734</u>	<u>\$ 26,190,365</u>	<u>\$ 1,881,369</u>

Other Statistical Information

COUNTY OF CLARKE, VIRGINIA

Government-Wide Expenses by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works (1)</u>	<u>Health and Welfare</u>
2012-13	\$ 2,039,336	\$ 566,006	\$ 3,462,973	\$ 1,001,606	\$ 2,101,344
2013-14	2,085,415	595,926	3,515,863	883,176	2,258,462
2014-15	2,228,785	598,469	4,414,115	863,529	2,418,330
2015-16	2,236,563	602,451	4,094,648	943,504	2,646,112
2016-17	1,756,158	691,496	4,312,322	942,657	2,859,737
2017-18	2,183,992	756,574	4,390,173	1,040,596	2,553,964
2018-19	2,432,025	815,472	5,018,338	1,149,634	2,177,021
2019-20	2,819,934	809,978	5,789,312	1,262,313	2,139,568
2020-21	2,738,732	754,244	6,438,791	1,239,069	2,198,510
2021-22	2,762,829	810,794	6,418,045	1,317,424	2,473,655

- (1) Public works total is reduced by the contribution to the component unit Clarke County Sanitary Authority
- (2) Education total includes both general government and component unit school board and is reduced by the contribution to the component unit school board.

Table 1

	<u>Education (2)</u>	<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Interest on Long- Term Debt</u>	<u>Sanitary Authority</u>	<u>IDA</u>	<u>Total</u>
\$	22,974,665	\$ 1,018,007	\$ 1,098,325	\$ 1,777,739	\$ 946,254	\$ 419,373	\$ 37,405,628
	23,785,661	999,980	1,656,333	1,671,404	895,992	8,714	38,356,926
	23,617,577	1,048,103	980,692	1,559,976	958,018	10,235	38,697,829
	23,362,861	1,046,407	866,154	1,453,276	928,141	10,090	38,190,207
	24,942,640	1,740,882	1,786,425	1,333,403	864,755	9,484	41,239,959
	24,113,225	1,184,765	751,064	1,262,545	991,414	10,405	39,238,717
	24,743,660	1,221,501	1,114,874	1,165,960	1,101,563	14,863	40,954,911
	26,436,334	1,153,029	676,267	1,101,459	945,879	19,753	43,153,826
	26,498,821	1,262,208	1,221,469	1,033,933	896,996	8,427	44,291,200
	25,166,853	1,314,480	1,602,219	962,475	911,210	8,377	43,748,361

COUNTY OF CLARKE, VIRGINIA

Government-Wide Revenues
Last Ten Fiscal Years (1)

Fiscal Year	PROGRAM REVENUES		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
2012-13	\$ 2,346,633	\$ 12,006,615	\$ 810,499
2013-14	2,312,708	12,076,289	1,297,384
2014-15	2,461,210	12,840,732	1,006,920
2015-16	2,852,037	12,760,998	405,142
2016-17	2,974,503	12,776,552	1,111,713
2017-18	2,954,132	12,775,540	241,152
2018-19	3,439,395	12,836,899	529,937
2019-20	3,127,521	13,262,749	385,747
2020-21	2,105,809	14,346,051	147,110
2021-22	2,665,978	16,106,236	791,587

(1) Includes discretely presented component units.

(2) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Grants and Contributions Not Restricted to Specific Programs

Table 2

GENERAL REVENUES						
General Property Taxes	Other Local Taxes (2)	Unrestricted revenues from money or property	Miscella- neous	Grants and Contributions Not Restricted to Specific Programs	Gain (Loss) on Disposal of Asset	Total
\$ 18,046,810	\$ 1,855,520	\$ 168,355	\$ 324,211	\$ 2,982,591	\$ 3,336	\$ 38,544,570
18,649,133	1,849,613	140,606	452,072	3,004,576	-	39,782,381
19,310,001	1,777,225	134,424	318,395	3,034,774	-	40,883,681
19,814,919	1,921,422	159,519	530,887	3,018,096	-	41,463,020
19,862,341	1,969,108	187,956	493,989	3,002,922	-	42,379,084
20,679,221	1,949,217	161,134	427,413	3,026,459	-	42,214,268
21,340,980	2,005,268	225,643	463,009	2,965,641	-	43,806,772
21,658,983	2,345,551	241,313	619,409	3,687,357	-	45,328,630
21,109,717	2,675,145	204,108	936,646	5,060,600	-	46,585,186
23,351,800	3,204,659	169,839	1,405,354	2,922,861	-	50,618,314

COUNTY OF CLARKE, VIRGINIA

General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government Administration</u>	<u>Judicial Administration</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Education (2)</u>
2012-13	\$ 1,723,450	\$ 566,436	\$ 3,512,071	\$ 949,685	\$ 2,115,119	\$ 21,498,917
2013-14	1,742,173	595,936	3,536,630	898,325	2,251,459	20,891,004
2014-15	1,772,923	618,450	4,115,259	1,003,202	2,438,840	21,320,100
2015-16	1,822,898	629,270	4,073,933	1,087,367	2,662,444	21,651,173
2016-17	1,903,602	698,294	4,265,587	1,169,117	2,892,366	22,299,561
2017-18	1,995,469	723,002	4,505,954	1,112,695	2,558,960	22,658,730
2018-19	2,255,423	733,782	4,843,017	1,244,354	2,224,237	23,292,323
2019-20	2,347,142	711,005	5,231,723	1,261,127	2,125,558	23,651,598
2020-21	2,551,965	724,000	5,953,016	1,331,431	2,148,467	23,481,602
2021-22	2,466,499	782,352	6,050,319	1,370,328	2,449,797	25,426,409

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

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

Table 3

<u>Parks, Recreation, and Cultural</u>	<u>Community Development</u>	<u>Non- departmental</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 948,452	\$ 1,081,175	\$ 11,430	\$ 4,420,922	\$ 3,381,480	\$ 40,209,137
929,900	1,648,207	(336)	4,286,713	7,654,661	44,434,672
952,685	984,087	18,980	4,379,113	3,055,653	40,659,292
962,519	849,873	12,956	4,192,646	1,950,746	39,895,825
973,326	1,273,491	5,144	4,066,811	5,332,860	44,880,159
1,021,052	661,213	29,623	3,223,790	3,650,407	42,140,895
1,071,994	1,130,526	12,460	3,194,090	3,011,845	43,014,051
1,052,845	680,416	23,720	2,770,805	2,217,975	42,073,914
1,142,514	1,208,495	20,393	2,626,128	1,784,506	42,972,517
1,217,932	1,582,481	17,823	2,616,830	1,569,150	45,549,920

COUNTY OF CLARKE, VIRGINIA

General Governmental Revenues by Source (1)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes (3)	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services
2012-13	\$ 17,940,641	\$ 1,855,520	\$ 238,733	\$ 347,687	\$ 161,139	\$ 1,277,309
2013-14	18,466,352	1,849,613	286,818	237,835	135,704	1,280,108
2014-15	19,407,675	1,777,225	266,539	303,637	130,204	1,359,581
2015-16	19,734,792	1,921,422	280,881	304,861	157,216	1,677,127
2016-17	19,981,515	1,969,108	393,891	352,279	186,147	1,656,398
2017-18	20,774,033	1,949,217	328,391	357,254	158,930	1,654,201
2018-19	20,795,449	2,005,268	385,048	320,568	215,622	1,724,593
2019-20	21,188,556	2,345,551	323,687	233,648	237,696	1,419,963
2020-21	21,622,061	2,675,145	347,117	167,779	174,958	892,431
2021-22	23,098,901	3,204,659	485,972	188,427	174,621	1,329,751

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

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

(3) In fiscal year 2010, communications tax reporting was moved from Other Local Taxes to Intergovernmental Revenue.

Table 4

<u>Miscellaneous</u>	<u>Recovered Costs</u>	<u>Inter- governmental (2)</u>	<u>Subtotal</u>	<u>Proceeds From Debt</u>	<u>Total</u>
\$ 194,021	\$ 351,897	\$ 15,978,905	\$ 38,345,852	\$ -	\$ 38,345,852
334,942	258,406	16,348,249	39,198,027	-	39,198,027
182,402	159,612	16,822,126	40,409,001	-	40,409,001
382,181	307,618	15,854,309	40,620,407	-	40,620,407
361,299	186,469	16,867,526	41,954,632	-	41,954,632
293,108	226,368	16,043,151	41,784,653	-	41,784,653
318,702	173,447	16,332,477	42,271,174	-	42,271,174
468,046	105,397	17,335,343	43,657,887	-	43,657,887
774,718	109,648	19,534,511	46,298,368	-	46,298,368
1,099,385	60,095	19,777,256	49,419,067	-	49,419,067

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Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Percent of Levy Collected	Delinquent Tax Collections (1), (2)	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1)	Percent of Delinquent Taxes to Tax Levy
2012-13	\$ 19,976,661	\$ 20,033,782	100.29%	\$ 94,917	\$ 20,128,699	100.76%	\$ 1,991,275	9.97%
2013-14	20,499,518	20,661,349	100.79%	45,265	20,706,614	101.01%	2,261,984	11.03%
2014-15	20,980,117	21,454,716	102.26%	74,554	21,529,270	102.62%	2,096,823	9.99%
2015-16	21,383,904	21,672,649	101.35%	19,419	21,692,068	101.44%	2,095,157	9.80%
2016-17	21,641,717	21,511,699	99.40%	321,933	21,833,632	100.89%	2,036,380	9.41%
2017-18	21,841,583	22,374,271	102.44%	224,500	22,598,771	103.47%	2,071,734	9.49%
2018-19	21,295,315	22,607,804	106.16%	100,981	22,708,785	106.64%	2,373,029	11.14%
2019-20	22,947,025	22,927,936	99.92%	182,993	23,110,929	100.71%	3,235,671	14.10%
2020-21	23,606,602	23,309,677	98.74%	175,777	23,485,454	99.49%	2,619,567	11.10%
2021-22	25,784,966	23,604,480	91.54%	1,546,583	25,151,063	97.54%	2,942,848	11.41%

(1) Exclusive of penalties and interest.

(2) Delinquent tax collections are exclusive of land redemptions.

Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property and Mobile Homes	Machinery and Tools	Public Utility (2)		Total
				Real Estate	Personal Property	
2012-13	\$ 2,195,199,863	\$ 133,156,000	\$ 15,478,677	\$ 63,758,974	\$ -	\$ 2,407,593,514
2013-14	2,202,442,172	137,517,528	14,729,940	64,243,208	-	2,418,932,848
2014-15	2,209,918,924	140,683,592	14,079,731	64,514,825	-	2,429,197,072
2015-16	2,125,953,962	146,341,321	15,926,677	67,026,398	-	2,355,248,358
2016-17	2,040,151,212	151,716,784	15,961,187	67,718,041	-	2,275,547,224
2017-18	2,054,072,530	158,886,595	13,701,728	69,909,256	-	2,296,570,109
2018-19	2,074,702,400	166,582,252	13,309,929	69,434,398	-	2,324,028,979
2019-20	2,245,740,742	172,695,652	13,640,472	67,952,261	-	2,500,029,127
2020-21	2,425,880,816	185,956,975	14,261,477	72,675,052	-	2,698,774,320
2021-22	2,473,158,044	229,688,382	15,359,558	74,167,438	-	2,792,373,422

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

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

Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Year	(2) Real Estate	Mobile Homes	Personal Property	Rescue Vehicles	Machinery and Tools	Public Utility	
						Real Estate (2)	Personal Property
2012-13	\$.63/.63	\$.63/.63	\$ 4.496/4.496	\$ 2.248/2.248	\$ 1.25	\$ 0.63	n/a
2013-14	.63/.655	.63/.655	4.496/4.496	2.248/2.248	1.25	0.63	n/a
2014-15	.655/.655	.655/.655	4.496/4.496	2.248/2.248	1.25	0.655	n/a
2015-16	.655/.72	.655/.72	4.496/4.496	2.248/2.248	1.25	0.655	n/a
2016-17	.72/.71	.72/.71	4.496/4.496	2.248/2.248	1.25	0.72	n/a
2017-18	.71/.71	.71/.71	4.496/4.496	2.248/2.248	1.25	0.71	n/a
2018-19	.71/.71	.71/.71	4.496/4.496	2.248/2.248	1.25	0.71	n/a
2019-20	.71/.615	.71/.615	4.496/4.496	2.248/2.248	1.25	0.71	n/a
2020-21	.615/.61	.615/.61	4.496/4.496	2.248/2.248	1.25	0.61	n/a
2021-22	.61/.61	.61/.61	4.496/4.496	2.248/2.248	1.25	0.61	n/a

(1) Per \$100 of assessed value.

(2) The County collects property taxes based on installments. Calendar year 2010 was a reassessment year for real property. The tax neutral rate for calendar year 2010 was computed to be \$.60/100. Calendar year 2016 was a reassessment year. The tax neutral rate for calendar year 2016 was computed to be \$.7165/100. Calendar year 2020 was a reassessment year. The tax neutral rate for calendar year 2020 was computed to be \$.615/100.

Ratio of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross & Net Bonded Debt (3)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012-13	14,458	\$ 2,407,594	\$ 34,490,500	1.43%	\$ 2,386
2013-14	14,348	2,418,933	32,208,000	1.33%	2,245
2014-15	14,423	2,429,197	29,814,000	1.23%	2,067
2015-16	14,423	2,355,248	27,400,000	1.16%	1,900
2016-17	14,374	227,547	24,995,000	10.98%	1,739
2017-18	14,508	2,296,570	23,340,000	1.02%	1,609
2018-19	14,523	2,324,029	21,640,000	0.93%	1,490
2019-20	14,619	2,500,029	20,295,000	0.81%	1,388
2020-21	14,783	2,698,774	18,900,000	0.70%	1,278
2021-22	14,881	2,792,373	17,450,000	0.62%	1,173

(1) <https://www.census.gov/quickfacts>

(2) Real property assessed at 100% of fair market value.

(3) Includes all long-term general obligation bonded debt, bonded anticipation notes, and literary fund loans. Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, compensated absences, and VRS obligations.

General Government Capital Projects Carryover Budget Allocations

	FY 21 Carryover	FY 22 Original Budget	FY 22 Project Transfers	FY 22 Supplemental Budget	Final Budget
Expenditures:					
HVAC System Replacement	\$ 12,708	\$ 225,000	\$ (10,654)	\$ -	\$ 227,054
Roofing	4,423	-	(4,423)	-	-
Painting and Flooring	5,699	-	(5,699)	-	-
Landscaping	10,375	-	(3,039)	-	7,336
Courthouse Green	-	-	17,996	-	17,996
Asphalt, Sidewalk, Path	377	-	22,803	-	23,180
Courtroom Furniture	27,430	-	-	-	27,430
Sheriff's Equipment	22,026	-	1	-	22,027
Auto Replacement	30,990	-	(5,826)	-	25,164
AFG-Radio Replacements	-	978,700	(42,605)	-	936,095
Sheriff's Vehicles	12,427	174,000	(37,270)	-	149,157
Berryville Bus and Jack Enders Blvd	-	-	4,646	6,779	11,425
Technology Improvements	16,329	-	-	-	16,329
Mobile Radio System	397,996	75,000	79,875	-	552,871
911 Phone Systems	182,479	-	-	-	182,479
Swimming Pool	33,144	-	-	-	33,144
Park Repairs	70,092	-	-	-	70,092
New Park Shelter	8,462	-	(8,462)	-	-
Reassessment	14,784	-	-	-	14,784
	<u>\$ 849,741</u>	<u>\$ 1,452,700</u>	<u>\$ 7,343</u>	<u>\$ 6,779</u>	<u>\$ 2,316,563</u>
Total expenditures					

School Board Capital Projects Carryover Budget Allocations

	FY 21 Carryover	FY 22 Original Budget	FY 22 Project Transfers	FY 22 Supplemental Budget	Final Budget
Expenditures:					
School Furniture Replacement	\$ 7,932	\$ 28,000	\$ -	\$ -	\$ 35,932
Uniform Repl & Band Instruments	11,934	-	-	-	11,934
Athletics Equipment & Uniforms	-	8,000	905	-	8,905
School Bus Purchases	-	85,000	88,012	-	173,012
Other Veh & Equip Purchases	-	25,000	65,000	-	90,000
School Food Services	6,605	-	4,240	-	10,845
Fencing	9,606	-	-	-	9,606
School Signage	1,056	-	-	-	1,056
Fields and Playgrounds	15,000	-	4,284	-	19,284
Asphalt/Sidewalk/Track/Courts	191	10,000	(900)	-	9,291
Painting	18,330	15,000	-	-	33,330
Heating, Ventilation & A/C	90,095	175,000	365,097	344,727	974,919
Roof Replacements	8,371	-	-	-	8,371
School Security System Grant	22,329	-	4,521	-	26,850
Flooring	-	10,000	-	-	10,000
Security Improvements	14,173	40,000	(4,522)	-	49,651
Boyce School Repairs	25,483	-	(25,000)	-	483
Cooley School Repairs	-	-	2,308	-	2,308
Johnson Wms Middle Sch R	6,853	-	(855)	-	5,998
Technology Classroom Ins	24,550	25,000	-	-	49,550
Technology Inst Support	204,969	-	(122,430)	-	82,539
Technology Administratio	-	41,000	91,516	-	132,516
Tech Fd Svc & Other Non-	3,385	-	(3,385)	-	-
Tech Classroom Instr (VPSA-tech. bond)	198,568	154,000	(12,000)	-	340,568
Total expenditures	\$ 669,430	\$ 616,000	\$ 456,791	\$ 344,727	\$ 2,086,948

Compliance



**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 Clarke, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Clarke, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County of Clarke, Virginia's basic financial statements and have issued our report thereon dated December 13, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Clarke, Virginia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Clarke, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Clarke, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Clarke, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
December 13, 2022



**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

To the Honorable Members of
the Board of Supervisors
County of Clarke, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Clarke, 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 the County of Clarke, Virginia's major federal programs for the year ended June 30, 2022. The County of Clarke, 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, the County of Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 Clarke, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Report on Internal Control over Compliance: (Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

December 13, 2022

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	
Department of Health and Human Services:				
Medicaid Cluster:				
Direct payments				
Medical Assistance Program	93.778	n/a	\$	2,070
Pass Through Payments:				
Department of Social Services:				
Medical Assistance Program	93.778	1200121, 01200122	<u>134,007</u>	
Total Medicaid Cluster			\$	136,077
Pass Through Payments:				
Guardianship Assistance	93.090	1110121, 1110122		133
Title IV-E Prevention Program	93.472	1140122		1,674
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950121, 0950122		13,397
Temporary Assistance For Needy Families (TANF)	93.558	0400121, 0400122, 2101VATANF		79,538
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	0500121		3,310
Low-Income Home Energy Assistance	93.568	0600421, 0600422		12,532
Community-Based Child Abuse Prevention Grants	93.590	9560121		902
Child Care and Development Fund (CCDF) Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121, 0760122	\$	<u>17,973</u>
Total Child Care and Development Fund (CCDF) Cluster				17,973
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121, 0900122		186
Adoption and Legal Guardianship Incentive Payments	93.603	1130121		4,068
Foster Care - Title IV-E	93.658	1100121, 1100122, 1110121		77,364
Adoption Assistance	93.659	1120121, 1120122		60,880
Social Services Block Grant	93.667	1000121, 1000122		114,241
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150121, 9150122		776
Elder Abuse Prevention Interventions Program	93.747	8000221, 8000321		9,346
Children's Health Insurance Program (CHIP)	93.767	0540121, 0540122		<u>1,260</u>
Total Department of Health and Human Services			\$	<u>533,657</u>
Department of Agriculture:				
Direct Payments:				
Agricultural Conservation Easement Program	10.931	n/a	\$	<u>293,000</u>
Child Nutrition Cluster:				
Pass Through Payments:				
Department of Agriculture:				
Food Distribution	10.555	unavailable	\$	65,255
Department of Education:				
National School Lunch Program	10.555	201919N109941/202020N109941	<u>861,556</u>	926,811
School Breakfast Program	10.553	201919N109941/202020N109941	<u>286,247</u>	
Summer Food Service Program for Children	10.559	202120N119941	<u>79,776</u>	
Total Child Nutrition Cluster			\$	<u>1,292,834</u>
SNAP Cluster:				
Pass Through Payments:				
Department of Social Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010121, 0010122, 0040121, 0040122	\$	<u>249,459</u>
Total SNAP Cluster			\$	<u>249,459</u>
Pass Through Payments:				
Department of Education:				
COVID-19 - Pandemic EBT Administrative Costs	10.649	unavailable	\$	<u>614</u>
Total Department of Agriculture			\$	<u>1,835,907</u>

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

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of the Interior:			
Pass Through payments:			
Department of Agriculture and Consumer Services:			
American Battlefield Protection	15.926	unavailable	\$ 35,606
Department of Homeland Security:			
Direct payments:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	n/a	\$ 192,224
Pass Through Payments:			
Department of Emergency Management:			
Emergency Management Performance Grants	97.042	unavailable	7,500
Total Department of Homeland Security			\$ 199,724
Department of Justice:			
Pass Through Payments:			
Department of Criminal Justice Service:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	unavailable	\$ 2,145
Violence Against Women Formula Grants	16.588	19WFAX0032, 20WFAX0011	28,053
Crime Victim Assistance	16.575	18VAGX0011, 18V2GX0011	51,151
Total Department of Justice			\$ 81,349
Department of Transportation:			
Pass Through Payments:			
Department of Motor Vehicles:			
Alcohol Open Container Requirements	20.607	154AL-2020-50218-20218, 154AL-2021-51326-21326	\$ 7,354
Highway Safety Cluster:			
State and Community Highway Safety	20.600	FSC-2020-50219-20219, FSC-2021-51331-21331	\$ 6,917
Total Highway Safety Cluster			6,917
Total Department of Transportation			\$ 14,271
Department of Treasury:			
Direct Payments:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	\$ 110,602
Pass Through Payments:			
Virginia Department of Accounts:			
COVID-19 - Coronavirus Relief Fund	21.019	SLT0218	51,867
Total Department of Treasury			\$ 162,469
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	S010A190046, S010A200046	\$ 163,225
Special Education Cluster:			
Special Education - Grants to States (IDEA, Part B)	84.027	H027A190107, H027A200107	\$ 582,098
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A190112, H173A200112	23,534
Total Special Education Cluster			605,632
English Language Acquisition State Grants	84.365	Unknown	6,228
Career and Technical Education - Basic Grants to States	84.048	V048A190046, V048A200046	23,758
Supporting Effective Instruction State Grants	84.367	S367A190044, S367A200044	44,939
Student Support and Academic Enrichment Program	84.424	S424A190048, S424A200048	12,833
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008	539,772
Total Department of Education			\$ 1,396,387
Total Expenditures of Federal Awards			\$ 4,259,370

See accompanying notes to schedule of expenditures of federal awards.

COUNTY OF CLARKE, VIRGINIA

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

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Clarke, Virginia under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform 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 Clarke, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Clarke, 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 distributed.

Note 4 - Indirect Cost Rate

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

Note 5 - Subrecipients

No awards were passed through to subrecipients.

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	\$ 413,456
Special Revenue Funds:	
Virginia Public Assistance Fund	774,475
Children's Services Act Fund	6,571
Conservation Easement Fund	293,000
Debt Service Funds:	
School Debt Service Fund	34,937
Capital Projects Funds:	
General Government Capital Projects Fund	7,343
Total primary government	<u>\$ 1,529,782</u>
Component Unit School Board:	
School Operating Fund	\$ 1,372,869
School Capital Improvement Fund	51,888
School Food Service Fund	1,303,220
Total component unit school board	<u>\$ 2,727,977</u>
Component Unit Clarke County Sanitary Authority:	
Water Fund	\$ 21,714
Sewer Fund	21,714
Total component unit Clarke County Sanitary Authority	<u>\$ 43,428</u>
Total federal expenditures per basic financial statements	<u>\$ 4,301,187</u>
Less amounts not reported on the Schedule of Expenditures of Federal Awards:	
Payment in lieu of taxes	\$ 6,880
Build America Bond interest rate subsidy	34,937
Total federal expenditures per basic financial statements	<u>\$ 4,259,370</u>
Total federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 4,259,370</u></u>

COUNTY OF CLARKE, VIRGINIA

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
Identification of major programs:	

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>	
10.553/10.555/10.559	Child Nutrition Cluster	
Dollar threshold used to distinguish between Type A and Type B programs		\$750,000
Auditee qualified as low-risk auditee?		No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

2021-001 - Compliance Finding - Special Welfare Bank Account

Condition:

The portion of special welfare dedicated to individuals with sustained balances is not maintained in an interest-bearing account.

Recommendation:

We recommend that the County establish an interest bearing account to place funds for individuals with sustained Special Welfare balances.

Current status:

This finding was not present in the current year.

2021-001 - Compliance Finding - Special Welfare Bank Account

Condition:

The Special Welfare ledger account maintained by the Department of Social Services does not reconcile with the Special Welfare bank statement maintained by the County's Treasurer's Office.

Recommendation:

We recommend that the Special Welfare ledger and Special Welfare bank account are reconciled on a monthly basis and that any discrepancies are investigated, documented, and corrected.

Current status:

This finding was not present in the current year.