

# **COUNTY OF HALIFAX, VIRGINIA**



## **FINANCIAL REPORT**

### **FOR THE YEAR ENDED JUNE 30, 2022**



**COUNTY OF HALIFAX, VIRGINIA**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**



COUNTY OF HALIFAX, VIRGINIA  
JUNE 30, 2022

**BOARD OF SUPERVISORS**

	Calvin Ricky Short, Chairman	
	Garland B. Ricketts, Vice-Chairman	
Ronald E. Duffey		Hubert Pannell
Stanley Brandon		Larry D. Roller
William Bryant Claiborne		Dean E. Throckmorton

**COUNTY SCHOOL BOARD**

	Patricia K. Fraley, Chairman	
	Roy Keith Lloyd, Vice-Chairman	
Melissa E. Hicks		Jason H. Camp
Keith A. McDowell		Lacey K. Shotwell
Freddie M. Edmunds		Walter C. Potts, Jr.

**BOARD OF SOCIAL SERVICES**

	Earl Howerton, Chairman	
	Patricia Taylor, Vice-Chairman	
Gregg Ferguson		Dennis Stewart
	Hubert Pannell	

**OTHER OFFICIALS**

Judge of the Circuit Court	Kimberley S. White
Clerk of the Circuit Court	Cathy M. Cosby
Judge of the General District Court	Darrel W. Puckett
Judge of the Juvenile and Domestic Relations Court	Nora J. Miller
Commonwealth's Attorney	Tracy Q. Martin
Commissioner of the Revenue	Brenda P. Powell
Treasurer	Ruth S. Oakes
Sheriff	Fred S. Clark
Superintendent of Schools	Amy Huskin
Director of Department of Social Services	Kathy Andrews
County Administrator	Scott R. Simpson



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ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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**Independent Auditors' Report**

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, 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 aggregate remaining fund information of the County of Halifax, Virginia, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principles***

As described in Note 1 to the financial statements, in 2022, the County of Halifax, Virginia adopted new accounting guidance, GASB Statement Nos. 87, *Leases*, 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, and 92, *Omnibus*. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about County of Halifax, 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 Halifax, 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 Halifax, Virginia's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of the County of Halifax, 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 Halifax, 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 Halifax, Virginia's internal control over financial reporting and compliance.

*Robinson, Farmer, Cox Associates*

Charlottesville, Virginia  
December 14, 2022

## County of Halifax, Virginia Management's Discussion and Analysis

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As management of the County of Halifax (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. Please read it in conjunction with the County's basic financial statements, which follow this section.

### Financial Highlights

- The assets and deferred outflows of resources position of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$69.95 million (*net position*). Of this amount, approximately \$38.55 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 \$15.99 million in fiscal year 2022 in comparison to an increase of \$11.45 million in fiscal year 2021.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$157.97 million, an increase of \$116.92 million. \$15.03 million, or 10% of this amount, is *available for spending* at the County's discretion (*unassigned fund balance*). Details of the increase in fund balance are included under the Financial Analysis of the County's Funds.
- At the end of the current fiscal year, total fund balance for the General Fund was approximately \$50.57 million, or 96% of total governmental fund expenditures (including transfer to Virginia Public Assistance fund) less capital projects.
- The County's total governmental activities debt increased \$95.48 million during the current fiscal year due to the issuance of debt for a new high school, routine payment of principal, and recognizing the change in net pension liability, OPEB liabilities and compensated absences.

### 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 and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of 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.



## Government-wide financial statements: (Continued)

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).

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 government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate school board and a legally separate industrial development 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 13 through 15 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 maintains six 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 Capital Projects 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 non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.



### **Fund financial statements: (Continued)**

The County adopts an annual appropriated budget for its General fund, Virginia Public Assistance fund, Capital Projects fund, State and Federal Grants fund, and William M. Tuck Airport fund. Budgetary comparison statements have been provided to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 16 through 19 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 funds statements can be found on pages 20 and 21 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 22 through 95 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 the Virginia Public Assistance Fund. Required supplementary information can be found on pages 96 through 112 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 113 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 exceeded liabilities and deferred inflows by \$69.95 million at the close of the most recent fiscal year. A large portion of the County's net position (\$20.52 million, 29% 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 summarizes the County's Statement of Net Position:

**Comparative Summary of Net Position  
As of June 30, 2022 and 2021**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Current assets	\$ 189,293,972	\$ 66,766,491
Other noncurrent assets	2,106,828	-
Capital assets	67,708,621	69,990,215
Subtotal assets	<u>\$ 259,109,421</u>	<u>\$ 136,756,706</u>
Deferred outflows of resources	<u>\$ 2,037,653</u>	<u>\$ 2,490,729</u>
Total assets and deferred outflows of resources	<u>\$ 261,147,074</u>	<u>\$ 139,247,435</u>
Long-term liabilities outstanding	\$ 156,695,661	\$ 61,162,186
Current liabilities	4,642,954	2,546,219
Subtotal liabilities	<u>\$ 161,338,615</u>	<u>\$ 63,708,405</u>
Deferred inflows of resources	<u>\$ 29,854,610</u>	<u>\$ 21,578,266</u>
Total liabilities and deferred inflows of resources	<u>\$ 191,193,225</u>	<u>\$ 85,286,671</u>
Net position:		
Net investment in capital assets	\$ 20,523,834	\$ 17,942,189
Restricted	10,877,612	2,955,690
Unrestricted	38,552,403	33,062,885
Total net position	<u><u>\$ 69,953,849</u></u>	<u><u>\$ 53,960,764</u></u>

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

As noted previously, the County's total net position increased by \$15.99 million during the current fiscal year as compared to an increase of \$11.45 million in fiscal year 2021.

**Government-Wide Financial Analysis: (Continued)**

The following table summarizes the County's Statement of Activities:

**Comparative Statement of Changes in Net Position  
As of June 30, 2022 and 2021**

	<b>Governmental Activities</b>	
	<b>2022</b>	<b>2021</b>
Revenues:		
Program revenues:		
Charges for services	\$ 1,377,338	\$ 786,762
Operating grants and contributions	13,365,466	15,706,258
Capital grants and contributions	17,900	2,211,768
General revenues:		
Property taxes	31,754,322	29,942,039
Other taxes	13,429,133	11,001,923
Unrestricted revenues	175,951	390,361
Miscellaneous	2,356,212	392,763
Grants and contributions not restricted to specific programs	2,766,561	2,599,718
Total revenues	\$ <u>65,242,883</u>	\$ <u>63,031,592</u>
Expenses:		
General governmental administration	\$ 2,614,599	\$ 4,655,946
Judicial administration	2,145,013	2,525,766
Public safety	11,215,193	11,628,462
Public works	4,313,543	4,412,549
Health and welfare	9,384,613	9,727,718
Parks, recreation, and cultural	466,015	405,078
Community development	1,114,408	2,639,370
Interest on long-term debt	1,666,029	1,741,451
Education	16,330,385	13,848,174
Total expenses	\$ <u>49,249,798</u>	\$ <u>51,584,514</u>
Increase (decrease) in net position	\$ 15,993,085	\$ 11,447,078
Net position - beginning of year, restated	53,960,764	42,513,686
Net position - end of year	\$ <u><u>69,953,849</u></u>	\$ <u><u>53,960,764</u></u>

Generally, net position changes are the difference between revenues and expenses. Key elements of this change in net position in comparison the prior year are as follows:

- General property taxes, excluding the payments received from the State as reimbursement under the State's personal property tax relief program, were \$31.75 million, which represents an increase of approximately \$1.81 million or 6%.
- The decrease in capital grants and contributions revenue and operating grants and contributions is due to CARES Act and ARPA Act funding received from the Federal government, which was higher in FY21.
- The decrease in general governmental administration, public safety and community development expenses is the result of expenses incurred related to the pandemic that were funded by the Federal CARES Act programs decreasing from FY21 levels.

## 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. Specifically, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$157.97 million, an increase of \$116.92 million over the prior year. The general fund, the County's main operating fund, increased approximately \$11.26 million. The capital projects fund reported an increase of approximately \$105.39 million.

The General Fund is the chief operating fund of the County. The increase in the General Fund is attributable to overall revenues (especially property taxes and other taxes) being over budget and actual expenditures being less than budgeted. Federal grant revenues and related expenses were both under budget. At the end of the current fiscal year, total fund balance of the General Fund was \$50.57 million. The unassigned fund balance was \$15.03 million, nonspendable amounts totaled \$1.24 million, restricted amounts totaled \$8.37 million, committed amounts totaled \$666,744, and assigned amounts totaled \$25.26 million. As a measure of the General Fund's liquidity, the total general fund balance represents 96% of general fund expenditures, excluding capital outlay and transfer to the Virginia Public Assistance Fund.

The County Capital Projects Fund accounts for all major general public improvements, excluding some capital projects related to education, which may be accounted for elsewhere. At the end of the fiscal year, the fund balance was \$106.10 million, which largely represented accumulated funds to be used for construction of a new high school. The County issued the 2022 VPSA Bonds in the current fiscal year to fund that project. The County expended approximately \$1.77 million on capital projects during the fiscal year, with the expenditures financed using the VPSA Bonds and local sources.

Nonmajor special revenue funds included the William M. Tuck Airport Fund, the State and Federal Grants Fund, and the Halifax County Tourism Fund. These funds accounted for the \$1.31 million reported as committed fund balance.

## General Fund Budgetary Highlights

There was an increase of \$2.97 million between the original budget and the final amended budget expenditures excluding transfers out to other funds. However, actual expenditures were less than the amended budget by \$10.80 million, excluding transfers out. Actual revenues were less than the budgeted amounts by \$108,189. Details of the budget and actual amounts reported in the General Fund are presented in Exhibit 9.

### 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 \$67.71 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, lease assets, and machinery and equipment as well as construction in progress.

Major capital asset events for the Primary Government during the current fiscal year included the following:

- Completion of the courthouse renovation and related projects

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

	<u>Governmental Activities</u>
Land	\$ 5,075,550
Buildings and systems	57,010,528
Machinery and equipment	4,076,053
Lease assets	32,723
Contruction in progress	1,513,767
Total	<u>\$ 67,708,621</u>

Additional information on the County's capital assets can be found in note 7 on pages 39 through 40 of this report.

**Long-term obligations:** At the end of the current fiscal year, the County had total outstanding obligations of \$148.87 million excluding premium on bond issuance. Details are summarized in the following table:

	<u>Governmental Activities</u>
Bonds Payable:	
General obligation bonds	\$ 118,283,655
Revenue bonds	22,540,000
Literary loans	933,451
Landfill closure/postclosure	1,873,596
Lease liabilities	32,886
Note payable	2,722,454
Net OPEB liabilities	1,382,305
Compensated absences	1,103,066
Total	<u>\$ 148,871,413</u>

The County's total governmental activities debt increased \$95.48 million during the current fiscal year after the issuance of new debt previously discussed, payment of principal, recognizing the change in net pension liability, change in net OPEB liabilities and compensated absences.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the County as of June 2022 was 3.7%. The State's average unemployment rate was 2.8%.
- One of the greatest economic impacts to the County currently is the uncertainty of how the State allocations to local governments will be adjusted due to State budgetary issues being addressed by the State and the short and long term impact of the global pandemic.

### **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 Finance, County of Halifax, 1050 Mary Bethune Street, P.O. Box 699, Halifax, VA 24558.

## **Basic Financial Statements**

## **Government-wide Financial Statements**



## Statement of Net Position

June 30, 2022

	Primary Government	Component Units		
	Governmental Activities	School Board	Industrial Development Authority	Regional Library
<b>ASSETS</b>				
Cash and cash equivalents	\$ 41,780,544	\$ 7,541,674	\$ 1,562,723	\$ 2,982
Receivables (net of allowance for uncollectibles):				
Taxes receivable	26,172,467	-	-	-
Accounts receivable	742,800	-	83,038	-
Note receivable	1,147,946	-	-	-
Lease receivable	61,278	-	6,387,029	-
Due from component unit	2,746,960	-	-	-
Due from other governmental units	3,039,599	2,707,893	-	-
Prepaid items	92,932	500,381	-	5,821
Property held for resale	-	-	2,553,096	-
Restricted assets:				
Cash and cash equivalents	113,509,446	-	-	-
Net pension asset	2,106,828	1,061,179	65,557	40,180
Capital assets (net of accumulated depreciation):				
Land	5,075,550	130,523	1,546,651	-
Buildings and systems	57,010,528	32,220,598	33,992,056	-
Machinery and equipment	4,076,053	3,501,067	164,765	-
Leased equipment	32,723	90,266	-	-
Construction in progress	1,513,767	402,130	293,790	-
Total assets	\$ 259,109,421	\$ 48,155,711	\$ 46,648,705	\$ 48,983
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Items related to pension	\$ 1,738,135	\$ 9,436,396	\$ 43,289	\$ 33,149
Items related to OPEB	299,518	1,136,083	6,821	5,500
Total deferred outflows of resources	\$ 2,037,653	\$ 10,572,479	\$ 50,110	\$ 38,649
<b>LIABILITIES</b>				
Accounts payable	\$ 292,057	\$ 228,486	\$ 21,090	\$ -
Retainage payable	40,000	-	8,177	-
Accrued liabilities	-	3,281,184	-	-
Accrued interest payable	1,210,164	38,158	-	-
Unearned revenue	3,100,733	-	-	-
Due to primary government	-	2,497,560	249,400	-
Long-term liabilities:				
Due within one year	6,201,217	328,712	887,259	-
Due in more than one year	150,494,444	34,703,646	9,419,112	21,500
Total liabilities	\$ 161,338,615	\$ 41,077,746	\$ 10,585,038	\$ 21,500
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - property taxes	\$ 24,503,865	\$ -	\$ -	\$ -
Deferred revenue - lease receivable	60,974	-	6,304,494	-
Items related to pension	5,038,292	21,828,387	156,777	96,087
Items related to OPEB	251,479	1,967,136	8,867	-
Total deferred inflows of resources	\$ 29,854,610	\$ 23,795,523	\$ 6,470,138	\$ 96,087
<b>NET POSITION</b>				
Net investment in capital assets	\$ 20,523,834	\$ 34,415,277	\$ 25,638,756	\$ -
Restricted:				
Net pension asset	2,106,828	1,061,179	65,557	40,180
Public safety	255,808	-	-	-
Public safety capital projects	538,078	-	-	-
Opioid abatement	413,245	-	-	-
School capital projects	7,550,260	-	-	-
Halifax County War Memorial	13,393	-	-	-
Unrestricted	38,552,403	(41,621,535)	3,939,326	(70,135)
Total net position	\$ 69,953,849	\$ (6,145,079)	\$ 29,643,639	\$ (29,955)

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

COUNTY OF HALIFAX, 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	\$ 2,614,599	\$ 110,623	\$ 533,269	\$ -
Judicial administration	2,145,013	48,340	1,079,761	-
Public safety	11,215,193	499,811	4,023,621	-
Public works	4,313,543	329,729	80,584	-
Health and welfare	9,384,613	111,324	7,463,597	-
Education	16,330,385	-	-	-
Parks, recreation, and cultural	466,015	9,950	4,500	-
Community development	1,114,408	267,561	180,134	17,900
Interest on long-term debt	1,666,029	-	-	-
Total governmental activities	\$ 49,249,798	\$ 1,377,338	\$ 13,365,466	\$ 17,900
Total primary government	\$ 49,249,798	\$ 1,377,338	\$ 13,365,466	\$ 17,900
COMPONENT UNITS:				
School Board	\$ 60,841,467	\$ 265,010	\$ 52,050,289	\$ -
Industrial Development Authority	3,134,842	2,058,704	-	169,082
Regional Library	509,121	18,806	252,889	-
Total component units	\$ 64,485,430	\$ 2,342,520	\$ 52,303,178	\$ 169,082
General revenues:				
General property taxes				
Other local taxes:				
Local sales and use tax				
Consumers utility taxes				
Motor vehicle licenses				
Solid waste disposal fee				
Other local taxes				
Unrestricted revenues from use of money				
Payments from Halifax County				
Miscellaneous				
Grants and contributions not restricted to specific programs				
Total general revenues				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government Governmental Activities	Component Units			
	School Board	Industrial Development Authority	Regional Library	
\$ (1,970,707)	\$ -	\$ -	\$ -	
(1,016,912)	-	-	-	
(6,691,761)	-	-	-	
(3,903,230)	-	-	-	
(1,809,692)	-	-	-	
(16,330,385)	-	-	-	
(451,565)	-	-	-	
(648,813)	-	-	-	
(1,666,029)	-	-	-	
<u>\$ (34,489,094)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>\$ (34,489,094)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ (8,526,168)	\$ -	\$ -	
-	-	(907,056)	-	
-	-	-	(237,426)	
<u>\$ -</u>	<u>\$ (8,526,168)</u>	<u>\$ (907,056)</u>	<u>\$ (237,426)</u>	
\$ 31,754,322	\$ -	\$ -	\$ -	
8,747,995	-	-	-	
965,329	-	-	-	
1,139,525	-	-	-	
924,088	-	-	-	
1,652,196	-	-	-	
175,951	-	104,503	-	
-	16,048,950	201,315	218,800	
2,356,212	1,760,142	122,759	19,240	
2,766,561	-	-	-	
<u>\$ 50,482,179</u>	<u>\$ 17,809,092</u>	<u>\$ 428,577</u>	<u>\$ 238,040</u>	
<u>\$ 15,993,085</u>	<u>\$ 9,282,924</u>	<u>\$ (478,479)</u>	<u>\$ 614</u>	
53,960,764	(15,428,003)	30,122,118	(30,569)	
<u>\$ 69,953,849</u>	<u>\$ (6,145,079)</u>	<u>\$ 29,643,639</u>	<u>\$ (29,955)</u>	

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## **Fund Financial Statements**

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Balance Sheet  
Governmental Funds  
June 30, 2022

	General	Virginia Public Assistance	County Capital Projects	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 39,413,003	\$ -	\$ 1,064,165	\$ 1,303,376	\$ 41,780,544
Receivables (net of allowance for uncollectibles):					
Taxes receivable	26,172,467	-	-	-	26,172,467
Accounts receivable	742,800	-	-	-	742,800
Note receivable	1,147,946	-	-	-	1,147,946
Lease receivable	61,278	-	-	-	61,278
Due from other funds	1,172,616	-	-	4,261	1,176,877
Due from component units	2,746,960	-	-	-	2,746,960
Due from other governmental units	1,862,525	1,177,074	-	-	3,039,599
Prepaid items	92,932	-	-	-	92,932
Restricted assets:					
Cash and cash equivalents	8,357,539	-	105,151,907	-	113,509,446
Total assets	<u>\$ 81,770,066</u>	<u>\$ 1,177,074</u>	<u>\$ 106,216,072</u>	<u>\$ 1,307,637</u>	<u>\$ 190,470,849</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 211,850	\$ 197	\$ 77,833	\$ 2,177	\$ 292,057
Retainage payable	-	-	40,000	-	40,000
Due to other funds	-	1,176,877	-	-	1,176,877
Deferred revenue	3,100,733	-	-	-	3,100,733
Total liabilities	<u>\$ 3,312,583</u>	<u>\$ 1,177,074</u>	<u>\$ 117,833</u>	<u>\$ 2,177</u>	<u>\$ 4,609,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 27,427,106	\$ -	\$ -	\$ -	\$ 27,427,106
Unavailable revenue - opioid settlement	398,891	-	-	-	398,891
Lease receivable	60,974	-	-	-	60,974
Total deferred inflows of resources	<u>\$ 27,886,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,886,971</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	\$ 92,932	\$ -	\$ -	\$ -	\$ 92,932
Note receivable	1,147,946	-	-	-	1,147,946
Lease	304	-	-	-	304
Restricted:					
Public safety	255,808	-	-	-	255,808
Public safety capital projects	538,078	-	-	-	538,078
Opioid abatement	14,354	-	-	-	14,354
School capital projects	7,550,260	-	105,151,907	-	112,702,167
Halifax County War Memorial	13,393	-	-	-	13,393
Committed:					
Future projects/grant matching	-	-	-	856,173	856,173
Airport operations	-	-	-	381,944	381,944
Tourism	-	-	-	67,343	67,343
E-911 operations	328,069	-	-	-	328,069
Courthouse maintenance	279,416	-	-	-	279,416
Law library	59,259	-	-	-	59,259
Assigned:					
Future capital projects	2,583,964	-	946,332	-	3,530,296
Budget carryovers	1,265,049	-	-	-	1,265,049
Long-term debt	10,334,758	-	-	-	10,334,758
Fiscal policy - capital and long-term debt	7,578,074	-	-	-	7,578,074
Future debt service	583,574	-	-	-	583,574
School carryforward reserve	2,911,810	-	-	-	2,911,810
Unassigned	15,033,464	-	-	-	15,033,464
Total fund balances	<u>\$ 50,570,512</u>	<u>\$ -</u>	<u>\$ 106,098,239</u>	<u>\$ 1,305,460</u>	<u>\$ 157,974,211</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 81,770,066</u>	<u>\$ 1,177,074</u>	<u>\$ 106,216,072</u>	<u>\$ 1,307,637</u>	<u>\$ 190,470,849</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

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

Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds	\$ 157,974,211
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 97,075,131	
Accumulated depreciation	<u>(29,366,510)</u>	67,708,621

The net pension asset is not a financial resource and, therefore, is not reported in the funds.	2,106,828
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable property taxes	2,923,241
Opioid settlement receivable	398,891

Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.

Deferred outflows - pension related	\$ 1,738,135	
Deferred outflows - OPEB related	299,518	
Deferred inflows - pension related	(5,038,292)	
Deferred inflows - OPEB related	<u>(251,479)</u>	(3,252,118)

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

Bonds and literary fund loans	\$ (141,757,106)	
Notes payable	(2,722,454)	
Unamortized premium on bonds	(7,824,248)	
Accrued interest payable	(1,210,164)	
Leases	(32,886)	
Net OPEB liabilities	(1,382,305)	
Compensated absences	(1,103,066)	
Landfill postclosure liability	<u>(1,873,596)</u>	<u>(157,905,825)</u>

Net position of governmental activities	\$ <u><u>69,953,849</u></u>
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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	County Capital Projects	Total Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
General property taxes	\$ 31,184,609	\$ -	\$ -	\$ -	\$ 31,184,609
Other local taxes	13,429,133	-	-	-	13,429,133
Permits, privilege fees, and regulatory licenses	413,308	-	-	-	413,308
Fines and forfeitures	18,170	-	-	-	18,170
Revenue from the use of money and property	293,204	1,059	147,662	156,000	597,925
Charges for services	464,179	-	-	58,910	523,089
Miscellaneous	747,403	180,787	1,000,000	29,131	1,957,321
Recovered costs	462,843	-	-	-	462,843
Intergovernmental:					
Local government	86,089	-	-	218,500	304,589
Commonwealth	6,190,233	4,528,648	-	1,246,482	11,965,363
Federal	873,137	2,934,949	-	71,889	3,879,975
Total revenues	\$ 54,162,308	\$ 7,645,443	\$ 1,147,662	\$ 1,780,912	\$ 64,736,325
<b>EXPENDITURES</b>					
Current:					
General government administration	\$ 2,791,200	\$ -	\$ -	\$ -	\$ 2,791,200
Judicial administration	2,045,850	-	-	168,381	2,214,231
Public safety	9,749,505	-	-	951,450	10,700,955
Public works	3,848,637	-	-	-	3,848,637
Health and welfare	615,503	8,819,572	-	-	9,435,075
Education	13,276,785	-	-	-	13,276,785
Parks, recreation, and cultural	442,150	-	-	10,000	452,150
Community development	1,031,073	-	-	416,396	1,447,469
Nondepartmental	53,878	-	-	-	53,878
Capital projects	-	-	1,768,660	15,457	1,784,117
Debt service:					
Principal retirement	5,325,483	-	-	-	5,325,483
Interest and other fiscal charges	1,891,452	-	-	-	1,891,452
Total expenditures	\$ 41,071,516	\$ 8,819,572	\$ 1,768,660	\$ 1,561,684	\$ 53,221,432
Excess (deficiency) of revenues over (under) expenditures	\$ 13,090,792	\$ (1,174,129)	\$ (620,998)	\$ 219,228	\$ 11,514,893
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	\$ -	\$ 1,174,129	\$ 600,000	\$ 56,959	\$ 1,831,088
Transfers out	(1,831,088)	-	-	-	(1,831,088)
Issuance of general obligation bonds	-	-	100,115,000	-	100,115,000
Premium on issuance of bonds	-	-	5,294,380	-	5,294,380
Total other financing sources (uses)	\$ (1,831,088)	\$ 1,174,129	\$ 106,009,380	\$ 56,959	\$ 105,409,380
Net change in fund balances	\$ 11,259,704	\$ -	\$ 105,388,382	\$ 276,187	\$ 116,924,273
Fund balances - beginning	39,310,808	-	709,857	1,029,273	41,049,938
Fund balances - ending	\$ 50,570,512	\$ -	\$ 106,098,239	\$ 1,305,460	\$ 157,974,211

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

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

Net change in fund balances - total governmental funds	\$	116,924,273
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following are the details of this difference:

Capital asset additions	\$	2,075,347	
Net transfer of joint tenancy assets		(2,390,099)	
Depreciation expense		<u>(2,020,740)</u>	(2,335,492)

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

Property taxes recognized as revenue	569,713	
Opioid settlement recognized as revenue	<u>398,891</u>	968,604

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

Issuance of long-term debt, net of premium and discounts	\$	(105,409,380)	
Principal payments		<u>5,346,540</u>	(100,062,840)

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 deferred outflows related to net pension liability	\$	(430,390)	
Increase (decrease) in deferred outflows related to net OPEB liabilities		(22,686)	
(Increase) decrease in accrued interest payable		(495,627)	
(Increase) decrease in premium on bond issuance		721,050	
(Increase) decrease in compensated absences		(63,495)	
(Increase) decrease in net pension liability		5,919,547	
(Increase) decrease in net OPEB liabilities		195,384	
(Increase) decrease in landfill postclosure liability		(82,395)	
(Increase) decrease in deferred inflows related to the net pension liability		(5,038,292)	
(Increase) decrease in deferred inflows related to the net OPEB liabilities		<u>(204,556)</u>	498,540

Change in net position of governmental activities	\$	<u>15,993,085</u>
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The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2022

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	<b>Custodial Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 584,387
Total assets	\$ <u>584,387</u>
 <b>NET POSITION</b>	
Restricted:	
Restricted for special welfare	\$ 504,763
Restricted for Heritage Festival Committee	78,889
Restricted for employees	735
Total net position	\$ <u>584,387</u>
Total liabilities and net position	\$ <u><u>584,387</u></u>

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

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 For the Year Ended June 30, 2022

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	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Special welfare collections	\$ 120,598
Heritage Festival Committee collections	17,381
Employee deferrals	6,452
Total additions	\$ <u>144,431</u>
<b>DEDUCTIONS</b>	
Welfare costs	\$ 138,388
Heritage Festival deductions	18,180
Employee health benefits	6,532
Total deductions	\$ <u>163,100</u>
Net increase (decrease) in fiduciary net position	\$ <u>(18,669)</u>
Net position, beginning of year	\$ <u>603,056</u>
Net position, end of year	\$ <u><u>584,387</u></u>

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022

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### Note 1—Summary of Significant Accounting Policies:

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The County of Halifax, Virginia (the "County") is governed by an elected eight 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 services; sanitation services; recreational activities, cultural events, education, and social services.

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

#### A. Financial Statement Presentation

##### Government-wide and Fund Financial Statements

Government-wide financial statements - The reporting model includes financial statements prepared using full accrual accounting for all 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 and its discretely presented component units. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are 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. The County does not allocate indirect expenses. The Operating grants include operating-specific and discretionary (operating or capital) grants while the capital grants column reflects capital specific grants. Internal service charges are eliminated and the net income or loss from internal service activities are allocated to the various functional expenses categories based on the internal charges to each function.

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

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**A. Financial Statement Presentation: (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, internal service 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. Governments provide budgetary comparison information in their annual reports, including the government's original budget, final budget and actual results.

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).

**B. 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 Halifax (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.

**C. Individual Component Unit Disclosures**

*Blended Component Units.* The County has no blended component units.

*Discretely Presented Component Units.*

The School Board members are elected by the citizens of Halifax 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 Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022.

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

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**C. Individual Component Unit Disclosures: (Continued)**

The Halifax County Industrial Development Authority is responsible for industrial and commercial development in the County. The Authority's board members are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2022. Complete financial statements for the Authority are available from the Authority in South Boston, Virginia.

The Halifax County - South Boston Regional Library provides public library services to residents of the County and Town. The County appoints four of the five members of the library board. The library is fiscally dependent upon the County for operating contributions. The financial statements of the library are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2022. The library does not issue separate financial statements.

**D. Other Related Organizations**

**Included in the County's Financial Report**

None

**Jointly Governed Organizations**

A jointly governed organization is a multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility.

The County, in conjunction with other localities, has created the Southside Community Services Board. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions. During the year, the County contributed \$190,000 to the Southside Community Services Board.

The County in conjunction with the Towns of Halifax and South Boston jointly govern the Halifax County Service Authority, a regional authority providing water and sewer service. The Authority's governing body is appointed by the participating governments. The participating governments do not have access to resources and surpluses nor are they liable for the Authority's debt or deficits. During the year, the County contributed \$123,075 to the Halifax County Service Authority.

The County, in conjunction with the Counties of Mecklenburg and Charlotte are members of the Southside Regional Public Service Authority. The Authority operates as a regional solid waste landfill facility. The County paid the Authority tipping fees of \$1,085,627 for solid waste transferred to the Authority in fiscal year 2022.

The County is a Member of the Blue Ridge Regional Jail Authority. The Authority provides regional detention and jail facilities to the Member localities. The Authority's governing body is appointed by the Member localities and includes the Sheriff from each locality. The County paid the Authority \$2,677,647 during fiscal year 2022.

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

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

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

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

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.) which are otherwise being supported by general government revenues, (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (public safety, public works, health and welfare, etc.) 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. 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 statements.



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

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

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

Licenses, permits, fines and rents are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditures. 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**1. Governmental Funds**

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

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

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special Revenue Funds consist of the following funds: Virginia Public Assistance Fund, State and Federal Grants Fund, William M. Tuck Airport Fund, and Halifax County Tourism Fund.

The Virginia Public Assistance Fund is a major special revenue fund used to account for and report the administration of the County's social services program.

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

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

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

Capital Projects Funds - The 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. The County Capital Projects Fund is reported as a major fund.

**2. Proprietary Funds** - Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. The County does not have a proprietary fund(s).

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

**4. Component Unit**

The Halifax 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 Halifax and state and federal grants. The School Operating Fund is considered a major fund of the School Board for financial reporting purposes.

Special Revenue Funds: Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Special revenue funds consist of the following funds:

The School Cafeteria Fund - Accounts for and reports 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 nonmajor fund.

The School Textbook Fund - Accounts for and reports the operations of the textbook rental program. This fund is considered a nonmajor fund.

The Student Activity Fund - Accounts for and reports the collective activity of the school/student activity funds.

Capital Projects Funds: 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.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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

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

##### 4. Component Unit: (Continued)

The School Capital Projects Fund - Accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. This fund is considered a major fund.

#### F. 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.

#### G. 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.

#### H. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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 for property taxes amounted to \$245,032 at June 30, 2022.

##### Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

**Note 1—Summary of Significant Accounting Policies: (Continued)****I. Capital Assets**

Capital assets, which include property, plant and equipment, and leased assets (which are discussed in more detail in the following Leases section of Note 1), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. 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 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.

The Component Unit Industrial Development Authority, a proprietary fund type, is required to capitalize its capital assets including the infrastructure constructed at the business park.

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.

Amortization for leased assets is discussed in the following Leases section of Note 1. Property, plant and equipment 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>
Motor vehicles	5-10
Equipment	2-15
Infrastructure	25
Buildings	15-40

**J. Leases**

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

***Lessee***

The County recognizes lease liabilities and intangible right-to-use lease assets (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.

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

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**J. Leases: (Continued)**

*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.

**K. 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 received 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.

**L. 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.

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

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**M. Fund Balance**

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

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

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

The County establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance/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 of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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

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**N. Long-term Obligations**

In the government-wide financial statements, other 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.

**O. Bond Issuance Costs**

Bond issuance costs are expensed as incurred.

**P. Inventory**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Component Unit-Industrial Development Authority consists of land held for resale. Inventory is valued and recorded at the lower of cost and market.

**Q. 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.



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

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**R. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 type of item that qualifies for reporting in this category. It is comprised of certain items related to the measurement of the net pension assets and liabilities and net OPEB liabilities and contributions to pension and OPEB. For more detailed information on these items, reference the related notes.

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

**S. 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 fiduciary net position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**T. 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 OPEB Plans and the additions to/deductions from the VRS OPEB Plans' fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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

### U. Adoption of Accounting Principles

The County implemented provisions of GASB Statement Nos. 87, *Leases*, 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, 92, *Omnibus*, 93, *Replacement of Interbank Offered Rates*, and 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84*, and a *Supersession of GASB Statement No. 32* during the year ended June 30, 2022. Statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus* addresses a variety of topics, including leases. No restatement of beginning net position or fund balance 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 leases:

	Primary Government		Component Unit	
	Govern- mental Activities	General Fund	School Board	School Operating Fund
Lessor activity:				
Lease receivable	\$ 101,623	\$ 101,623	\$ -	\$ -
Deferred revenue - lease receivable	\$ 101,623	\$ 101,623	\$ -	\$ -
Lessee activity:				
Lease assets	\$ 53,898	\$ -	\$ 117,494	\$ -
Lease liabilities	\$ 53,898	\$ -	\$ 117,494	\$ -

## 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 30th, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund 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.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 2—Stewardship, Compliance, and Accounting: (Continued)

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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, 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.

Expenditures exceeded appropriations in the following funds at June 30, 2022:

- Virginia Public Assistance Fund
- Halifax County Tourism Fund
- School Capital Projects Fund
- School Textbook Fund
- Student Activity Fund

### Note 3—Deposits and Investments:

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#### 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).

The County does not have a formal investment policy addressing the various types of risks associated with investments.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 3—Deposits and Investments: (Continued)

#### 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.

Rated Debt Investments' Values	
Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	\$ 106,261,907
Virginia Investment Pool Stable NAV Liquidity Pool	538,078
Total	\$ 106,799,985

#### Fair Value Measurements

Fair value of the Virginia Investment Pool is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County has measured fair value of the above investments at the net asset value (NAV).

#### Redemption Restrictions

The County is limited to two withdrawals per month.

#### Interest Rate Risk

The County reports investment maturities as follows:

Investment Type	Investment Maturity*	
	Fair Value	Less than 1
Local Government Investment Pool	\$ 106,261,907	\$ 106,261,907
Virginia Investment Pool Stable NAV Liquidity Pool	538,078	538,078
Total investments	\$ 106,799,985	\$ 106,799,985

\* Weighted average maturity in years.

#### 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.

# COUNTY OF HALIFAX, 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:

		Component Units	
	Primary Government	School Board	Industrial Development Authority
Component Units:			
Halifax County School Board	\$ 2,497,560	\$ -	\$ -
Halifax County Industrial Development Authority	249,400	-	-
Total due from component units	<u>\$ 2,746,960</u>	<u>\$ -</u>	<u>\$ -</u>
Other Governments:			
Commonwealth of Virginia:			
Local sales tax	\$ 703,692	\$ -	\$ -
Local sales tax - additional 1%	700,343	-	-
Communications tax	132,821	-	-
Shared revenues	25,722	-	-
Shared expenses	266,952	-	-
VPA funds	132,686	-	-
CSA funds	810,941	-	-
State sales tax	-	1,196,754	-
Other state grants	32,995	1,796	-
Federal Government:			
School fund grants	-	1,509,343	-
VPA funds	233,447	-	-
Total due from other governments	<u>\$ 3,039,599</u>	<u>\$ 2,707,893</u>	<u>\$ -</u>
Amounts due to other governments are as follows:			
Other Local Governments:			
Halifax County	<u>\$ -</u>	<u>\$ 2,497,560</u>	<u>\$ 249,400</u>

**COUNTY OF HALIFAX, VIRGINIA**

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 5—Interfund Obligations:**

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary Government:		
General	\$ 1,172,616	\$ -
State and Federal Grants	4,261	-
Virginia Public Assistance	-	1,176,877
Component Unit - School Board:		
School Operating	32,056	-
School Textbook	-	32,056
	<u>                    </u>	<u>                    </u>
Total	\$ <u>1,208,933</u>	\$ <u>1,208,933</u>

**Note 6—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	\$ -	\$ 1,831,088
Virginia Public Assistance	1,174,129	-
County Capital Projects	600,000	-
Halifax County Tourism	56,959	-
Component Unit - School Board:		
School Operating Fund	-	577,973
School Cafeteria Fund	93,542	-
School Textbook Fund	484,431	-
	<u>                    </u>	<u>                    </u>
Total	\$ <u>2,409,061</u>	\$ <u>2,409,061</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 and School Operating Fund to finance various programs accounted for in other funds in accordance with budgeting authorization.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 7—Capital Assets:**

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

	Balance July 1, 2021 (1)	Additions	Deletions	Balance June 30, 2022
<b>Primary Government:</b>				
Capital assets not being depreciated:				
Land	\$ 5,075,550	\$ -	\$ -	\$ 5,075,550
Construction in progress	30,202,575	962,895	29,651,703	1,513,767
Total capital assets not being depreciated	\$ 35,278,125	\$ 962,895	\$ 29,651,703	\$ 6,589,317
Capital assets being depreciated:				
Buildings and systems	\$ 49,707,467	\$ 29,686,290	\$ 3,880,159	\$ 75,513,598
Leased equipment (1)	53,898	-	-	53,898
Machinery and equipment	13,953,108	1,077,865	112,655	14,918,318
Total capital assets being depreciated	\$ 63,714,473	\$ 30,764,155	\$ 3,992,814	\$ 90,485,814
Accumulated depreciation:				
Buildings and systems	\$ 18,749,539	\$ 1,243,591	\$ 1,490,060	\$ 18,503,070
Leased equipment	-	21,175	-	21,175
Machinery and equipment	10,198,946	755,974	112,655	10,842,265
Total accumulated depreciation	\$ 28,948,485	\$ 2,020,740	\$ 1,602,715	\$ 29,366,510
Capital assets, depreciable, net	\$ 34,765,988	\$ 28,743,415	\$ 2,390,099	\$ 61,119,304
Net capital assets primary government	\$ 70,044,113	\$ 29,706,310	\$ 32,041,802	\$ 67,708,621
<b>Component Unit-School Board:</b>				
Capital assets not being depreciated:				
Land	\$ 130,523	\$ -	\$ -	\$ 130,523
Construction in progress	445,395	492,729	535,994	402,130
Total capital assets not being depreciated	\$ 575,918	\$ 492,729	\$ 535,994	\$ 532,653
Capital assets being depreciated:				
Machinery and equipment	\$ 10,381,255	\$ 541,507	\$ 248,888	\$ 10,673,874
Leased equipment (1)	117,494	-	-	117,494
Buildings and systems	63,296,209	4,416,153	-	67,712,362
Total capital assets being depreciated	\$ 73,794,958	\$ 4,957,660	\$ 248,888	\$ 78,503,730
Accumulated depreciation:				
Machinery and equipment	\$ 6,772,913	\$ 648,782	\$ 248,888	\$ 7,172,807
Leased equipment	-	27,228	-	27,228
Buildings and systems	32,638,094	2,853,670	-	35,491,764
Total accumulated depreciation	\$ 39,411,007	\$ 3,529,680	\$ 248,888	\$ 42,691,799
Capital assets, depreciable, net	\$ 34,383,951	\$ 1,427,980	\$ -	\$ 35,811,931
Net capital assets component unit school board	\$ 34,959,869	\$ 1,920,709	\$ 535,994	\$ 36,344,584

(1) beginning balances have been adjusted to reflect the adoption of GASB 87

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 7—Capital Assets: (Continued)

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government administration	\$	43,951
Judicial administration		8,448
Public safety		595,508
Public works and general buildings		861,791
Health and welfare		16,737
Parks, recreation and cultural		15,912
Community development		840
Subtotal depreciation expense - governmental activities	\$	1,543,187
Education - depreciation on joint tenancy assets		477,553
Total Governmental activities	\$	2,020,740
Component Unit School Board:		
Depreciation expense	\$	2,039,620
Depreciation on joint tenancy assets		1,490,060
Total Component Unit School Board	\$	3,529,680

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 Code of Virginia, 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 Halifax, Virginia for the year ended June 30, 2022, is that school financed assets in the amount of \$19,102,106 (excluding accumulated depreciation) are reported in the Primary Government for financial reporting purposes.

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 8—Long-Term Obligations:

### Primary Government:

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

	Balance July 1, 2021 (1)	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
<b>Governmental Activities Obligations:</b>					
Incurred by County:					
Other liabilities:					
Compensated absences	\$ 1,039,571	\$ 63,495	\$ -	\$ 1,103,066	\$ 110,307
Lease liabilities (1)	53,898	-	21,012	32,886	21,233
Net OPEB liabilities	1,577,689	341,062	536,446	1,382,305	-
Net pension liability	3,812,719	5,267,713	9,080,432	-	-
Landfill postclosure and corrective action costs	1,791,201	82,395	-	1,873,596	-
Direct borrowings and direct placements:					
General obligation bond	60,000	-	60,000	-	-
Revenue bonds	23,596,000	-	1,056,000	22,540,000	1,015,000
Notes payable (1)	3,051,823	-	329,369	2,722,454	337,515
Premium on bond issuance	3,042,828	-	332,478	2,710,350	326,710
Total incurred by County- Financial Statement Presentation	\$ 38,025,729	\$ 5,754,665	\$ 11,415,737	\$ 32,364,657	\$ 1,810,765
Incurred by School Board:					
Direct borrowings and direct placements:					
State Literary Fund Loans	\$ 1,400,121	\$ -	\$ 466,670	\$ 933,451	\$ 466,670
General obligation bonds	21,582,144	100,115,000	3,413,489	118,283,655	3,564,581
Premium on bond issuance	208,090	5,294,380	388,572	5,113,898	359,201
Total incurred by School Board- Financial Statement Presentation	\$ 23,190,355	\$ 105,409,380	\$ 4,268,731	\$ 124,331,004	\$ 4,390,452
Total Governmental Activities Obligations	\$ 61,216,084	\$ 111,164,045	\$ 15,684,468	\$ 156,695,661	\$ 6,201,217

(1) beginning balances have been adjusted to reflect the adoption of GASB 87



COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 8—Long-Term Obligations: (Continued)

Primary Government: (Continued)

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

Year Ending June 30,	Incurred by County					
	Revenue Bonds		Notes Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,015,000	\$ 972,113	\$ 337,515	\$ 61,662	\$ 21,233	\$ 233
2024	1,070,000	919,078	345,770	53,436	5,370	85
2025	1,125,000	863,247	354,138	44,855	3,957	45
2026	1,185,000	804,641	362,619	35,910	2,326	8
2027	1,245,000	742,981	370,143	26,697	-	-
2028	1,245,000	679,656	311,189	18,950	-	-
2029	1,320,000	614,438	317,382	12,757	-	-
2030	1,380,000	545,788	323,698	6,442	-	-
2031	1,460,000	473,578	-	-	-	-
2032	1,530,000	401,528	-	-	-	-
2033	1,595,000	335,469	-	-	-	-
2034	1,660,000	271,969	-	-	-	-
2035	1,550,000	209,550	-	-	-	-
2036	1,610,000	148,153	-	-	-	-
2037	1,675,000	86,053	-	-	-	-
2038	605,000	46,700	-	-	-	-
2039	625,000	28,725	-	-	-	-
2040	645,000	9,675	-	-	-	-
Total	\$ 22,540,000	\$ 8,153,341	\$ 2,722,454	\$ 260,709	\$ 32,886	\$ 371

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Primary Government: (Continued)**

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

Year Ending June 30,	Incurred by School Board			
	General Obligation Bonds		State Literary Fund Loans	
	Principal	Interest	Principal	Interest
2023	\$ 3,564,581	\$ 3,644,710	\$ 466,670	\$ 18,669
2024	5,415,870	4,692,391	466,781	9,336
2025	5,667,866	4,428,776	-	-
2026	5,930,754	4,156,869	-	-
2027	4,874,584	3,893,678	-	-
2028	2,065,000	3,874,549	-	-
2029	2,170,000	3,767,615	-	-
2030	2,280,000	3,655,253	-	-
2031	2,400,000	3,537,083	-	-
2032	2,525,000	3,412,726	-	-
2033	2,655,000	3,281,931	-	-
2034	2,795,000	3,144,319	-	-
2035	2,940,000	2,999,510	-	-
2036	3,065,000	2,870,871	-	-
2037	3,180,000	2,760,023	-	-
2038	3,300,000	2,636,753	-	-
2039	3,435,000	2,500,369	-	-
2040	3,580,000	2,358,315	-	-
2041	3,725,000	2,210,389	-	-
2042	3,880,000	2,056,387	-	-
2043	4,040,000	1,896,007	-	-
2044	4,210,000	1,728,945	-	-
2045	4,385,000	1,554,896	-	-
2046	4,565,000	1,373,659	-	-
2047	4,755,000	1,184,929	-	-
2048	4,950,000	988,402	-	-
2049	5,155,000	783,776	-	-
2050	5,365,000	570,746	-	-
2051	5,590,000	348,907	-	-
2052	5,820,000	117,855	-	-
Total	\$ 118,283,655	\$ 76,430,639	\$ 933,451	\$ 28,005

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 8—Long-Term Obligations: (Continued)

### Primary Government: (Continued)

Details of Long-term Obligations:

	<u>Amount Outstanding</u>
<u>Direct Borrowings and Direct Placements:</u>	
<u>Revenue Bonds - Incurred by Primary Government:</u>	
\$670,000 Lease Revenue Bonds, Series 2011 (Energy Efficiency Improvements) dated April 15, 2011 due in varying annual principal installments through October 2026 with interest payable semi-annually, interest at 2.125% - 5.125%.	\$ 280,000
\$14,455,000 Lease Revenue Bonds, Series 2016C dated November 16, 2016 due in varying annual principal installments through October 2026 with interest payable semi-annually, interest at 3.062%.	12,055,000
\$9,095,000 Lease Revenue Bonds, Series 2019C dated September 20, 2019 due in varying annual principal installments through November 2039 with interest payable semi-annually, interest rate ranging from 5.00% to 3.00%.	8,530,000
\$1,775,000 Lease Revenue Refunding Bonds, Series 2020 dated November 18, 2020 due in varying annual principal installments through April 2034 with interest payable semi-annually at rates from 1.949% to 5.125%.	1,675,000
Premium on bonds issued	<u>2,710,350</u>
Total Revenue Bonds - Incurred by Primary Government	\$ <u>25,250,350</u>
<u>General Obligation Bonds - Incurred by School Board:</u>	
\$16,615,000 School Bonds, issued November 10, 2005, through the Virginia Public School Authority, due in varying annual installments each July 15 through 2025, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	\$ 4,770,000
\$31,030,000 School Bonds, issued May 11, 2006, through Virginia Public School Authority, due in varying annual installments each July 15 through fiscal year 2027, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	10,780,000
\$8,920,992 School Bonds, issued November 9, 2006, through the Virginia Public School Authority due in varying annual installments each July 15 through 2026, interest payable semi-annually at rates ranging from 4.6% to 5.1%.	2,618,655
\$100,115,000 School Bonds, issued May 17, 2022, through the Virginia Public School Authority due in varying annual installments each July 15 through 2051, interest payable semi-annually at rates ranging from 4.05% to 5.05%.	100,115,000
Premium on bonds issued	<u>5,113,898</u>
Total General Obligation Bonds - Incurred by School Board	\$ <u>123,397,553</u>

## COUNTY OF HALIFAX, VIRGINIA

### Notes to Financial Statements June 30, 2022 (Continued)

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#### Note 8—Long-Term Obligations: (Continued)

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##### Primary Government: (Continued)

##### Details of Long-term Obligations: (Continued)

###### State Literary Fund Loans:

\$2,500,000 dated April 15, 2004, due in annual principal installments of \$466,670 over 20 years, interest payable annually at 2%.	\$ 226,113
\$4,000,000 dated April 1, 2004, due in annual principal installments of \$183,655 over 20 years, interest payable annually at 2%.	367,317
\$3,500,000 dated May 1, 2004, due in annual principal installments of \$170,003 over 20 years, interest payable annually at 2%.	<u>340,021</u>
Total State Literary Fund Loans	<u>\$ 933,451</u>

###### Notes Payable:

\$900,000 note payable to the Town of South Boston for the Prizery renovations. The note is due in varying annual payments with interest at a rate of 1.94%. Principal and interest payable through fiscal year 2027.	\$ 302,982
\$2,967,000 note payable dated December 2019 to finance purchase of E911 equipment due in annual installments of \$330,139 through December 2029, includes interest at 1.990%. The equipment secures the note.	<u>2,419,472</u>
Total Notes Payable	<u>\$ 2,722,454</u>

###### Other Liabilities:

###### Lease Liabilities:

Lease agreement for the use of copiers with monthly payments of \$1,453 through July 1, 2023. A discount rate of 1.00% was used for this lease.	\$ 18,794
Lease agreement for the use of copiers with monthly payments of \$216 through January 1, 2026. A discount rate of 1.00% was used for this lease.	9,108
Lease agreement for the use of copiers with monthly payments of \$118 through January 1, 2026. A discount rate of 1.00% was used for this lease.	<u>4,984</u>
Total Lease Liabilities	<u>\$ 32,886</u>
Compensated absences	<u>\$ 1,103,066</u>
Net OPEB liabilities	<u>\$ 1,382,305</u>
Landfill postclosure and corrective action costs	<u>\$ 1,873,596</u>
Total governmental activities long-term obligations	<u>\$ 156,695,661</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 8—Long-Term Obligations: (Continued)**

**Component Units:**

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

	Balance July 1, 2021 (1)	Issuance/ Increases	Retirement/ Decreases	Balance June 30, 2022	Amounts Due Within One Year
<b><u>Component Unit—School Board:</u></b>					
Compensated absences	\$ 883,906	\$ 113,980	\$ -	\$ 997,886	\$ 99,789
Lease liabilities (1)	117,494	-	26,779	90,715	27,101
Notes payable (1)	2,032,878	-	194,286	1,838,592	201,822
Net pension liability	47,380,898	11,183,244	34,027,320	24,536,822	-
Net OPEB liabilities	8,222,498	1,948,542	2,602,697	7,568,343	-
Total long-term obligations	<u>\$ 58,637,674</u>	<u>\$ 13,245,766</u>	<u>\$ 36,851,082</u>	<u>\$ 35,032,358</u>	<u>\$ 328,712</u>
<b><u>Component Unit—Library:</u></b>					
Net pension liability	\$ 72,715	\$ 100,463	\$ 173,178	\$ -	\$ -
Net OPEB liability	20,500	4,800	3,800	21,500	-
Total long-term obligations	<u>\$ 93,215</u>	<u>\$ 105,263</u>	<u>\$ 176,978</u>	<u>\$ 21,500</u>	<u>\$ -</u>

(1) beginning balances have been adjusted to reflect the adoption of GASB 87

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

Year Ending June 30,	School Board			
	Notes Payable		Lease Liabilities	
	Principal	Interest	Principal	Interest
2023	\$ 201,822	\$ 59,051	\$ 27,025	783
2024	208,365	52,508	25,968	511
2025	215,120	45,753	19,552	287
2026	222,094	38,779	18,170	91
2027	229,295	31,579	-	-
2028	236,729	24,145	-	-
2029	98,650	16,469	-	-
2030	101,743	13,376	-	-
2031	104,934	10,185	-	-
2032	108,225	6,894	-	-
2033	111,615	3,500	-	-
Total	<u>\$ 1,838,592</u>	<u>\$ 302,239</u>	<u>\$ 90,715</u>	<u>1,672</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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**Note 8—Long-Term Obligations: (Continued)**

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**Component Units: (Continued)**

Details of Long-term Obligations:

	<u>Amount Outstanding</u>
<u>Notes Payable:</u>	
\$1,360,863 note payable dated January 5, 2018 to finance energy improvement, payable annually January 5, 2019 to January 5, 2033 with interest at 3.14%.	\$ 1,057,172
 \$896,229 note payable dated August 10, 2020 to finance the purchase of school buses, payable annually August 20, 2021 to August 20, 2027 with interest at 3.14%.	 <u>781,420</u>
Total Notes Payable	\$ <u>1,838,592</u>
<u>Other Liabilities:</u>	
<u>Lease Liabilities:</u>	
Lease agreement for the use of copiers with monthly payments of \$664 through April 1, 2024. A discount rate of 1.00% was used for this lease.	\$ 14,471
Lease agreement for the use of copiers with monthly payments of \$1,653 through May 1, 2026. A discount rate of 1.00% was used for this lease.	<u>76,244</u>
Total Lease Liabilities	\$ <u>90,715</u>
Compensated absences	\$ <u>997,886</u>
Net pension liability	\$ <u>24,536,822</u>
Net OPEB liabilities	\$ <u>7,568,343</u>
Total school board long-term obligations	\$ <u><u>35,032,358</u></u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 9—Landfill Postclosure Costs:

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State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County records a liability for a portion of these closure and postclosure care costs in each period based on landfill capacity used as of each balance sheet date. Closure of the County's landfill site is complete. The \$1,424,568 reported as landfill postclosure care liability, and corrective action liability of \$440,767 at June 30, 2022, represents the cumulative amount reported based on the use of 100% percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care and corrective action in 2021. Actual costs may be different due to inflation, changes in technology, or changes in regulation. Additionally, the County reports closure care liability in the amount of \$8,261, the estimated liability for the transfer station. The County intends to fund these costs from tipping fee revenues and from any fund accumulated for this purpose, including available bond issue proceeds in the County Capital Projects Fund. The County provides for financial assurance requirements for closure and postclosure care, and corrective action costs through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC-20-70 of the Virginia Administrative Code.

In addition to the landfill owned and operated by the County, the County participates in the Southside Regional Public Service Authority (SRPSA). SRPSA is a regional authority created by three localities to accept waste. The County is required to demonstrate financial assurance through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC-20-70 of the Virginia Administrative Code for the County's allocable portion of the future liability.

### Note 10—Deferred Inflows of Resources-Property Taxes:

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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. Deferred inflows of resources from unavailable property taxes is comprised of the following:

#### Primary Government - Property Taxes

##### Governmental Activities - Exhibit 1:

Prepaid property taxes - property taxes paid in advance	\$ 1,959,651
2nd half property tax assessments	22,544,214
Total deferred inflows of resources - governmental activities (Exhibit 1)	<u>24,503,865</u>

##### Governmental Funds:

Delinquent taxes not collected within 60 days	2,923,241
Total deferred inflows of resources - governmental funds (Exhibit 3)	<u>\$ 27,427,106</u>

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 11—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.

The County has the following significant contractual commitments at June 30, 2022:

<u>Project</u>	<u>Amount of Contract Outstanding</u>
Scottsburg Elementary HVAC upgrades	306,880

**Note 12—Litigation:**

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

**Note 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 joined together with other local governments in Virginia to form the Virginia Municipal Liability Pool, a public entity risk pool currently operating as a common risk management and insurance program for participating local governments. The County pays an annual premium to the pool for substantially all of its insurance coverage. In the event of a loss deficit and depletion of all available excess insurance, the pool may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

The County continues to carry commercial insurance for all other risks of loss, including employee dishonesty and employee health and accident insurance. The Component Unit - School Board, carry commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



**Note 14—Pension Plan:**

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***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. The County's plan is allocated between the County, the Component Unit Regional Library, and the Component Unit Industrial Development Authority on the basis of a cost-sharing plan. 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.

**Note 14—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:

	Primary Government*	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	183	148
Inactive members:		
Vested inactive members	34	21
Non-vested inactive members	58	34
Active members active elsewhere in VRS	93	32
Total inactive members	185	87
Active members	212	64
Total covered employees	580	299

\* the Primary Government employee totals include the Component Unit Regional Library and the Component Unit Industrial Development Authority.

**Note 14—Pension Plan: (Continued)**

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***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 and Component Unit Regional Library’s contractually required employer contribution rate for the year ended June 30, 2022 was 7.88% 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 \$658,307 and \$618,867 and Component Unit Regional Library were \$12,555 and \$11,803 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 4.46% 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 \$67,159 and \$57,031 for the years ended June 30, 2022 and June 30, 2021, respectively.

***Net Pension Asset***

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

***Actuarial Assumptions - General Employees***

The total pension liability for General Employees in the County’s (Primary Government and Component Unit Regional Library) 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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 14—Pension Plan: (Continued)

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#### *Actuarial Assumptions - General Employees (Continued)*

##### 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

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

**Note 14—Pension Plan: (Continued)**

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***Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits***

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

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

**Mortality rates:**

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

**Pre-Retirement:**

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

**Post-Retirement:**

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

**Post-Disablement:**

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

**Beneficiaries and Survivors:**

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

**Mortality Improvement:**

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

**Note 14—Pension Plan: (Continued)*****Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits (Continued)***

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

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

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

***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:



# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 14—Pension Plan: (Continued)

### Long-Term Expected Rate of Return (Continued)

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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at the time, providing a median return of 7.11%, including expected inflation of 2.50%.

### 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.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 14—Pension Plan: (Continued)

*Changes in Net Pension Asset*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Primary Government</b>			
Balances at June 30, 2020	\$ 41,335,059	\$ 37,522,340	\$ 3,812,719
Changes for the year:			
Service cost	\$ 870,616	\$ -	\$ 870,616
Interest	2,719,076	-	2,719,076
Differences between expected and actual experience	185,878	-	185,878
Assumption changes	1,466,479	-	1,466,479
Contributions - employer	-	618,498	(618,498)
Contributions - employee	-	399,023	(399,023)
Net investment income	-	10,168,783	(10,168,783)
Benefit payments, including refunds	(2,104,922)	(2,104,922)	-
Administrator charges	-	(25,664)	25,664
Other changes	-	956	(956)
Net changes	\$ 3,137,127	\$ 9,056,674	\$ (5,919,547)
Balances at June 30, 2021	\$ 44,472,186	\$ 46,579,014	\$ (2,106,828)
<b>Component Unit Regional Library</b>			
Balances at June 30, 2020	\$ 788,319	\$ 715,604	\$ 72,715
Changes for the year:			
Service cost	\$ 16,604	\$ -	\$ 16,604
Interest	51,857	-	51,857
Differences between expected and actual experience	3,545	-	3,545
Assumption changes	27,968	-	27,968
Contributions - employer	-	11,796	(11,796)
Contributions - employee	-	7,610	(7,610)
Net investment income	-	193,933	(193,933)
Benefit payments, including refunds	(40,144)	(40,144)	-
Administrator charges	-	(489)	489
Other changes	-	18	(18)
Net changes	\$ 59,830	\$ 172,724	\$ (112,894)
Balances at June 30, 2021	\$ 848,149	\$ 888,328	\$ (40,179)



COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 14—Pension Plan: (Continued)

*Changes in Net Pension Asset: (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	\$ 13,183,418	\$ 12,465,516	\$ 717,902
Changes for the year:			
Service cost	\$ 147,383	\$ -	\$ 147,383
Interest	857,149	-	857,149
Differences between expected and actual experience	81,972	-	81,972
Assumption changes	556,460	-	556,460
Contributions - employer	-	57,031	(57,031)
Contributions - employee	-	68,180	(68,180)
Net investment income	-	3,305,344	(3,305,344)
Benefit payments, including refunds	(969,843)	(969,843)	-
Administrator charges	-	(8,816)	8,816
Other changes	-	306	(306)
Net changes	\$ 673,121	\$ 2,452,202	\$ (1,779,081)
Balances at June 30, 2021	\$ 13,856,539	\$ 14,917,718	\$ (1,061,179)

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

The following presents the net pension asset of the Primary Government, Component Unit Regional Library 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 asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County Net Pension Liability (Asset)	\$ 3,542,923	\$ (2,106,828)	\$ (6,778,947)
Component Unit Regional Library Net Pension Liability (Asset)	67,569	(40,179)	(129,284)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	320,356	(1,061,179)	(2,238,087)

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 14—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 Primary Government, Component Unit Regional Library and Component Unit School Board (nonprofessional) recognized pension expense of \$207,069, \$3,949 and \$99,239, respectively. At June 30, 2022, the Primary Government, Component Unity Regional Library and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Primary Government</b>		
Differences between expected and actual experience	\$ 129,715	\$ -
Change in assumptions	950,113	-
Net difference between projected and actual earnings on pension plan investments	-	5,038,292
Employer contributions subsequent to the measurement date	658,307	-
Total	<u>\$ 1,738,135</u>	<u>\$ 5,038,292</u>
<b>Component Unit Regional Library</b>		
Differences between expected and actual experience	\$ 2,474	\$ -
Change in assumptions	18,120	-
Net difference between projected and actual earnings on pension plan investments	-	96,087
Employer contributions subsequent to the measurement date	12,555	-
Total	<u>\$ 33,149</u>	<u>\$ 96,087</u>
<b>Component Unit School Board (nonprofessional)</b>		
Differences between expected and actual experience	\$ 19,398	\$ -
Change in assumptions	131,681	-
Net difference between projected and actual earnings on pension plan investments	-	1,620,315
Employer contributions subsequent to the measurement date	67,159	-
Total	<u>\$ 218,238</u>	<u>\$ 1,620,315</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 14—Pension Plan: (Continued)

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

\$658,307, \$12,555 and \$67,159 reported as deferred outflows of resources related to pensions resulting from the Primary Government, Component Unit Regional Library and Component Unit School Board (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:

<u>Year Ended June 30</u>	<u>Primary Government</u>	<u>Component Unit Regional Library</u>	<u>Component Unit School Board (nonprofessional)</u>
2023	\$ (589,201)	\$ (11,237)	\$ (226,875)
2024	(660,854)	(12,603)	(366,825)
2025	(1,173,698)	(22,384)	(376,992)
2026	(1,534,711)	(29,269)	(498,544)
2027	-	-	-

#### *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 regarding the plan description can be found 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.

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 14—Pension Plan: (Continued)

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

#### *Contributions: (Continued)*

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 \$4,919,371 and \$4,471,486 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 \$24,536,822 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 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 0.31607% as compared to 0.32065% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized pension expense of \$(865,524). 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	\$ -	\$ 2,089,897
Change in assumptions	4,298,787	-
Net difference between projected and actual earnings on pension plan investments	-	15,462,449
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,655,726
Employer contributions subsequent to the measurement date	4,919,371	-
Total	<u>\$ 9,218,158</u>	<u>\$ 20,208,072</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 14—Pension Plan: (Continued)

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

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

\$4,919,371 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	\$ (4,275,706)
2024	(3,553,999)
2025	(3,559,086)
2026	(4,523,487)
2027	2,993

#### *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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 14—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 are as follows (amounts expressed in thousands):

		<u>Teacher Employee Retirement Plan</u>
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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 14—Pension Plan: (Continued)**

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

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan			
Net Pension Liability (Asset)	\$ 47,354,738	\$ 24,536,822	\$ 5,766,038

***Pension Plan Fiduciary Net Position***

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

**Primary Government and Component Unit School Board**

***Aggregate Pension Information***

	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:				
Primary Government	\$ 1,738,135	\$ 5,038,292	\$ (2,106,828)	\$ 207,069
Component Unit Library	33,149	96,087	(40,179)	3,949
School Board:				
School Board Nonprofessional	218,238	1,620,315	(1,061,179)	99,239
School Board Professional	9,218,158	20,208,072	24,536,822	(865,524)
School Board Subtotals:	\$ 9,436,396	\$ 21,828,387	\$ 23,475,643	\$ (766,285)
Totals	\$ 11,207,680	\$ 26,962,766	\$ 21,328,636	\$ (555,267)

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 15—Surety Bonds:

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	<u>Amount</u>
Commonwealth of Virginia - Division of Risk Management - Surety	
Clerk of the Circuit Court	\$ 1,500,000
Treasurer	400,000
Commissioner of the Revenue	50,000
Sheriff	30,000
Above constitutional officers' employees - blanket bond	50,000
Nationwide Insurance Company - Surety	
Superintendent of Schools	50,000
Clerk of the School Board	50,000
Continental Insurance Company - Surety	
All County employees - blanket bond	25,000
Selective Insurance Company of America - Surety	
Faithful performance blanket position bond all social service employees	100,000

### Note 16—Other Postemployment Benefits

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#### 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, Library 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.



## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

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

##### *Plan Membership*

At July 1, 2021 (measurement date), the following employees were covered by the benefit terms:

	<u>County</u>	<u>Library</u>	<u>School Board</u>
Total active employees with coverage	183	4	692
Total inactive employees or retirees with coverage	3	-	22
Total	<u>186</u>	<u>4</u>	<u>714</u>

##### *Contributions*

The County, Library 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, Library and School Board. The amount paid for OPEB as the benefits came due during the year ended June 30, 2022 was \$116,600.

##### *Total OPEB Liability*

The County, Library and School Board's total OPEB liabilities were measured as of July 1, 2021. The total OPEB liabilities were determined by an actuarial valuation as of July 1, 2020.

##### *Actuarial Assumptions*

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

<u>County, Library and School Board</u>	
Salary Increases	Increases of 2.50%
Discount Rate	1.92% as of July 1, 2021

Mortality rates for active employees and healthy retirees were based on a RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

##### *Discount Rate*

The discount rate represents the Municipal GO AA 20-year yield curve rate as of June 30, 2021. The final equivalent single discount rate used for this year's valuation is 1.92% as of the end of the fiscal year with the expectation that the County, Library and School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost from the OPEB Trust.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 16—Other Postemployment Benefits: (Continued)

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

*Changes in Total OPEB Liability*

	Changes in Net OPEB Liability		
	Primary Government- County Total OPEB Liability	Component Unit- Library Total OPEB Liability	Component Unit- School Board Total OPEB Liability
Balances at July 1, 2021	\$ 820,700	\$ 20,500	\$ 1,541,900
Changes for the year:			
Service cost	45,400	600	73,100
Interest	21,000	500	38,400
Difference between expected and actual experience	(105,800)	(3,800)	(172,900)
Changes in assumptions	95,800	3,700	357,600
Benefit payments	(22,100)	-	(94,500)
Net changes	34,300	1,000	201,700
Balances at June 30, 2022	\$ 855,000	\$ 21,500	\$ 1,743,600

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

The following amounts present the total OPEB liability of the County, Library 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 (0.92%) or one percentage point higher (2.92%) than the current discount rate:

	Rate		
	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
County Liability	\$ 930,200	\$ 855,000	\$ 785,500
Library Liability	\$ 23,400	\$ 21,500	\$ 19,800
School Board Liability	\$ 1,896,800	\$ 1,743,600	\$ 1,601,900

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

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

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

The following presents the total OPEB liabilities of the County, Library 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.

	Rates		
	Healthcare Cost		
	1% Decrease	Trend	1% Increase
County Rate	\$ 752,900	\$ 855,000	\$ 975,700
Library Rate	\$ 18,900	\$ 21,500	\$ 24,500
School Board Rate	\$ 1,535,400	\$ 1,743,600	\$ 1,989,800

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

For the year ended June 30, 2022, the County, Library and School Board recognized OPEB expense in the amount of \$90,400, \$2,800 and \$(35,200), respectively.

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>County:</b>		
Change in assumptions	\$ 131,200	\$ -
Net difference between projected and actual experience	-	31,700
Total	<u>\$ 131,200</u>	<u>\$ 31,700</u>
<b>Library:</b>		
Change in assumptions	\$ 1,700	\$ -
Net difference between projected and actual experience	3,800	-
Total	<u>\$ 5,500</u>	<u>\$ -</u>
<b>School Board:</b>		
Change in assumptions	\$ 172,500	\$ -
Net difference between projected and actual experience	-	584,500
Total	<u>\$ 172,500</u>	<u>\$ 584,500</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

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

##### *OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: (Continued)*

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

<u>Year Ended June 30</u>	<u>County</u>	<u>Library</u>	<u>School Board</u>
2023	\$ 42,100	\$ 2,300	\$ (174,300)
2024	42,100	2,300	(174,300)
2025	18,800	1,000	(77,700)
2026	4,300	200	(17,700)
2027	(4,800)	(300)	20,000
2028	(3,000)	-	12,000
Thereafter	-	-	-

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.

#### 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.

**Note 16—Other Postemployment Benefits: (Continued)**

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**Group Life Insurance: (Continued)**

***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.

***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 \$49,459 and \$46,113 for the years ended June 30, 2022 and June 30, 2021, respectively and \$173,956 and \$157,077 from the School Board.

***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 County reported a liability of \$482,879 and the School Board \$1,640,342 for their proportionate shares 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 was 0.04330% as compared to 0.04340% at June 30, 2020. At June 30, 2021, the participating employer's proportion for the School Board was 0.14090% as compared to 0.14250% at June 30, 2020.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 16—Other Postemployment Benefits: (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)*

For the year ended June 30, 2022, the County and School Board recognized GLI OPEB expense of \$21,194 and \$(3,029). 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.

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:

		Deferred Outflows of Resources	Deferred Inflows of Resources
<b>County</b>			
Differences between expected and actual experience	\$	55,074	\$ 3,679
Net difference between projected and actual earnings on GLI OPEB program investments		-	115,253
Change in assumptions		26,621	66,068
Changes in proportion		21,336	13,229
Employer contributions subsequent to the measurement date		49,459	-
Total	\$	<u>152,490</u>	<u>198,229</u>
<b>School Board</b>			
Differences between expected and actual experience	\$	187,087	\$ 12,499
Net difference between projected and actual earnings on GLI OPEB program investments		-	391,514
Change in assumptions		90,432	224,433
Changes in proportionate share		-	193,032
Employer contributions subsequent to the measurement date		173,956	-
Total	\$	<u>451,475</u>	<u>821,478</u>

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 16—Other Postemployment Benefits: (Continued)

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#### 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)*

\$49,459 and \$173,956 (County and School Board) 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</u>
2023	\$ (23,285)	\$ (151,040)
2024	(17,926)	(123,446)
2025	(16,806)	(98,701)
2026	(31,494)	(141,042)
2027	(5,687)	(29,730)
Thereafter	-	-

#### *Actuarial Assumptions*

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 16—Other Postemployment Benefits: (Continued)

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#### 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:

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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 16—Other Postemployment Benefits: (Continued)

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#### 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:

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

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 16—Other Postemployment Benefits: (Continued)

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#### 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:

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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 16—Other Postemployment Benefits: (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):

	<b>GLI OPEB Plan</b>
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.

***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:

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

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Group Life Insurance: (Continued)

##### *Long-Term Expected Rate of Return: (Continued)*

\*The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. 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 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

##### *Discount Rate*

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

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

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

		Rate		
		1% Decrease	Current Discount	1% Increase
		(5.75%)	(6.75%)	(7.75%)
County's proportionate share of the Group Life Insurance Plan				
Net OPEB Liability	\$	705,516	\$ 482,879	\$ 303,104
School Board's proportionate share of the Group Life Insurance Plan				
Net OPEB Liability	\$	2,396,599	\$ 1,640,342	\$ 1,029,630

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### **Note 16—Other Postemployment Benefits: (Continued)**

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#### **Group Life Insurance: (Continued)**

##### ***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 <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.

#### **Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional)**

##### ***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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

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

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

	<u>County</u>	<u>School Board</u>
Inactive members or their beneficiaries currently receiving benefits	26	54
Inactive members:		
Vested inactive members	2	1
Non-vested inactive members	-	-
Inactive members active elsewhere in VRS	-	-
Total inactive members	<u>28</u>	<u>55</u>
Active members	<u>89</u>	<u>64</u>
Total covered employees	<u>117</u>	<u>119</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 County and School Board's contractually required employer contribution rate for the year ended June 30, 2022 was 0.23% and 1.06%, respectively, of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County and School Board to the HIC Plan were \$9,354 and \$8,569, and \$18,798 and \$15,592 for the years ended June 30, 2022 and June 30, 2021, respectively.

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

##### *Net HIC OPEB Liability*

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

##### *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.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

### Note 16—Other Postemployment Benefits: (Continued)

#### Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

##### Actuarial Assumptions: (Continued)

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

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

###### Pre-Retirement:

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

###### Post-Retirement:

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

###### Post-Disablement:

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

###### Beneficiaries and Survivors:

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

###### Mortality Improvement:

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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 16—Other Postemployment Benefits: (Continued)

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#### Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (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:

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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 16—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

*Long-Term Expected Rate of Return*

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

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

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

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

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 16—Other Postemployment Benefits: (Continued)

Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)

*Discount Rate*

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

*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)
<b>County:</b>			
Balances at June 30, 2020	\$ 167,331	\$ 101,657	\$ 65,674
Changes for the year:			
Service cost	\$ 4,617	\$ -	\$ 4,617
Interest	10,601	-	10,601
Differences between expected and actual experience	(4,118)	-	(4,118)
Assumption changes	869	-	869
Contributions - employer	-	8,569	(8,569)
Net investment income	-	24,912	(24,912)
Benefit payments	(20,570)	(20,570)	-
Administrative expenses	-	(264)	264
Net changes	\$ (8,601)	\$ 12,647	\$ (21,248)
Balances at June 30, 2021	\$ 158,730	\$ 114,304	\$ 44,426

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)**

***Changes in Net HIC OPEB Liability: (Continued)***

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
<b>School Board - Nonprofessional:</b>			
Balances at June 30, 2020	\$ 261,449	\$ 76,859	\$ 184,590
Changes for the year:			
Service cost	\$ 2,550	\$ -	\$ 2,550
Interest	16,380	-	16,380
Differences between expected and actual experience	19,523	-	19,523
Assumption changes	6,218	-	6,218
Contributions - employer	-	15,592	(15,592)
Net investment income	-	16,689	(16,689)
Benefit payments	(37,575)	(37,575)	-
Administrative expenses	-	(141)	141
Net changes	\$ 7,096	\$ (5,435)	\$ 12,531
Balances at June 30, 2021	\$ 268,545	\$ 71,424	\$ 197,121

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's Net HIC OPEB Liability	\$ 61,001	\$ 44,426	\$ 30,298
School Board's (Nonprofessional) Net HIC OPEB Liability	219,998	197,121	177,138

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 16—Other Postemployment Benefits: (Continued)**

**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (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 County and School Board recognized HIC Plan OPEB expense of \$3,540 and \$14,947, respectively. At June 30, 2022, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County and School Board's HIC Plan from the following sources:

<b>County:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,852	\$ 8,751
Net difference between projected and actual earnings on HIC OPEB plan investments	-	11,548
Change in assumptions	2,622	1,251
Employer contributions subsequent to the measurement date	9,354	-
Total	<u>\$ 15,828</u>	<u>\$ 21,550</u>
<b>School Board - Nonprofessional:</b>		
Differences between expected and actual experience	\$ 13,422	\$ 5,478
Net difference between projected and actual earnings on HIC OPEB plan investments	-	7,026
Change in assumptions	4,895	-
Employer contributions subsequent to the measurement date	18,798	-
Total	<u>\$ 37,115</u>	<u>\$ 12,504</u>

\$9,354 and \$18,798 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

<b>Year Ended June 30</b>	<b>County</b>	<b>School Board</b>
2023	\$ (4,614)	\$ 2,618
2024	(4,154)	5,653
2025	(2,276)	(10)
2026	(3,698)	(2,448)
2027	(334)	-
Thereafter	-	-

**Note 16—Other Postemployment Benefits: (Continued)**

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**Health Insurance Credit (HIC) Plan - County and School Board (Nonprofessional): (Continued)**

***HIC Plan Data***

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

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

***Plan Description***

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

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

***Eligible Employees***

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

***Benefit Amounts***

The Teacher Employee HIC Plan is a defined benefit plan that provides a credit toward the cost of health insurance coverage for retired teachers. For Teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount. For Teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Plan (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 16—Other Postemployment Benefits: (Continued)**

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**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 \$367,210 and \$332,426 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 \$3,987,280 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 Plan was 0.31064% as compared to 0.31573% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$218,784. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

Note 16—Other Postemployment Benefits: (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	\$ -	\$ 69,578
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	52,524
Change in assumptions	107,783	16,025
Change in proportionate share	-	410,527
Employer contributions subsequent to the measurement date	<u>367,210</u>	<u>-</u>
Total	\$ <u>474,993</u>	\$ <u>548,654</u>

\$367,210 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	\$ (110,826)
2024	(111,423)
2025	(100,139)
2026	(69,223)
2027	(32,071)
Thereafter	(17,189)

**Note 16—Other Postemployment Benefits: (Continued)**

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



**COUNTY OF HALIFAX, VIRGINIA**

Notes to Financial Statements  
June 30, 2022 (Continued)

**Note 16—Other Postemployment Benefits: (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 are as follows (amounts expressed in thousands):

		<b>Teacher Employee HIC OPEB Plan</b>
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 HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 16—Other Postemployment Benefits: (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:

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

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

\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75% which was roughly at the 40<sup>th</sup> 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 16—Other Postemployment Benefits: (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 follow 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	\$ 4,488,572	\$ 3,987,280	\$ 3,563,067

***Teacher Employee HIC OPEB Fiduciary Net Position***

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

# COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

## Note 16—Other Postemployment Benefits: (Continued)

### Aggregate OPEB Information

	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
<b>Primary Government</b>				
VRS OPEB Plans:				
Group Life Insurance Program	\$ 152,490	\$ 198,229	\$ 482,879	\$ 21,194
County Health Insurance Credit Program	15,828	21,550	44,426	3,540
County Stand-Alone Plan	131,200	31,700	855,000	90,400
Totals	<u>\$ 299,518</u>	<u>\$ 251,479</u>	<u>\$ 1,382,305</u>	<u>\$ 115,134</u>
<b>Component Unit School Board</b>				
VRS OPEB Plans:				
Group Life Insurance Program	\$ 451,475	\$ 821,478	\$ 1,640,342	\$ (3,029)
School Board Health Insurance Credit Program	37,115	12,504	197,121	14,947
Teacher Health Insurance Credit Program	474,993	548,654	3,987,280	218,784
School Stand-Alone Plan	172,500	584,500	1,743,600	(35,200)
Totals	<u>\$ 1,136,083</u>	<u>\$ 1,967,136</u>	<u>\$ 7,568,343</u>	<u>\$ 195,502</u>
<b>Component Unit Regional Library</b>				
VRS OPEB Plans:				
Library Stand-Alone Plan	\$ 5,500	\$ -	\$ 21,500	\$ 2,800
Totals	<u>\$ 5,500</u>	<u>\$ -</u>	<u>\$ 21,500</u>	<u>\$ 2,800</u>

## Note 17—Restricted Cash:

Cash is temporarily restricted for the following purposes:

Asset forfeiture	\$ 255,808
Capital projects	8,088,338
Other	13,393

## Note 18—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.

**Note 18—Upcoming Pronouncements: (Continued)**

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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 reporting periods 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 reporting periods beginning after June 15, 2022.

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

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

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 fiscal years beginning after December 15, 2023.

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

**Note 19—COVID-19 Pandemic Funding:**

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**CARES Act Funding**

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The County received total CRF funding in the amount of \$5.92 million. All CRF funding had been expended by June 30, 2022.

## COUNTY OF HALIFAX, VIRGINIA

Notes to Financial Statements  
June 30, 2022 (Continued)

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### Note 19—COVID-19 Pandemic Funding: (Continued)

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#### ARPA Funding

On March 11, 2021, the American Rescue Plan (ARPA) Act of 2021 was passed by the federal government. A primary component of the ARPA was the establishment of the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). Local governments are to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered approximately 12 months later.

In July 2021, the County received its share of the first half of the CSLFRF funds in the amount of \$3.29 million. In July 2022, the County received the second payment of \$3.29 million. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. At June 30, 2022 \$3,100,733 of CSLFRF funds had not yet been expended.

### Note 20—Note Receivable:

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The County has made two loans to the Industrial Development Authority of Halifax County, Virginia (IDA) to finance the upfit of an industrial facility known as the Daystrom Building. The first note receivable of \$550,000, dated in FY21, is to be repaid by the IDA over a period of five years at a rate of 3.75% annually. The annual payments of \$122,678 are due June 15<sup>th</sup> each year through June 15, 2026. The second note receivable of \$700,000, dated in FY22, is to be repaid by the IDA over a period of five years at a rate of 2.50% annually. The annual payments of \$150,673 are due June 15<sup>th</sup> each year through June 15, 2027. The following amortization schedule provides for repayment of the note receivable to the County by the IDA.

Year Ending June 30,	Note Receivable	
	Principal	Interest
2023	\$ 239,054	\$ 34,298
2024	246,353	26,998
2025	253,885	19,466
2026	261,657	11,694
2027	146,997	3,675
Total	\$ <u>1,147,946</u>	\$ <u>96,131</u>

### Note 21—Lease Receivable:

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The County leases 171 South Main Street, Halifax, Virginia on a monthly lease ending December 31, 2023. The receivable balance at June 30, 2022, calculated using a discount rate of 1.00%, was \$61,278. Lease revenue and interest revenue for the year ended June 30, 2022 were \$40,649 and \$797, respectively.

### **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			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
General property taxes	\$ 28,665,250	\$ 28,755,659	\$ 31,184,609	\$ 2,428,950
Other local taxes	10,745,000	10,745,000	13,429,133	2,684,133
Permits, privilege fees, and regulatory licenses	351,000	351,000	413,308	62,308
Fines and forfeitures	50,000	50,000	18,170	(31,830)
Revenue from the use of money and property	294,247	294,247	293,204	(1,043)
Charges for services	461,000	465,668	464,179	(1,489)
Miscellaneous	93,500	118,242	747,403	629,161
Recovered costs	192,865	350,105	462,843	112,738
Intergovernmental:				
Local government	108,642	108,642	86,089	(22,553)
Commonwealth	6,200,996	6,289,756	6,190,233	(99,523)
Federal	6,647,000	6,742,178	873,137	(5,869,041)
Total revenues	\$ 53,809,500	\$ 54,270,497	\$ 54,162,308	\$ (108,189)
EXPENDITURES				
Current:				
General government administration	\$ 2,705,554	\$ 2,783,382	\$ 2,791,200	\$ (7,818)
Judicial administration	2,061,287	2,204,222	2,045,850	158,372
Public safety	9,558,098	10,695,870	9,749,505	946,365
Public works	3,737,638	3,836,569	3,848,637	(12,068)
Health and welfare	449,199	449,199	615,503	(166,304)
Education	14,338,901	14,338,901	13,276,785	1,062,116
Parks, recreation, and cultural	453,259	502,516	442,150	60,366
Community development	1,018,361	2,230,385	1,031,073	1,199,312
Nondepartmental	7,072,442	7,319,468	53,878	7,265,590
Debt service:				
Principal retirement	5,638,518	5,628,830	5,325,483	303,347
Interest and other fiscal charges	1,873,237	1,882,925	1,891,452	(8,527)
Total expenditures	\$ 48,906,494	\$ 51,872,267	\$ 41,071,516	\$ 10,800,751
Excess (deficiency) of revenues over (under) expenditures	\$ 4,903,006	\$ 2,398,230	\$ 13,090,792	\$ 10,692,562
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (2,541,067)	\$ (2,921,067)	\$ (1,831,088)	\$ 1,089,979
Total other financing sources (uses)	\$ (2,541,067)	\$ (2,921,067)	\$ (1,831,088)	\$ 1,089,979
Net change in fund balances	\$ 2,361,939	\$ (522,837)	\$ 11,259,704	\$ 11,782,541
Fund balances - beginning	(2,361,939)	522,837	39,310,808	38,787,971
Fund balances - ending	\$ -	\$ -	\$ 50,570,512	\$ 50,570,512



## Virginia Public Assistance 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		
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ -	\$ 1,059	\$ 1,059
Miscellaneous	-	-	180,787	180,787
Intergovernmental:				
Commonwealth	6,544,840	6,544,840	4,528,648	(2,016,192)
Federal	-	-	2,934,949	2,934,949
Total revenues	<u>\$ 6,544,840</u>	<u>\$ 6,544,840</u>	<u>\$ 7,645,443</u>	<u>\$ 1,100,603</u>
<b>EXPENDITURES</b>				
Current:				
Health and welfare	\$ 8,449,157	\$ 8,449,157	\$ 8,819,572	\$ (370,415)
Total expenditures	<u>\$ 8,449,157</u>	<u>\$ 8,449,157</u>	<u>\$ 8,819,572</u>	<u>\$ (370,415)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,904,317)</u>	<u>\$ (1,904,317)</u>	<u>\$ (1,174,129)</u>	<u>\$ 730,188</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,904,317	\$ 1,904,317	\$ 1,174,129	\$ (730,188)
Total other financing sources (uses)	<u>\$ 1,904,317</u>	<u>\$ 1,904,317</u>	<u>\$ 1,174,129</u>	<u>\$ (730,188)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF HALIFAX, VIRGINIA

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Primary Government and Component Unit Halifax County Regional Library  
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021		2020		2019	
	Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library
<b>Total pension liability</b>						
Service cost	\$ 870,616	\$ 16,604	\$ 842,339	\$ 16,065	\$ 759,068	\$ 14,477
Interest	2,719,076	51,857	2,625,387	50,070	2,543,419	48,507
Differences between expected and actual experience	185,878	3,545	29,476	562	170,086	3,244
Changes in assumptions	1,466,479	27,968	-	-	1,115,561	21,275
Benefit payments	(2,104,922)	(40,144)	(2,113,515)	(40,308)	(1,942,633)	(37,049)
<b>Net change in total pension liability</b>	<b>\$ 3,137,127</b>	<b>\$ 59,830</b>	<b>\$ 1,383,687</b>	<b>\$ 26,389</b>	<b>\$ 2,645,501</b>	<b>\$ 50,454</b>
<b>Total pension liability - beginning</b>	<b>41,335,059</b>	<b>788,319</b>	<b>39,951,372</b>	<b>761,930</b>	<b>37,305,871</b>	<b>711,476</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 44,472,186</b>	<b>\$ 848,149</b>	<b>\$ 41,335,059</b>	<b>\$ 788,319</b>	<b>\$ 39,951,372</b>	<b>\$ 761,930</b>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 618,498	\$ 11,796	\$ 538,397	\$ 10,268	\$ 496,886	\$ 9,476
Contributions - employee	399,023	7,610	399,512	7,619	365,072	6,962
Net investment income	10,168,783	193,933	719,665	13,725	2,409,745	45,957
Benefit payments	(2,104,922)	(40,144)	(2,113,515)	(40,308)	(1,942,633)	(37,049)
Administrator charges	(25,664)	(489)	(25,034)	(477)	(24,395)	(465)
Other	956	18	(847)	(16)	(1,517)	(29)
<b>Net change in plan fiduciary net position</b>	<b>\$ 9,056,674</b>	<b>\$ 172,724</b>	<b>\$ (481,822)</b>	<b>\$ (9,189)</b>	<b>\$ 1,303,158</b>	<b>\$ 24,852</b>
<b>Plan fiduciary net position - beginning</b>	<b>37,522,340</b>	<b>715,604</b>	<b>38,004,162</b>	<b>724,793</b>	<b>36,701,004</b>	<b>699,940</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 46,579,014</b>	<b>\$ 888,328</b>	<b>\$ 37,522,340</b>	<b>\$ 715,604</b>	<b>\$ 38,004,162</b>	<b>\$ 724,792</b>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (2,106,828)</b>	<b>\$ (40,179)</b>	<b>\$ 3,812,719</b>	<b>\$ 72,715</b>	<b>\$ 1,947,210</b>	<b>\$ 37,138</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>104.74%</b>	<b>104.74%</b>	<b>90.78%</b>	<b>90.78%</b>	<b>95.13%</b>	<b>95.13%</b>
<b>Covered payroll</b>	<b>\$ 8,512,490</b>	<b>\$ 162,345</b>	<b>\$ 8,497,727</b>	<b>\$ 162,064</b>	<b>\$ 7,695,555</b>	<b>\$ 146,765</b>
<b>Net pension liability (asset) as a percentage of covered payroll</b>	<b>-24.75%</b>	<b>-24.75%</b>	<b>44.87%</b>	<b>44.87%</b>	<b>25.30%</b>	<b>25.30%</b>

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

2018		2017		2016		2015		2014	
Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library	Primary Government	Regional Library
\$ 780,915	\$ 14,893	\$ 793,955	\$ 15,142	\$ 779,075	\$ 14,854	\$ 825,925	\$ 15,747	\$ 826,346	\$ 15,754
2,445,726	46,643	2,395,636	45,688	2,313,571	44,111	2,214,719	42,226	2,135,142	40,706
63,586	1,213	(384,393)	(7,331)	(112,741)	(2,150)	198,493	3,784	-	-
-	-	(187,001)	(3,566)	-	-	-	-	-	-
(1,846,599)	(35,217)	(1,958,626)	(37,354)	(1,656,210)	(31,577)	(1,997,565)	(38,086)	(1,651,739)	(31,490)
\$ 1,443,628	\$ 27,532	\$ 659,571	\$ 12,579	\$ 1,323,695	\$ 25,238	\$ 1,241,572	\$ 23,671	\$ 1,309,749	\$ 24,970
35,862,461	683,748	35,202,890	671,169	33,879,195	645,931	32,637,623	622,260	31,327,890	597,259
\$ 37,306,089	\$ 711,280	\$ 35,862,461	\$ 683,748	\$ 35,202,890	\$ 671,169	\$ 33,879,195	\$ 645,931	\$ 32,637,639	\$ 622,229
\$ 532,347	\$ 10,153	\$ 528,755	\$ 10,084	\$ 673,810	\$ 12,847	\$ 678,950	\$ 12,945	\$ 790,792	\$ 15,076
367,811	7,015	380,201	7,251	358,651	6,838	363,627	6,933	367,756	7,011
2,576,343	49,135	3,885,346	74,099	555,064	10,583	1,448,398	27,615	4,392,966	83,751
(1,846,599)	(35,217)	(1,958,626)	(37,354)	(1,656,210)	(31,577)	(1,997,565)	(38,086)	(1,651,739)	(31,490)
(22,550)	(430)	(23,016)	(439)	(20,213)	(385)	(20,446)	(390)	(23,867)	(455)
(2,278)	(43)	(3,430)	(65)	(234)	(5)	(303)	(6)	232	4
\$ 1,605,074	\$ 30,613	\$ 2,809,231	\$ 53,576	\$ (89,132)	\$ (1,699)	\$ 472,661	\$ 9,011	\$ 3,876,140	\$ 73,897
35,096,134	669,149	32,286,903	615,573	32,376,035	617,272	31,903,374	608,261	28,027,250	534,333
\$ 36,701,208	\$ 699,762	\$ 35,096,134	\$ 669,149	\$ 32,286,903	\$ 615,573	\$ 32,376,035	\$ 617,272	\$ 31,903,390	\$ 608,230
\$ 604,881	\$ 11,518	\$ 766,327	\$ 14,599	\$ 2,915,987	\$ 55,596	\$ 1,503,160	\$ 28,659	\$ 734,249	\$ 13,999
98.38%	98.38%	97.86%	97.86%	91.72%	91.72%	95.56%	95.56%	97.75%	97.75%
\$ 7,655,707	\$ 146,005	\$ 7,511,881	\$ 145,187	\$ 7,269,350	\$ 161,325	\$ 7,348,452	\$ 140,456	\$ 7,410,339	\$ 141,278
7.90%	7.89%	10.20%	10.06%	40.11%	34.46%	20.46%	20.40%	9.91%	9.91%

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

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 147,383	\$ 157,752	\$ 169,977	\$ 186,868	\$ 190,138	\$ 234,268	\$ 325,663	\$ 332,205
Interest	857,149	858,997	870,277	867,664	918,297	949,873	936,401	905,803
Differences between expected and actual experience	81,972	(89,154)	(91,375)	(103,806)	(983,685)	(781,526)	(183,885)	-
Changes in assumptions	556,460	-	305,492	-	(31,127)	-	-	-
Benefit payments, including refunds of employee contributions	(969,843)	(940,121)	(981,911)	(844,875)	(789,037)	(918,376)	(853,050)	(748,730)
<b>Net change in total pension liability</b>	<b>\$ 673,121</b>	<b>\$ (12,526)</b>	<b>\$ 272,460</b>	<b>\$ 105,851</b>	<b>\$ (695,414)</b>	<b>\$ (515,761)</b>	<b>\$ 225,129</b>	<b>\$ 489,278</b>
<b>Total pension liability - beginning</b>	<b>13,183,418</b>	<b>13,195,944</b>	<b>12,923,484</b>	<b>12,817,633</b>	<b>13,513,047</b>	<b>14,028,808</b>	<b>13,803,679</b>	<b>13,314,401</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 13,856,539</b>	<b>\$ 13,183,418</b>	<b>\$ 13,195,944</b>	<b>\$ 12,923,484</b>	<b>\$ 12,817,633</b>	<b>\$ 13,513,047</b>	<b>\$ 14,028,808</b>	<b>\$ 13,803,679</b>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 57,031	\$ 80,645	\$ 82,417	\$ 141,618	\$ 154,312	\$ 203,113	\$ 234,453	\$ 217,625
Contributions - employee	68,180	72,952	73,601	78,998	86,232	91,360	106,219	148,448
Net investment income	3,305,344	244,051	831,394	924,578	1,415,455	198,450	546,114	1,699,873
Benefit payments, including refunds of employee contributions	(969,843)	(940,121)	(981,911)	(844,875)	(789,037)	(918,376)	(853,050)	(748,730)
Administrator charges	(8,816)	(8,846)	(8,938)	(8,339)	(8,540)	(7,852)	(7,872)	(9,403)
Other	306	(281)	(520)	(808)	(1,244)	(87)	(115)	90
<b>Net change in plan fiduciary net position</b>	<b>\$ 2,452,202</b>	<b>\$ (551,600)</b>	<b>\$ (3,957)</b>	<b>\$ 291,172</b>	<b>\$ 857,178</b>	<b>\$ (433,392)</b>	<b>\$ 25,749</b>	<b>\$ 1,307,903</b>
<b>Plan fiduciary net position - beginning</b>	<b>12,465,516</b>	<b>13,017,116</b>	<b>13,021,073</b>	<b>12,729,901</b>	<b>11,872,723</b>	<b>12,306,115</b>	<b>12,280,366</b>	<b>10,972,463</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 14,917,718</b>	<b>\$ 12,465,516</b>	<b>\$ 13,017,116</b>	<b>\$ 13,021,073</b>	<b>\$ 12,729,901</b>	<b>\$ 11,872,723</b>	<b>\$ 12,306,115</b>	<b>\$ 12,280,366</b>
<b>School Division's net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (1,061,179)</b>	<b>\$ 717,902</b>	<b>\$ 178,828</b>	<b>\$ (97,589)</b>	<b>\$ 87,732</b>	<b>\$ 1,640,324</b>	<b>\$ 1,722,693</b>	<b>\$ 1,523,313</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>107.66%</b>	<b>94.55%</b>	<b>98.64%</b>	<b>100.76%</b>	<b>99.32%</b>	<b>87.86%</b>	<b>87.72%</b>	<b>88.96%</b>
<b>Covered payroll</b>	<b>\$ 1,470,927</b>	<b>\$ 1,559,224</b>	<b>\$ 1,564,656</b>	<b>\$ 1,650,535</b>	<b>\$ 1,781,410</b>	<b>\$ 1,868,079</b>	<b>\$ 2,143,702</b>	<b>\$ 2,946,669</b>
<b>School Division's net pension liability as a percentage of covered payroll</b>	<b>-72.14%</b>	<b>46.04%</b>	<b>11.43%</b>	<b>-5.91%</b>	<b>4.92%</b>	<b>87.81%</b>	<b>80.36%</b>	<b>51.70%</b>

This schedule is intended to show information for 10 years. However, information prior to the 2014 valuation is not available. Additional years will be included as they become available.

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

Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	\$ 0.31607%	\$ 24,536,822	\$ 30,347,955	\$ 80.85%	85.46%
2020	0.32060%	46,662,996	27,679,262	168.58%	71.47%
2019	0.33132%	43,603,595	27,499,728	158.56%	73.51%
2018	0.33858%	39,817,000	27,147,195	146.67%	74.81%
2017	0.35797%	44,023,000	27,984,897	157.31%	72.92%
2016	0.36974%	51,816,000	28,206,524	183.70%	68.28%
2015	0.36544%	45,996,000	26,974,861	170.51%	70.68%
2014	0.37552%	45,380,000	27,484,133	165.11%	70.88%

This schedule is intended to show information for 10 years. However, information prior to 2015 is not available. Additional years will be included as they become available.

Schedule of Employer Contributions - Pension Plans  
For the Years Ended June 30, 2015 through June 30, 2022

Date	Contractually Required Contribution*	Contributions in Relation to Contractually Required Contribution*	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>Primary Government</b>					
2015	\$ 687,092	\$ 687,092	\$ -	\$ 7,348,452	9.35%
2016	670,634	670,634	-	7,269,350	9.23%
2017	530,187	530,187	-	7,511,881	7.06%
2018	532,699	532,699	-	7,655,707	6.96%
2019	497,066	497,066	-	7,695,555	6.46%
2020	540,405	540,405	-	8,497,727	6.36%
2021	618,867	618,867	-	8,512,490	7.27%
2022	658,307	658,307	-	9,099,961	7.23%
<b>Component Unit Regional Library</b>					
2015	\$ 13,099	\$ 13,099	\$ -	\$ 140,456	9.33%
2016	14,883	14,883	-	161,325	9.23%
2017	9,588	9,588	-	145,187	6.60%
2018	10,159	10,159	-	146,005	6.96%
2019	9,480	9,480	-	146,765	6.46%
2020	10,306	10,306	-	162,064	6.36%
2021	11,803	11,803	-	162,345	7.27%
2022	12,555	12,555	-	173,549	7.23%
<b>Component Unit School Board (nonprofessional)</b>					
2015	\$ 235,378	\$ 235,378	\$ -	\$ 2,143,702	10.98%
2016	203,679	203,679	-	1,868,079	10.90%
2017	157,793	157,793	-	1,781,410	8.86%
2018	141,618	141,618	-	1,650,535	8.58%
2019	82,650	82,650	-	1,564,656	5.28%
2020	80,976	80,976	-	1,559,224	5.19%
2021	57,031	57,031	-	1,470,927	3.88%
2022	67,159	67,159	-	1,773,435	3.79%
<b>Component Unit School Board (professional)</b>					
2015	\$ 3,753,274	\$ 3,753,274	\$ -	\$ 26,974,861	13.91%
2016	3,927,810	3,927,810	-	28,206,524	13.93%
2017	4,281,961	4,281,961	-	27,984,897	15.30%
2018	4,352,303	4,352,303	-	27,147,195	16.03%
2019	4,248,189	4,248,189	-	27,499,728	15.45%
2020	4,340,108	4,340,108	-	27,679,262	15.68%
2021	4,471,486	4,471,486	-	27,473,244	16.28%
2022	4,919,371	4,919,371	-	30,347,955	16.21%

This schedule is intended to show information for 10 years. However, information prior to 2015 is not available. Additional years will be included as they become available.

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

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

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 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:

**Largest 10 - 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

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

	2022	2021	2020	2019	2018
<b>County:</b>					
<b>Total OPEB liability</b>					
Service cost	\$ 45,400	\$ 33,600	\$ 28,300	\$ 23,600	\$ 23,000
Interest	21,000	21,100	21,000	22,400	22,000
Changes in assumptions	95,800	52,000	28,600	(12,800)	-
Differences between expected and actual experience	(105,800)	91,800	37,400	(54,600)	-
Benefit payments	(22,100)	(28,200)	(31,500)	(31,500)	(39,800)
<b>Net change in total OPEB liability</b>	<b>\$ 34,300</b>	<b>\$ 170,300</b>	<b>\$ 83,800</b>	<b>\$ (52,900)</b>	<b>\$ 5,200</b>
<b>Total OPEB liability - beginning</b>	<b>820,700</b>	<b>650,400</b>	<b>566,600</b>	<b>619,500</b>	<b>614,300</b>
<b>Total OPEB liability - ending</b>	<b>\$ 855,000</b>	<b>\$ 820,700</b>	<b>\$ 650,400</b>	<b>\$ 566,600</b>	<b>\$ 619,500</b>
<b>Covered-employee payroll</b>	<b>\$ 13,470,000</b>	<b>\$ 10,069,000</b>	<b>\$ 8,792,000</b>	<b>\$ 7,730,000</b>	<b>\$ 6,896,400</b>
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>6.3%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>7.3%</b>	<b>9.0%</b>
<b>Library:</b>					
<b>Total OPEB liability</b>					
Service cost	\$ 600	\$ 400	\$ 300	\$ 400	\$ 400
Interest	500	200	200	300	300
Changes in assumptions	3,700	1,400	400	(900)	-
Differences between expected and actual experience	(3,800)	11,100	500	(3,500)	-
<b>Net change in total OPEB liability</b>	<b>\$ 1,000</b>	<b>\$ 13,100</b>	<b>\$ 1,400</b>	<b>\$ (3,700)</b>	<b>\$ 700</b>
<b>Total OPEB liability - beginning</b>	<b>20,500</b>	<b>7,400</b>	<b>6,000</b>	<b>9,700</b>	<b>9,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 21,500</b>	<b>\$ 20,500</b>	<b>\$ 7,400</b>	<b>\$ 6,000</b>	<b>\$ 9,700</b>
<b>Covered-employee payroll</b>	<b>\$ 178,000</b>	<b>\$ 120,000</b>	<b>\$ 100,000</b>	<b>\$ 82,000</b>	<b>\$ 107,980</b>
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>12.1%</b>	<b>17.1%</b>	<b>7.4%</b>	<b>7.3%</b>	<b>9.0%</b>
<b>School Board:</b>					
<b>Total OPEB liability</b>					
Service cost	\$ 73,100	\$ 83,900	\$ 80,200	\$ 96,200	\$ 93,900
Interest	38,400	61,000	72,500	93,600	92,500
Changes in assumptions	357,600	81,900	72,500	(211,900)	-
Differences between expected and actual experience	(172,900)	(490,300)	(151,700)	(454,200)	-
Benefit payments	(94,500)	(121,400)	(135,200)	(135,200)	(181,600)
<b>Net change in total OPEB liability</b>	<b>\$ 201,700</b>	<b>\$ (384,900)</b>	<b>\$ (61,700)</b>	<b>\$ (611,500)</b>	<b>\$ 4,800</b>
<b>Total OPEB liability - beginning</b>	<b>1,541,900</b>	<b>1,926,800</b>	<b>1,988,500</b>	<b>2,600,000</b>	<b>2,595,200</b>
<b>Total OPEB liability - ending</b>	<b>\$ 1,743,600</b>	<b>\$ 1,541,900</b>	<b>\$ 1,926,800</b>	<b>\$ 1,988,500</b>	<b>\$ 2,600,000</b>
<b>Covered-employee payroll</b>	<b>\$ 21,687,600</b>	<b>\$ 25,146,000</b>	<b>\$ 26,046,700</b>	<b>\$ 27,126,700</b>	<b>\$ 28,943,720</b>
<b>Total OPEB liability (asset) as a percentage of covered-employee payroll</b>	<b>8.0%</b>	<b>6.1%</b>	<b>7.4%</b>	<b>7.3%</b>	<b>9.0%</b>

This schedule is intended to show information for 10 years. However, information prior to 2018 is not available. 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

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Valuation Date: 7/1/2020

Measurement Date: 7/1/2021

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

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

Actuarial Cost Method	Entry Age Actuarial Cost Method
Discount Rate	1.92% as of June 30, 2021; 2.45% as of June 30, 2020
Healthcare Trend Rate	7.00% for fiscal year ending 2022, decreasing 0.25% per year to an ultimate rate of 5.00%
Salary Increase Rates	Increases of 2.5%
Retirement Age	Age 50 and 10 years of service or Age 55 and 5 years of service - Plan 1 employees; Age 60 and 5 years of service - Plan 2 employees
Mortality Rates	RP-2014 Mortality Table fully generational, with base year 2006, projected using two-dimensional mortality improvement scale MP-2021

## Schedule of Share of Net OPEB Liability

## Group Life Insurance (GLI) Plan

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

<u>Date</u>	<u>Employer's Employer's Proportion of the Net GLI OPEB Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (a)</u>	<u>Employer's Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (a)/(b)</u>	<u>Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability</u>
<b>County:</b>					
2021	0.04330% \$	482,879 \$	8,539,616	5.65%	67.45%
2020	0.04340%	691,315	8,501,993	8.13%	52.64%
2019	0.04124%	638,767	7,597,949	8.41%	52.00%
2018	0.04237%	616,179	7,655,707	8.05%	51.22%
2017	0.04295%	619,938	7,511,881	8.25%	48.86%
<b>School Board:</b>					
2021	0.14090% \$	1,640,342 \$	29,088,299	5.64%	67.45%
2020	0.14250%	2,377,258	29,238,486	8.13%	52.64%
2019	0.14816%	2,410,958	29,044,855	8.30%	52.00%
2018	0.15149%	2,301,000	28,797,730	7.99%	51.22%
2017	0.16668%	2,431,000	29,791,538	8.16%	48.86%

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

## Schedule of Employer Contributions

## Group Life Insurance (GLI) Plan

For the Measurement Dates of June 30, 2017 through June 30, 2022

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
<b>County:</b>					
2022	\$ 49,459	\$ 49,459	\$ -	\$ 9,159,249	0.54%
2021	46,113	46,113	-	8,539,616	0.54%
2020	44,212	44,212	-	8,501,993	0.52%
2019	39,508	39,508	-	7,597,949	0.52%
2018	40,141	40,141	-	7,655,707	0.52%
2017	39,475	39,475	-	7,511,881	0.52%
<b>School Board:</b>					
2022	\$ 173,956	\$ 173,956	\$ -	\$ 32,214,235	0.54%
2021	157,077	157,077	-	29,088,299	0.54%
2020	152,439	152,439	-	29,238,486	0.52%
2019	151,034	151,034	-	29,044,855	0.52%
2018	150,854	150,854	-	28,797,730	0.52%
2017	159,873	159,873	-	29,791,538	0.52%

This schedule is intended to show information for 10 years. However, information prior to 2017 is not available. Additional information will be reported in future years when available.

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

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 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 Net OPEB Liability and Related Ratios  
Health Insurance Credit (HIC) Plan  
For the Measurement Dates of June 30, 2017 through June 30, 2021

<u>County:</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 4,617	\$ 4,670	\$ 4,420	\$ 4,505	\$ 5,294
Interest	10,601	10,705	10,705	11,578	11,579
Differences between expected and actual experience	(4,118)	3,158	3,479	(14,676)	-
Changes in assumptions	869	-	3,775	-	(5,456)
Benefit payments	(20,570)	(19,583)	(13,855)	(13,907)	(8,948)
<b>Net change in total HIC OPEB liability</b>	<b>\$ (8,601)</b>	<b>\$ (1,050)</b>	<b>\$ 8,524</b>	<b>\$ (12,500)</b>	<b>\$ 2,469</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>167,331</b>	<b>168,381</b>	<b>159,857</b>	<b>172,357</b>	<b>169,888</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 158,730</b>	<b>\$ 167,331</b>	<b>\$ 168,381</b>	<b>\$ 159,857</b>	<b>\$ 172,357</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 8,569	\$ 8,467	\$ 7,750	\$ 8,757	\$ 6,705
Net investment income	24,912	2,135	6,808	7,560	11,277
Benefit payments	(20,570)	(19,583)	(13,855)	(13,907)	(8,948)
Administrator charges	(264)	(192)	(146)	(173)	(182)
Other	-	(1)	(8)	580	580
<b>Net change in plan fiduciary net position</b>	<b>\$ 12,647</b>	<b>\$ (9,174)</b>	<b>\$ 549</b>	<b>\$ 2,817</b>	<b>\$ 9,432</b>
<b>Plan fiduciary net position - beginning</b>	<b>101,657</b>	<b>110,831</b>	<b>110,282</b>	<b>108,625</b>	<b>99,193</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 114,304</b>	<b>\$ 101,657</b>	<b>\$ 110,831</b>	<b>\$ 111,442</b>	<b>\$ 108,625</b>
<b>County's net HIC OPEB liability - ending (a)-(b)</b>	<b>\$ 44,426</b>	<b>\$ 65,674</b>	<b>\$ 57,550</b>	<b>\$ 48,415</b>	<b>\$ 63,732</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>72.01%</b>	<b>60.75%</b>	<b>65.82%</b>	<b>69.71%</b>	<b>63.02%</b>
<b>Covered payroll</b>	<b>\$ 3,725,538</b>	<b>\$ 3,848,523</b>	<b>\$ 3,521,860</b>	<b>\$ 3,648,680</b>	<b>\$ 3,520,054</b>
<b>County's net HIC OPEB liability as a percentage of covered payroll</b>	<b>1.19%</b>	<b>1.71%</b>	<b>1.63%</b>	<b>1.33%</b>	<b>1.81%</b>
<b><u>School Board - Nonprofessional:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Total HIC OPEB Liability</b>					
Service cost	\$ 2,550	\$ 2,483	\$ 2,630	\$ 2,831	\$ 3,295
Interest	16,380	17,562	18,889	19,926	20,068
Changes of benefit terms	-	13,213	-	-	-
Differences between expected and actual experience	19,523	(13,093)	(4,192)	(10,851)	-
Changes in assumptions	6,218	-	5,282	-	(630)
Benefit payments	(37,575)	(37,795)	(26,739)	(26,709)	(22,828)
<b>Net change in total HIC OPEB liability</b>	<b>\$ 7,096</b>	<b>\$ (17,630)</b>	<b>\$ (4,130)</b>	<b>\$ (14,803)</b>	<b>\$ (95)</b>
<b>Total HIC OPEB Liability - beginning</b>	<b>261,449</b>	<b>279,079</b>	<b>283,209</b>	<b>298,012</b>	<b>298,107</b>
<b>Total HIC OPEB Liability - ending (a)</b>	<b>\$ 268,545</b>	<b>\$ 261,449</b>	<b>\$ 279,079</b>	<b>\$ 283,209</b>	<b>\$ 298,012</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 15,592	\$ 14,802	\$ 14,865	\$ 12,049	\$ 12,990
Net investment income	16,689	1,699	6,088	7,501	11,933
Benefit payments	(37,575)	(37,795)	(26,739)	(26,709)	(22,828)
Administrator charges	(141)	(144)	(128)	160	(178)
Other	-	(1)	(7)	(647)	647
<b>Net change in plan fiduciary net position</b>	<b>\$ (5,435)</b>	<b>\$ (21,439)</b>	<b>\$ (5,921)</b>	<b>\$ (7,646)</b>	<b>\$ 2,564</b>
<b>Plan fiduciary net position - beginning</b>	<b>76,859</b>	<b>98,298</b>	<b>104,219</b>	<b>112,185</b>	<b>109,621</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 71,424</b>	<b>\$ 76,859</b>	<b>\$ 98,298</b>	<b>\$ 104,539</b>	<b>\$ 112,185</b>
<b>School Board's net HIC OPEB liability - ending (a)-(b)</b>	<b>\$ 197,121</b>	<b>\$ 184,590</b>	<b>\$ 180,781</b>	<b>\$ 178,670</b>	<b>\$ 185,827</b>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	<b>73.40%</b>	<b>70.60%</b>	<b>64.78%</b>	<b>63.09%</b>	<b>62.36%</b>
<b>Covered payroll</b>	<b>\$ 1,470,927</b>	<b>\$ 1,559,224</b>	<b>\$ 1,564,656</b>	<b>\$ 1,650,535</b>	<b>\$ 1,781,410</b>
<b>School Board's net HIC OPEB liability as a percentage of covered payroll</b>	<b>13.40%</b>	<b>11.84%</b>	<b>11.55%</b>	<b>10.82%</b>	<b>10.43%</b>

This schedule is intended to show information for 10 years. However, information prior to the 2018 valuation is not available. Additional years will be included as they become available.

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

<u>Date</u>	<u>Employer's Proportion of the Net HIC OPEB Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (a)</u>	<u>Employer's Covered Payroll (b)</u>	<u>Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (a)/(b)</u>	<u>Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability</u>
<b>School Board - Professional:</b>					
2021	0.31064% \$	3,987,280 \$	27,473,244	14.51%	13.15%
2020	0.31573%	4,118,750	27,679,262	14.88%	9.95%
2019	0.32713%	4,282,449	27,438,738	15.61%	8.97%
2018	0.33521%	4,256,000	27,109,935	15.70%	8.08%
2017	0.35477%	4,501,000	27,998,178	16.08%	7.04%

This schedule is intended to show information for 10 years. However, information prior to the 2017 valuation is not available. Additional years will be included as they become available.

Schedule of Employer Contributions  
Health Insurance Credit (HIC) Program  
For the Years Ended June 30, 2017 through June 30, 2022

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Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
<b>County:</b>					
2022	\$ 9,354	\$ 9,354	\$ -	\$ 4,067,150	0.23%
2021	8,569	8,569	-	3,725,538	0.23%
2020	8,467	8,467	-	3,848,523	0.22%
2019	7,748	7,748	-	3,521,860	0.22%
2018	8,757	8,757	-	3,648,680	0.24%
2017	8,448	8,448	-	3,520,054	0.24%
<b>School Board - Non-professional:</b>					
2022	\$ 18,798	\$ 18,798	\$ -	\$ 1,773,435	1.06%
2021	15,592	15,592	-	1,470,927	1.06%
2020	14,813	14,813	-	1,559,224	0.95%
2019	14,864	14,864	-	1,564,656	0.95%
2018	12,049	12,049	-	1,650,535	0.73%
2017	12,990	12,990	-	1,781,410	0.73%
<b>School Board - Professional:</b>					
2022	\$ 367,210	\$ 367,210	\$ -	\$ 30,347,955	1.21%
2021	332,426	332,426	-	27,473,244	1.21%
2020	332,151	332,151	-	27,679,262	1.20%
2019	329,265	329,265	-	27,438,738	1.11%
2018	331,189	331,189	-	27,109,935	1.11%
2017	310,780	310,780	-	27,998,178	1.11%

This schedule is intended to show information for 10 years. Additional information will be reported in future years when available.

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

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

**Changes of assumptions** - The actuarial assumptions used in the June 30, 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

**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

**School Board - Professional:**

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



**Other Supplementary Information**

## **Combining and Individual Fund Financial Statements and Schedules**

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

County Capital Projects Fund				
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ 147,662	\$ 147,662
Miscellaneous	-	-	1,000,000	1,000,000
Total revenues	\$ -	\$ 150,000	\$ 1,147,662	\$ 997,662
EXPENDITURES				
Capital projects	\$ 1,360,000	\$ 109,671,222	\$ 1,768,660	\$ 107,902,562
Total expenditures	\$ 1,360,000	\$ 109,671,222	\$ 1,768,660	\$ 107,902,562
Excess (deficiency) of revenues over (under) expenditures	\$ (1,360,000)	\$ (109,521,222)	\$ (620,998)	\$ 108,900,224
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,360,000	\$ 1,740,000	\$ 600,000	\$ (1,140,000)
Issuance of bonds	-	100,115,000	100,115,000	-
Premium on issuance of bonds	-	5,108,432	5,294,380	185,948
Total other financing sources (uses)	\$ 1,360,000	\$ 106,963,432	\$ 106,009,380	\$ (954,052)
Net change in fund balances	\$ -	\$ (2,557,790)	\$ 105,388,382	\$ 107,946,172
Fund balances - beginning	-	2,557,790	709,857	(1,847,933)
Fund balances - ending	\$ -	\$ -	\$ 106,098,239	\$ 106,098,239

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2022

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,303,376	\$ 1,303,376
Due from other funds	4,261	4,261
Total assets	<u>\$ 1,307,637</u>	<u>\$ 1,307,637</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,177	\$ 2,177
Total liabilities	<u>\$ 2,177</u>	<u>\$ 2,177</u>
<b>FUND BALANCES</b>		
Committed:		
Future projects/grant matching	\$ 856,173	\$ 856,173
Airport operations	381,944	381,944
Tourism	67,343	67,343
Total fund balances	<u>\$ 1,305,460</u>	<u>\$ 1,305,460</u>
Total liabilities and fund balances	<u>\$ 1,307,637</u>	<u>\$ 1,307,637</u>

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

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>		
Revenue from the use of money and property	\$ 156,000	\$ 156,000
Charges for services	58,910	58,910
Miscellaneous	29,131	29,131
Intergovernmental:		
Local government	218,500	218,500
Commonwealth	1,246,482	1,246,482
Federal	71,889	71,889
Total revenues	\$ <u>1,780,912</u>	\$ <u>1,780,912</u>
<b>EXPENDITURES</b>		
Current:		
Judicial administration	\$ 168,381	\$ 168,381
Public safety	951,450	951,450
Parks, recreation, and cultural	10,000	10,000
Community development	416,396	416,396
Capital projects	15,457	15,457
Total expenditures	\$ <u>1,561,684</u>	\$ <u>1,561,684</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>219,228</u>	\$ <u>219,228</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	\$ 56,959	\$ 56,959
Total other financing sources (uses)	\$ <u>56,959</u>	\$ <u>56,959</u>
Net change in fund balances	\$ 276,187	\$ 276,187
Fund balances - beginning	1,029,273	1,029,273
Fund balances - ending	\$ <u><u>1,305,460</u></u>	\$ <u><u>1,305,460</u></u>

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2022

	State and Federal Grants Fund	William M. Tuck Airport Fund	Halifax County Tourism Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 853,620	\$ 382,413	\$ 67,343	\$ 1,303,376
Due from other funds	4,261	-	-	4,261
Total assets	<u>\$ 857,881</u>	<u>\$ 382,413</u>	<u>\$ 67,343</u>	<u>\$ 1,307,637</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,708	\$ 469	\$ -	\$ 2,177
Total liabilities	<u>\$ 1,708</u>	<u>\$ 469</u>	<u>\$ -</u>	<u>\$ 2,177</u>
<b>FUND BALANCES</b>				
Committed:				
Future projects/grant matching	\$ 856,173	\$ -	\$ -	\$ 856,173
Airport operations	-	381,944	-	381,944
Tourism	-	-	67,343	67,343
Total fund balances	<u>\$ 856,173</u>	<u>\$ 381,944</u>	<u>\$ 67,343</u>	<u>\$ 1,305,460</u>
Total liabilities and fund balances	<u>\$ 857,881</u>	<u>\$ 382,413</u>	<u>\$ 67,343</u>	<u>\$ 1,307,637</u>

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

	State and Federal Grants Fund	William M. Tuck Airport Fund	Halifax County Tourism Fund	Total
<b>REVENUES</b>				
Revenue from the use of money and property	\$ -	\$ 155,898	\$ 102	\$ 156,000
Charges for services	-	-	58,910	58,910
Miscellaneous	28,885	-	246	29,131
Intergovernmental:				
Local government	-	-	218,500	218,500
Commonwealth	1,246,482	-	-	1,246,482
Federal	71,889	-	-	71,889
Total revenues	\$ 1,347,256	\$ 155,898	\$ 277,758	\$ 1,780,912
<b>EXPENDITURES</b>				
Current:				
Judicial administration	\$ 168,381	\$ -	\$ -	\$ 168,381
Public safety	951,450	-	-	951,450
Parks, recreation, and cultural	10,000	-	-	10,000
Community development	4,721	144,301	267,374	416,396
Capital projects	-	15,457	-	15,457
Total expenditures	\$ 1,134,552	\$ 159,758	\$ 267,374	\$ 1,561,684
Excess (deficiency) of revenues over (under) expenditures	\$ 212,704	\$ (3,860)	\$ 10,384	\$ 219,228
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 56,959	\$ 56,959
Net change in fund balances	\$ 212,704	\$ (3,860)	\$ 67,343	\$ 276,187
Fund balances - beginning	643,469	385,804	-	1,029,273
Fund balances - ending	\$ 856,173	\$ 381,944	\$ 67,343	\$ 1,305,460

COUNTY OF HALIFAX, VIRGINIA

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

	State and Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	28,885	28,885
Intergovernmental:				
Local government	-	-	-	-
Commonwealth	1,240,453	1,610,764	1,246,482	(364,282)
Federal	76,889	106,756	71,889	(34,867)
Total revenues	\$ 1,317,342	\$ 1,717,520	\$ 1,347,256	\$ (370,264)
EXPENDITURES				
Current:				
Judicial administration	\$ 195,139	\$ 238,761	\$ 168,381	\$ 70,380
Public safety	1,134,656	1,222,176	951,450	270,726
Parks, recreation, and cultural	10,000	10,000	10,000	-
Community development	14,297	327,926	4,721	323,205
Capital projects	-	-	-	-
Total expenditures	\$ 1,354,092	\$ 1,798,863	\$ 1,134,552	\$ 664,311
Excess (deficiency) of revenues over (under) expenditures	\$ (36,750)	\$ (81,343)	\$ 212,704	\$ 294,047
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 36,750	\$ 81,343	\$ -	\$ (81,343)
Total other financing sources (uses)	\$ 36,750	\$ 81,343	\$ -	\$ (81,343)
Net change in fund balances	\$ -	\$ -	\$ 212,704	\$ 212,704
Fund balances - beginning	-	-	643,469	643,469
Fund balances - ending	\$ -	\$ -	\$ 856,173	\$ 856,173



William M. Tuck Airport Fund				Halifax County Tourism Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ 73,600	\$ 148,600	\$ 155,898	\$ 7,298	\$ -	\$ -	\$ 102	\$ 102
-	-	-	-	-	-	246	246
-	-	-	-	-	-	218,500	218,500
50,000	50,000	-	(50,000)	-	-	-	-
2,000,000	2,000,000	-	(2,000,000)	-	-	-	-
<u>\$ 2,123,600</u>	<u>\$ 2,198,600</u>	<u>\$ 155,898</u>	<u>\$ (2,042,702)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,758</u>	<u>\$ 277,758</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
73,600	148,600	144,301	4,299	-	-	267,374	(267,374)
2,050,000	2,050,000	15,457	2,034,543	-	-	-	-
<u>\$ 2,123,600</u>	<u>\$ 2,198,600</u>	<u>\$ 159,758</u>	<u>\$ 2,038,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,374</u>	<u>\$ (267,374)</u>
\$ -	\$ -	\$ (3,860)	\$ (3,860)	\$ -	\$ -	\$ 10,384	\$ 10,384
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,959	\$ 56,959
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,959	\$ 56,959
\$ -	\$ -	\$ (3,860)	\$ (3,860)	\$ -	\$ -	\$ 67,343	\$ 67,343
-	-	385,804	385,804	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,944</u>	<u>\$ 381,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,343</u>	<u>\$ 67,343</u>

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

	Custodial Funds			
	Special Welfare	Heritage Festival	Health Savings Account	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 504,763	\$ 78,889	\$ 735	\$ 584,387
Total assets	<u>\$ 504,763</u>	<u>\$ 78,889</u>	<u>\$ 735</u>	<u>\$ 584,387</u>
<b>NET POSITION</b>				
Restricted:				
Restricted for special welfare	\$ 504,763	\$ -	\$ -	\$ 504,763
Restricted for Heritage Festival Committee	-	78,889	-	78,889
Restricted for employees	-	-	735	735
Total net position	<u>\$ 504,763</u>	<u>\$ 78,889</u>	<u>\$ 735</u>	<u>\$ 584,387</u>
Total liabilities and net position	<u>\$ 504,763</u>	<u>\$ 78,889</u>	<u>\$ 735</u>	<u>\$ 584,387</u>

## Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

Custodial Funds

For the Year Ended June 30, 2022

	Custodial Funds			
	Special Welfare	Heritage Festival	Health Savings Account	Total
<b>ADDITIONS</b>				
Special welfare collections	\$ 120,598	\$ -	\$ -	\$ 120,598
Heritage Festival Committee collections	-	17,381	-	17,381
Employee deferrals	-	-	6,452	6,452
Total additions	\$ 120,598	\$ 17,381	\$ 6,452	\$ 144,431
<b>DEDUCTIONS</b>				
Welfare costs	\$ 138,388	\$ -	\$ -	\$ 138,388
Heritage Festival deductions	-	18,180	-	18,180
Employee health benefits	-	-	6,532	6,532
Total deductions	\$ 138,388	\$ 18,180	\$ 6,532	\$ 163,100
Net increase (decrease) in fiduciary net position	\$ (17,790)	\$ (799)	\$ (80)	\$ (18,669)
Net position, beginning of year	\$ 522,553	\$ 79,688	\$ 815	\$ 603,056
Net position, end of year	\$ 504,763	\$ 78,889	\$ 735	\$ 584,387

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## **Discretely Presented Component Units**

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

	School Operating Fund	School Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,234,588	\$ 77,388	\$ 4,229,698	\$ 7,541,674
Receivables (net of allowance for uncollectibles):				
Due from other funds	32,056	-	-	32,056
Due from other governmental units	2,193,609	-	514,284	2,707,893
Prepaid items	500,381	-	-	500,381
Total assets	<u>\$ 5,960,634</u>	<u>\$ 77,388</u>	<u>\$ 4,743,982</u>	<u>\$ 10,782,004</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 228,486	\$ -	\$ -	\$ 228,486
Accrued liabilities	3,234,588	-	46,596	3,281,184
Due to other funds	-	-	32,056	32,056
Due to primary government	2,497,560	-	-	2,497,560
Total liabilities	<u>\$ 5,960,634</u>	<u>\$ -</u>	<u>\$ 78,652</u>	<u>\$ 6,039,286</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	\$ 500,381	\$ -	\$ -	\$ 500,381
Committed:				
Education - major capital projects	-	77,388	-	77,388
Education - food service	-	-	3,356,746	3,356,746
Education - textbooks	-	-	903,698	903,698
Education - student activity fund	-	-	404,886	404,886
Unassigned	(500,381)	-	-	(500,381)
Total fund balances	<u>\$ -</u>	<u>\$ 77,388</u>	<u>\$ 4,665,330</u>	<u>\$ 4,742,718</u>
Total liabilities and fund balances	<u>\$ 5,960,634</u>	<u>\$ 77,388</u>	<u>\$ 4,743,982</u>	<u>\$ 10,782,004</u>

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

Total fund balances per above \$ 4,742,718

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

Capital assets	\$ 79,036,383	
Accumulated depreciation	(42,691,799)	36,344,584

The net pension asset is not a financial resource and,  
therefore, is not reported in the funds. 1,061,179

Items related to measurement of the net pension and OPEB liabilities are  
considered deferred outflows or deferred inflows and will be amortized and  
recognized in pension and OPEB expense over future years.

Deferred outflows - pension related	\$ 9,436,396	
Deferred outflows - OPEB related	1,136,083	
Deferred inflows - pension related	(21,828,387)	
Deferred inflows - OPEB related	(1,967,136)	(13,223,044)

Long-term liabilities are not due and payable in the current period  
and, therefore, are not reported in the funds.

Accrued interest payable	\$ (38,158)	
Compensated absences	(997,886)	
Lease liabilities	(90,715)	
Notes payable	(1,838,592)	
Net pension liability	(24,536,822)	
Net OPEB liabilities	(7,568,343)	(35,070,516)

Net position of governmental activities \$ (6,145,079)

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 Capital Projects Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Charges for services	\$ 28,429	\$ -	\$ 236,581	\$ 265,010
Miscellaneous	1,079,759	-	680,383	1,760,142
Intergovernmental:				
Local government	13,181,298	-	-	13,181,298
Commonwealth	39,741,965	-	136,000	39,877,965
Federal	8,406,398	-	3,572,035	11,978,433
Total revenues	<u>\$ 62,437,849</u>	<u>\$ -</u>	<u>\$ 4,624,999</u>	<u>\$ 67,062,848</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 61,572,221	\$ -	\$ 3,641,257	\$ 65,213,478
Capital projects	-	193,029	-	193,029
Debt service:				
Principal retirement	221,065	-	-	221,065
Interest and other fiscal charges	66,590	-	-	66,590
Total expenditures	<u>\$ 61,859,876</u>	<u>\$ 193,029</u>	<u>\$ 3,641,257</u>	<u>\$ 65,694,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 577,973</u>	<u>\$ (193,029)</u>	<u>\$ 983,742</u>	<u>\$ 1,368,686</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 577,973	\$ 577,973
Transfers out	(577,973)	-	-	(577,973)
Total other financing sources (uses)	<u>\$ (577,973)</u>	<u>\$ -</u>	<u>\$ 577,973</u>	<u>\$ -</u>
Net change in fund balances	\$ -	\$ (193,029)	\$ 1,561,715	\$ 1,368,686
Fund balances - beginning	-	270,417	3,103,615	3,374,032
Fund balances - ending	<u>\$ -</u>	<u>\$ 77,388</u>	<u>\$ 4,665,330</u>	<u>\$ 4,742,718</u>

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

Net change in fund balances - total governmental funds - per above \$ 1,368,686

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 capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$ 1,034,236	
Net transfer of joint tenancy assets	3,880,159	
Depreciation expense	(3,529,680)	1,384,715

A non-employer contribution made by the Commonwealth to the VRS Teacher Retirement Plan is recognized as revenue. 193,891

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.

Principal payments 221,065

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 net pension asset	\$ 1,061,179	
Increase (decrease) in deferred outflows related to net pension liability	(2,245,484)	
Increase (decrease) in deferred outflows related to net OPEB liabilities	56,453	
(Increase) decrease in accrued interest payable	5,452	
(Increase) decrease in net pension liability	22,650,185	
(Increase) decrease in net OPEB liabilities	654,155	
(Increase) decrease in compensated absences	(113,980)	
(Increase) decrease in deferred inflows related to the measurement of net pension liability	(15,708,573)	
(Increase) decrease in deferred inflows related to the measurement of net OPEB liabilities	(244,820)	6,114,567

Change in net assets of governmental activities \$ 9,282,924

COUNTY OF HALIFAX, VIRGINIA

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

	School Operating Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 74,350	\$ 74,350	\$ 28,429	\$ (45,921)
Miscellaneous	272,547	272,547	1,079,759	807,212
Intergovernmental:				
Local government	14,243,414	14,243,414	13,181,298	(1,062,116)
Commonwealth	39,534,701	39,534,701	39,741,965	207,264
Federal	11,323,892	11,323,892	8,406,398	(2,917,494)
Total revenues	<u>\$ 65,448,904</u>	<u>\$ 65,448,904</u>	<u>\$ 62,437,849</u>	<u>\$ (3,011,055)</u>
<b>EXPENDITURES</b>				
Current:				
Education	\$ 65,177,866	\$ 65,177,866	\$ 61,572,221	\$ 3,605,645
Capital projects	-	-	-	-
Debt service:				
Principal retirement	221,065	221,065	221,065	-
Interest and other fiscal charges	66,590	66,590	66,590	-
Total expenditures	<u>\$ 65,465,521</u>	<u>\$ 65,465,521</u>	<u>\$ 61,859,876</u>	<u>\$ 3,605,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (16,617)</u>	<u>\$ (16,617)</u>	<u>\$ 577,973</u>	<u>\$ 594,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 16,617	\$ 16,617	\$ -	\$ (16,617)
Transfers out	-	-	(577,973)	(577,973)
Total other financing sources (uses)	<u>\$ 16,617</u>	<u>\$ 16,617</u>	<u>\$ (577,973)</u>	<u>\$ (594,590)</u>
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



School Capital Projects Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -
\$ 13,419	\$ 13,419	\$ 193,029	\$ (179,610)
-	-	-	-
-	-	-	-
\$ 13,419	\$ 13,419	\$ 193,029	\$ (179,610)
\$ (13,419)	\$ (13,419)	\$ (193,029)	\$ (179,610)
\$ 13,419	\$ 13,419	\$ -	\$ (13,419)
-	-	-	-
\$ 13,419	\$ 13,419	\$ -	\$ (13,419)
\$ -	\$ -	\$ (193,029)	\$ (193,029)
-	-	270,417	270,417
\$ -	\$ -	\$ 77,388	\$ 77,388

## Combining Balance Sheet

Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board

June 30, 2022

	School Cafeteria Fund	School Textbook Fund	Student Activity Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,889,058	\$ 935,754	\$ 404,886	\$ 4,229,698
Due from other governmental units	514,284	-	-	514,284
Total assets	<u>\$ 3,403,342</u>	<u>\$ 935,754</u>	<u>\$ 404,886</u>	<u>\$ 4,743,982</u>
<b>LIABILITIES</b>				
Accrued liabilities	\$ 46,596	\$ -	\$ -	\$ 46,596
Due to other funds	-	32,056	-	32,056
Total liabilities	<u>\$ 46,596</u>	<u>\$ 32,056</u>	<u>\$ -</u>	<u>\$ 78,652</u>
<b>FUND BALANCES</b>				
Committed:				
Education - food service	\$ 3,356,746	\$ -	\$ -	\$ 3,356,746
Education - textbooks	-	903,698	-	903,698
Education - student activity fund	-	-	404,886	404,886
Total fund balances	<u>\$ 3,356,746</u>	<u>\$ 903,698</u>	<u>\$ 404,886</u>	<u>\$ 4,665,330</u>
Total liabilities and fund balances	<u>\$ 3,403,342</u>	<u>\$ 935,754</u>	<u>\$ 404,886</u>	<u>\$ 4,743,982</u>

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

	School Cafeteria Fund	School Textbook Fund	Student Activity Fund	Total
<b>REVENUES</b>				
Charges for services	\$ 236,581	\$ -	\$ -	\$ 236,581
Miscellaneous	-	-	680,383	680,383
Intergovernmental:				
Commonwealth	136,000	-	-	136,000
Federal	3,572,035	-	-	3,572,035
Total revenues	\$ 3,944,616	\$ -	\$ 680,383	\$ 4,624,999
<b>EXPENDITURES</b>				
Current:				
Education	\$ 2,906,128	\$ 113,762	\$ 621,367	\$ 3,641,257
Total expenditures	\$ 2,906,128	\$ 113,762	\$ 621,367	\$ 3,641,257
Excess (deficiency) of revenues over (under) expenditures	\$ 1,038,488	\$ (113,762)	\$ 59,016	\$ 983,742
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 93,542	\$ 484,431	\$ -	\$ 577,973
Total other financing sources (uses)	\$ 93,542	\$ 484,431	\$ -	\$ 577,973
Net change in fund balances	\$ 1,132,030	\$ 370,669	\$ 59,016	\$ 1,561,715
Fund balances - beginning	2,224,716	533,029	345,870	3,103,615
Fund balances - ending	\$ 3,356,746	\$ 903,698	\$ 404,886	\$ 4,665,330

COUNTY OF HALIFAX, VIRGINIA

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

	School Cafeteria Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 236,581	\$ 236,581
Intergovernmental:				
Commonwealth	30,037	30,037	136,000	105,963
Federal	2,850,000	2,850,000	3,572,035	722,035
Total revenues	<u>\$ 2,880,037</u>	<u>\$ 2,880,037</u>	<u>\$ 3,944,616</u>	<u>\$ 1,064,579</u>
<b>EXPENDITURES</b>				
Current:				
Education	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 2,906,128</u>	<u>\$ (56,128)</u>
Total expenditures	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 2,906,128</u>	<u>\$ (56,128)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 30,037</u>	<u>\$ 30,037</u>	<u>\$ 1,038,488</u>	<u>\$ 1,008,451</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ -	\$ -	\$ 93,542	\$ 93,542
Transfers out	<u>(30,037)</u>	<u>(30,037)</u>	<u>-</u>	<u>30,037</u>
Total other financing sources (uses)	<u>\$ (30,037)</u>	<u>\$ (30,037)</u>	<u>\$ 93,542</u>	<u>\$ 123,579</u>
Net change in fund balances	\$ -	\$ -	\$ 1,132,030	\$ 1,132,030
Fund balances - beginning	-	-	2,224,716	2,224,716
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,356,746</u>	<u>\$ 3,356,746</u>

School Textbook Fund				Student Activity Fund			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 680,383	\$ 680,383
\$ -	\$ -	\$ 113,762	\$ (113,762)	\$ -	\$ -	\$ 621,367	\$ (621,367)
\$ -	\$ -	\$ 113,762	\$ (113,762)	\$ -	\$ -	\$ 621,367	\$ (621,367)
\$ -	\$ -	\$ (113,762)	\$ (113,762)	\$ -	\$ -	\$ 59,016	\$ 59,016
\$ -	\$ -	\$ 484,431	\$ 484,431	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 484,431	\$ 484,431	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 370,669	\$ 370,669	\$ -	\$ -	\$ 59,016	\$ 59,016
-	-	533,029	533,029	-	-	345,870	345,870
\$ -	\$ -	\$ 903,698	\$ 903,698	\$ -	\$ -	\$ 404,886	\$ 404,886

## Balance Sheet

Discretely Presented Component Unit - Regional Library

June 30, 2022

		<u>Regional Library</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	2,982
Prepaid items		5,821
Total assets	\$	<u>8,803</u>
<b>FUND BALANCES</b>		
Assigned		
Library operations	\$	8,803
Total fund balance	\$	8,803
Total liabilities and fund balances	\$	<u>8,803</u>
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Total fund balances per above	\$	8,803
The net pension asset is not a financial resource and, therefore, is not reported in the funds.		40,180
Items related to measurement of the net pension and OPEB liabilities are considered deferred outflows or deferred inflows and will be amortized and recognized in pension and OPEB expense over future years.		
Deferred outflows - pension related	\$	33,149
Deferred outflows - OPEB related		5,500
Deferred inflows - pension related		<u>(96,087)</u>
		(57,438)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB liability		<u>(21,500)</u>
Net position of governmental activities	\$	<u>(29,955)</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Discretely Presented Component Unit - Regional Library  
For the Year Ended June 30, 2022

		<u>Regional Library</u>
<b>REVENUES</b>		
Charges for services	\$	18,806
Miscellaneous		19,240
Intergovernmental:		
Local government		324,610
Commonwealth		131,358
Federal		15,721
Total revenues	\$	<u>509,735</u>
<b>EXPENDITURES</b>		
Current:		
Parks, recreation, and cultural	\$	515,021
Total expenditures	\$	<u>515,021</u>
Excess (deficiency) of revenues over (under) expenditures	\$	<u>(5,286)</u>
Net change in fund balances	\$	(5,286)
Fund balances - beginning		14,089
Fund balances - ending	\$	<u><u>8,803</u></u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:		
Net change in fund balances - total governmental funds - per above	\$	(5,286)
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 net pension asset	\$	40,180
Increase (decrease) in deferred outflows related to net pension liability		(8,208)
Increase (decrease) in deferred outflows related to net OPEB liability		(2,100)
(Increase) decrease in net pension liability		72,715
(Increase) decrease in net OPEB liability		(1,000)
(Increase) decrease in deferred inflows related to the measurement of the net pension liability		(96,087)
(Increase) decrease in deferred inflows related to the measurement of net OPEB liability		400
		<u>5,900</u>
Change in net position of governmental activities	\$	<u><u>614</u></u>

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## **Supporting Schedules**

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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)
<b>General Fund:</b>				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 13,500,000	\$ 13,500,000	\$ 14,138,700	\$ 638,700
Real and personal public service corporation taxes	5,434,000	5,434,000	5,224,733	(209,267)
Personal property taxes	7,231,250	7,231,250	8,881,594	1,650,344
Mobile home taxes	75,000	75,000	68,032	(6,968)
Machinery and tools taxes	1,520,000	1,560,000	1,674,045	114,045
Penalties and administrative fees	585,000	585,000	743,682	158,682
Interest	320,000	370,409	453,823	83,414
Total general property taxes	\$ 28,665,250	\$ 28,755,659	\$ 31,184,609	\$ 2,428,950
Other local taxes:				
Local sales and use taxes	\$ 3,600,000	\$ 3,600,000	\$ 4,016,179	\$ 416,179
Local sales and use taxes - additional 1% for education	3,000,000	3,000,000	4,731,816	1,731,816
Consumers' utility taxes	925,000	925,000	965,329	40,329
Utility consumption tax	110,000	110,000	106,868	(3,132)
Business license taxes	340,000	340,000	465,406	125,406
Utility license taxes	40,000	40,000	18,554	(21,446)
Motor vehicle licenses	985,000	985,000	1,139,525	154,525
Solid waste disposal fee	925,000	925,000	924,088	(912)
Taxes on recordation and wills	200,000	200,000	317,909	117,909
Transient lodging tax	220,000	220,000	279,924	59,924
Meals tax	400,000	400,000	463,535	63,535
Total other local taxes	\$ 10,745,000	\$ 10,745,000	\$ 13,429,133	\$ 2,684,133
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 30,000	\$ 30,000	\$ 15,620	\$ (14,380)
Transfer fees	1,000	1,000	1,420	420
Building permits	320,000	320,000	396,268	76,268
Total permits, privilege fees, and regulatory licenses	\$ 351,000	\$ 351,000	\$ 413,308	\$ 62,308
Fines and forfeitures:				
Court fines and forfeitures	\$ 50,000	\$ 50,000	\$ 18,170	\$ (31,830)
Revenue from use of money and property:				
Revenue from use of money	\$ 25,000	\$ 25,000	\$ 26,331	\$ 1,331
Revenue from use of property	269,247	269,247	266,873	(2,374)
Total revenue from use of money and property	\$ 294,247	\$ 294,247	\$ 293,204	\$ (1,043)
Charges for services:				
Charges for law library	\$ 8,500	\$ 8,500	\$ 6,152	\$ (2,348)
Sheriff fees	2,500	2,500	-	(2,500)
Charges for courthouse maintenance	22,000	22,000	9,249	(12,751)
Courthouse construction fees	20,000	20,000	14,102	(5,898)
Charges for courthouse security	45,000	45,000	63,024	18,024
Charges for commonwealth's attorney	4,500	4,500	5,637	1,137
Animal redemption fees	1,500	5,113	5,349	236
Charges for sanitation and waste removal	320,000	320,000	329,729	9,729
Charges for parks and recreation	7,000	8,055	9,950	1,895
Charges for land use application	5,000	5,000	400	(4,600)
Charges for planning fees	15,000	15,000	11,605	(3,395)
Charges for project lifesaver program	-	-	1,380	1,380
Other charges for services	10,000	10,000	7,602	(2,398)
Total charges for services	\$ 461,000	\$ 465,668	\$ 464,179	\$ (1,489)

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)
<b>General Fund: (Continued)</b>				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 53,500	\$ 75,121	\$ 597,952	\$ 522,831
County fair donations and other revenue	20,000	20,000	25,996	5,996
Insurance recoveries	-	-	23,548	23,548
Opioid settlement funds	-	-	14,354	14,354
Sale of property	20,000	20,000	77,292	57,292
Crime prevention collections	-	3,121	8,261	5,140
Total miscellaneous	<u>\$ 93,500</u>	<u>\$ 118,242</u>	<u>\$ 747,403</u>	<u>\$ 629,161</u>
Recovered costs:				
Soil and water conservation technician	\$ 182,865	\$ 188,105	\$ 183,682	\$ (4,423)
Tourism salaries	-	120,000	116,482	(3,518)
Detention home refund	-	-	57,921	57,921
School board reimbursements	-	32,000	28,761	(3,239)
Other recovered costs	10,000	10,000	75,997	65,997
Total recovered costs	<u>\$ 192,865</u>	<u>\$ 350,105</u>	<u>\$ 462,843</u>	<u>\$ 112,738</u>
Total revenue from local sources	<u>\$ 40,852,862</u>	<u>\$ 41,129,921</u>	<u>\$ 47,012,849</u>	<u>\$ 5,882,928</u>
Intergovernmental:				
Revenue from local government:				
Town of South Boston	<u>\$ 108,642</u>	<u>\$ 108,642</u>	<u>\$ 86,089</u>	<u>\$ (22,553)</u>
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 70,000	\$ 70,000	\$ 60,309	\$ (9,691)
Mobile home titling tax	50,000	50,000	69,027	19,027
Motor vehicle rental tax	10,000	10,000	22,533	12,533
State recordation tax	40,000	-	-	-
Personal property tax relief funds	1,503,234	1,503,234	1,503,234	-
Communications taxes	975,000	975,000	830,334	(144,666)
Games of skill tax	20,000	20,000	6,912	(13,088)
Other noncategorical aid	-	-	3,516	3,516
Total noncategorical aid	<u>\$ 2,668,234</u>	<u>\$ 2,628,234</u>	<u>\$ 2,495,865</u>	<u>\$ (132,369)</u>
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 540,702	\$ 543,890	\$ 508,695	\$ (35,195)
Drug prosecutor	133,546	133,546	133,398	(148)
Sheriff	1,757,412	1,757,412	1,722,037	(35,375)
Commissioner of revenue	153,579	153,579	157,848	4,269
Treasurer	144,677	144,677	139,725	(4,952)
Registrar/electoral board	42,436	72,170	71,532	(638)
Clerk of the Circuit Court	338,234	421,876	401,103	(20,773)
Total shared expenses	<u>\$ 3,110,586</u>	<u>\$ 3,227,150</u>	<u>\$ 3,134,338</u>	<u>\$ (92,812)</u>
Other categorical aid:				
Emergency medical services grants	\$ 40,000	\$ 40,000	\$ 76,485	\$ 36,485
E-911 grants	203,414	215,610	171,096	(44,514)
Virginia juvenile community crime control act grant	63,762	63,762	63,762	-
Fire program funds	100,000	100,000	107,327	7,327
Other state funds	15,000	15,000	141,360	126,360
Total other categorical aid	<u>\$ 422,176</u>	<u>\$ 434,372</u>	<u>\$ 560,030</u>	<u>\$ 125,658</u>
Total categorical aid	<u>\$ 3,532,762</u>	<u>\$ 3,661,522</u>	<u>\$ 3,694,368</u>	<u>\$ 32,846</u>
Total revenue from the Commonwealth	<u>\$ 6,200,996</u>	<u>\$ 6,289,756</u>	<u>\$ 6,190,233</u>	<u>\$ (99,523)</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)
<b>General Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 47,000	\$ 96,804	\$ 48,989	\$ (47,815)
Total noncategorical aid	\$ 47,000	\$ 96,804	\$ 48,989	\$ (47,815)
Categorical aid:				
Homeland security grant program	\$ -	\$ -	\$ 62,000	\$ 62,000
COVID-19 Coronavirus Relief Fund	6,600,000	45,374	419,486	374,112
COVID-19 American Rescue Plan Act	-	6,600,000	342,662	(6,257,338)
Total categorical aid	\$ 6,600,000	\$ 6,645,374	\$ 824,148	\$ (5,821,226)
Total revenue from the federal government	\$ 6,647,000	\$ 6,742,178	\$ 873,137	\$ (5,869,041)
Total General Fund	\$ 53,809,500	\$ 54,270,497	\$ 54,162,308	\$ (108,189)
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 1,059	\$ 1,059
Total revenue from use of money and property	\$ -	\$ -	\$ 1,059	\$ 1,059
Miscellaneous revenue:				
Miscellaneous	\$ -	\$ -	\$ 180,787	\$ 180,787
Total revenue from local sources	\$ -	\$ -	\$ 181,846	\$ 181,846
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Public assistance and welfare administration	\$ 3,929,045	\$ 3,929,045	\$ 1,574,122	\$ (2,354,923)
Children Services Act	2,615,795	2,615,795	2,954,526	338,731
Total categorical aid	\$ 6,544,840	\$ 6,544,840	\$ 4,528,648	\$ (2,016,192)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	\$ -	\$ -	\$ 2,775,962	\$ 2,775,962
Children Services Act	-	-	158,987	158,987
Total categorical aid	\$ -	\$ -	\$ 2,934,949	\$ 2,934,949
Total Virginia Public Assistance Fund	\$ 6,544,840	\$ 6,544,840	\$ 7,645,443	\$ 1,100,603
<b>State and Federal Grants Fund:</b>				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	\$ -	\$ -	\$ 28,885	\$ 28,885
Total miscellaneous	\$ -	\$ -	\$ 28,885	\$ 28,885
Total revenue from local sources	\$ -	\$ -	\$ 28,885	\$ 28,885
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Litter control grant	\$ 14,297	\$ 14,297	\$ 22,292	\$ 7,995
Community corrections board grant	1,134,656	1,173,438	1,173,438	-
Crime victims assistance	87,000	87,000	28,352	(58,648)
DHCD - VATI grant	-	313,629	-	(313,629)
Commission for the arts grant	4,500	4,500	4,500	-
Other state funds	-	17,900	17,900	-
Total categorical aid	\$ 1,240,453	\$ 1,610,764	\$ 1,246,482	\$ (364,282)
Total revenue from the Commonwealth	\$ 1,240,453	\$ 1,610,764	\$ 1,246,482	\$ (364,282)

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)
<b>Special Revenue Funds: (Continued)</b>				
<b>State and Federal Grants Fund: (Continued)</b>				
Intergovernmental: (Continued)				
Revenue from the federal government:				
Categorical aid:				
Community development block grant	\$ -	\$ -	\$ 18,058	\$ 18,058
Drug forfeiture	65,000	90,000	30,417	(59,583)
Crime victims assistance	11,889	11,889	23,414	11,525
Other federal funds	-	4,867	-	(4,867)
Total categorical aid	<u>\$ 76,889</u>	<u>\$ 106,756</u>	<u>\$ 71,889</u>	<u>\$ (34,867)</u>
Total revenue from the federal government	<u>\$ 76,889</u>	<u>\$ 106,756</u>	<u>\$ 71,889</u>	<u>\$ (34,867)</u>
Total State and Federal Grants Fund	<u>\$ 1,317,342</u>	<u>\$ 1,717,520</u>	<u>\$ 1,347,256</u>	<u>\$ (370,264)</u>
<b>William M. Tuck Airport Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 73,600	\$ 148,600	\$ 155,898	\$ 7,298
Total revenue from local sources	<u>\$ 73,600</u>	<u>\$ 148,600</u>	<u>\$ 155,898</u>	<u>\$ 7,298</u>
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Airport aid	\$ 50,000	\$ 50,000	\$ -	(50,000)
Total revenue from the Commonwealth	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
Revenue from the federal government:				
Categorical aid:				
Airport aid - FAA	\$ 2,000,000	\$ 2,000,000	\$ -	(2,000,000)
Total revenue from the federal government	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ (2,000,000)</u>
Total William M. Tuck Airport Fund	<u>\$ 2,123,600</u>	<u>\$ 2,198,600</u>	<u>\$ 155,898</u>	<u>\$ (2,042,702)</u>
<b>Halifax County Tourism Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 102	\$ 102
Charges for services:				
Other charges for services	\$ -	\$ -	\$ 58,910	\$ 58,910
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 246	\$ 246
Total revenue from local sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,258</u>	<u>\$ 59,258</u>
Intergovernmental:				
Revenue from local government:				
County of Halifax	\$ -	\$ -	\$ 120,000	\$ 120,000
Town of South Boston	-	-	95,000	95,000
Town of Halifax	-	-	3,500	3,500
Total revenue from local government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,500</u>	<u>\$ 218,500</u>
Total Halifax County Tourism Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,758</u>	<u>\$ 277,758</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)
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	\$ -	\$ -	\$ 147,662	\$ 147,662
Total revenue from use of money and property	\$ -	\$ -	\$ 147,662	\$ 147,662
Miscellaneous:				
Donations	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Total miscellaneous	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Total revenue from local sources	\$ -	\$ -	\$ 1,147,662	\$ 1,147,662
Revenue from the Commonwealth:				
Categorical aid:				
Tobacco Commission grant	\$ -	\$ 45,000	\$ -	\$ (45,000)
Total categorical aid	\$ -	\$ 45,000	\$ -	\$ (45,000)
Total revenue from the Commonwealth	\$ -	\$ 45,000	\$ -	\$ (45,000)
Intergovernmental:				
Revenue from the federal government:				
Categorical aid:				
USDA grant	\$ -	\$ 105,000	\$ -	\$ (105,000)
Total categorical aid	\$ -	\$ 105,000	\$ -	\$ (105,000)
Total revenue from the federal government	\$ -	\$ 105,000	\$ -	\$ (105,000)
Total County Capital Projects Fund	\$ -	\$ 150,000	\$ 1,147,662	\$ 997,662
Total Primary Government	\$ 63,795,282	\$ 64,881,457	\$ 64,736,325	\$ (145,132)
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Revenue from local sources:				
Charges for services:				
Charges for education	\$ 74,350	\$ 74,350	\$ 28,429	\$ (45,921)
Total charges for services	\$ 74,350	\$ 74,350	\$ 28,429	\$ (45,921)
Miscellaneous:				
Sale of property	\$ 5,000	\$ 5,000	\$ 12,732	\$ 7,732
Other miscellaneous	267,547	267,547	1,067,027	799,480
Total miscellaneous revenue	272,547	272,547	1,079,759	807,212
Total revenue from local sources	\$ 346,897	\$ 346,897	\$ 1,108,188	\$ 761,291
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Halifax, Virginia	\$ 14,243,414	\$ 14,243,414	\$ 13,181,298	\$ (1,062,116)
Total revenues from local governments	\$ 14,243,414	\$ 14,243,414	\$ 13,181,298	\$ (1,062,116)

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)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 5,936,571	5,936,571	\$ 7,411,371	\$ 1,474,800
Basic school aid	16,479,091	16,479,091	15,378,121	(1,100,970)
Medicaid	-	-	18,502	18,502
Gifted and talented	158,902	158,902	170,445	11,543
Remedial education	797,507	797,507	1,109,716	312,209
Compensation supplement	1,180,978	1,180,978	1,161,174	(19,804)
Special education	3,792,654	3,792,654	3,740,632	(52,022)
Vocational standards of quality payments	341,789	341,789	321,744	(20,045)
Fringe benefits	3,720,699	3,720,699	3,657,525	(63,174)
Early reading intervention	120,926	120,926	288,742	167,816
Lottery payments	1,212,112	1,212,112	1,197,770	(14,342)
K-3 Primary class	974,235	974,235	990,119	15,884
At risk payments	2,143,386	2,143,386	2,107,162	(36,224)
VPSSA technology grant	395,396	395,396	-	(395,396)
Other state funds	2,280,455	2,280,455	2,188,942	(91,513)
Total categorical aid	\$ 39,534,701	\$ 39,534,701	\$ 39,741,965	\$ 207,264
Total revenue from the Commonwealth	\$ 39,534,701	\$ 39,534,701	\$ 39,741,965	\$ 207,264
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 3,036,662	\$ 3,036,662	\$ 1,725,346	\$ (1,311,316)
Title VI-B, special education	1,576,542	1,576,542	1,733,687	157,145
Vocational education	125,084	125,084	174,225	49,141
Title II, Part A; Improving teacher quality - state grants	-	-	193,727	193,727
JROTC	58,800	58,800	-	(58,800)
Title VI, Rural and low income schools	-	-	84,940	84,940
Student support and academic enrichment program	-	-	217,208	217,208
CARES Act - ESSR	6,526,804	6,526,804	431,270	(6,095,534)
CARES Act - Coronavirus Relief Funds	-	-	3,845,995	3,845,995
Total categorical aid	\$ 11,323,892	\$ 11,323,892	\$ 8,406,398	\$ (2,917,494)
Total revenue from the federal government	11,323,892	11,323,892	8,406,398	(2,917,494)
Total School Operating Fund	\$ 65,448,904	\$ 65,448,904	\$ 62,437,849	\$ (3,011,055)
<b>School Cafeteria Fund:</b>				
Revenue from local sources:				
Cafeteria sales	\$ -	\$ -	\$ 236,581	\$ 236,581
Total revenue from local sources	\$ -	\$ -	\$ 236,581	\$ 236,581
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 30,037	\$ 30,037	\$ 136,000	\$ 105,963
Total revenue from the Commonwealth	\$ 30,037	\$ 30,037	\$ 136,000	\$ 105,963
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 2,850,000	\$ 2,850,000	\$ 3,572,035	\$ 722,035
Total revenue from the federal government	\$ 2,850,000	\$ 2,850,000	\$ 3,572,035	\$ 722,035
Total School Cafeteria Fund	\$ 2,880,037	\$ 2,880,037	\$ 3,944,616	\$ 1,064,579
<b>Student Activity Fund</b>				
Revenue from local sources:				
Miscellaneous revenue:				
Other miscellaneous	\$ -	\$ -	\$ 680,383	\$ 680,383
Total miscellaneous revenue	\$ -	\$ -	\$ 680,383	\$ 680,383
Total Student Activity Fund	\$ -	\$ -	\$ 680,383	\$ 680,383
Total Discretely Presented Component Unit-School Board	\$ 68,328,941	\$ 68,328,941	\$ 67,062,848	\$ (1,266,093)



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)
<b>General Fund:</b>				
General government administration:				
Legislative:				
Board of supervisors	\$ 240,847	\$ 229,957	\$ 220,572	\$ 9,385
General and financial administration:				
County administrator	\$ 341,884	\$ 352,249	\$ 306,840	\$ 45,409
Legal services	55,000	55,000	49,937	5,063
Commissioner of revenue	416,091	433,895	425,648	8,247
Assessment	232,623	238,087	224,164	13,923
Treasurer	492,405	503,553	502,124	1,429
Central accounting	610,848	623,003	599,675	23,328
Professional services	65,500	65,500	52,325	13,175
COVID-19 expenses - other general government	-	-	164,164	(164,164)
Total general and financial administration	\$ 2,214,351	\$ 2,271,287	\$ 2,324,877	\$ (53,590)
Board of elections:				
Electoral board and officials	\$ 118,711	\$ 120,861	\$ 87,397	\$ 33,464
Registrar	131,645	161,277	158,354	2,923
Total board of elections	\$ 250,356	\$ 282,138	\$ 245,751	\$ 36,387
Total general government administration	\$ 2,705,554	\$ 2,783,382	\$ 2,791,200	\$ (7,818)
Judicial administration:				
Courts:				
Circuit court	\$ 54,438	\$ 65,641	\$ 61,389	\$ 4,252
General district court	12,295	12,295	9,360	2,935
Special magistrates	2,800	2,800	2,630	170
Juvenile and domestic relations district court	12,700	12,700	11,456	1,244
Law library	8,500	8,500	4,909	3,591
Courthouse security	417,418	429,620	374,167	55,453
Courthouse maintenance	22,000	22,000	-	22,000
Clerk of the circuit court	560,992	663,033	630,355	32,678
COVID-19 expenses - judicial	-	-	36,565	(36,565)
Total courts	\$ 1,091,143	\$ 1,216,589	\$ 1,130,831	\$ 85,758
Commonwealth's attorney:				
Commonwealth's attorney	\$ 786,691	\$ 794,714	\$ 741,178	\$ 53,536
Multi-jurisdictional drug prosecutor	183,453	192,919	173,841	19,078
Total commonwealth's attorney	\$ 970,144	\$ 987,633	\$ 915,019	\$ 72,614
Total judicial administration	\$ 2,061,287	\$ 2,204,222	\$ 2,045,850	\$ 158,372
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 3,421,265	\$ 3,790,574	\$ 3,478,221	\$ 312,353
COVID-19 expenses - sheriff	-	-	337,844	(337,844)
Emergency operations center	1,066,504	1,709,539	1,054,154	655,385
Total law enforcement and traffic control	\$ 4,487,769	\$ 5,500,113	\$ 4,870,219	\$ 629,894

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Public safety: (Continued)				
Fire and rescue services:				
Volunteer fire department	\$ 775,552	\$ 817,646	\$ 808,752	\$ 8,894
Ambulance and rescue services	296,100	296,100	288,748	7,352
Contribution to rescue squad	2,500	2,500	-	2,500
Emergency services	112,379	175,272	156,573	18,699
Forestry service	32,975	32,975	32,975	-
Total fire and rescue services	<u>\$ 1,219,506</u>	<u>\$ 1,324,493</u>	<u>\$ 1,287,048</u>	<u>\$ 37,445</u>
Correction and detention:				
Regional jail and other corrections	<u>\$ 3,301,923</u>	<u>\$ 3,301,923</u>	<u>\$ 3,062,982</u>	<u>\$ 238,941</u>
Inspections:				
Building	<u>\$ 267,306</u>	<u>\$ 274,371</u>	<u>\$ 263,734</u>	<u>\$ 10,637</u>
Other protection:				
Animal control	\$ 280,844	\$ 294,220	\$ 264,462	\$ 29,758
Medical examiner	750	750	1,060	(310)
Total other protection	<u>\$ 281,594</u>	<u>\$ 294,970</u>	<u>\$ 265,522</u>	<u>\$ 29,448</u>
Total public safety	<u>\$ 9,558,098</u>	<u>\$ 10,695,870</u>	<u>\$ 9,749,505</u>	<u>\$ 946,365</u>
Public works:				
Sanitation and waste removal:				
Public works and environmental services	\$ 2,702,621	\$ 2,794,580	\$ 2,849,322	\$ (54,742)
Contribution to Halifax County Service Authority - debt service	123,075	123,075	123,075	-
Total sanitation and waste removal	<u>\$ 2,825,696</u>	<u>\$ 2,917,655</u>	<u>\$ 2,972,397</u>	<u>\$ (54,742)</u>
Maintenance of general buildings and grounds:				
General properties	\$ 911,942	\$ 918,914	\$ 817,948	\$ 100,966
COVID-19 expenses - sanitation and protective expenses	-	-	58,292	(58,292)
Total maintenance of general buildings and grounds	<u>\$ 911,942</u>	<u>\$ 918,914</u>	<u>\$ 876,240</u>	<u>\$ 42,674</u>
Total public works	<u>\$ 3,737,638</u>	<u>\$ 3,836,569</u>	<u>\$ 3,848,637</u>	<u>\$ (12,068)</u>
Health and welfare:				
Health:				
Supplement of local health department	<u>\$ 249,199</u>	<u>\$ 249,199</u>	<u>\$ 249,199</u>	<u>\$ -</u>
Mental health and mental retardation:				
Community services board	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ -</u>
Welfare:				
Tax relief for the elderly	\$ -	\$ -	\$ 165,250	\$ (165,250)
COVID-19 expenses - social services	-	-	1,054	(1,054)
Other social services	10,000	10,000	10,000	-
Total welfare	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 176,304</u>	<u>\$ (166,304)</u>
Total health and welfare	<u>\$ 449,199</u>	<u>\$ 449,199</u>	<u>\$ 615,503</u>	<u>\$ (166,304)</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Education:				
Other instructional costs:				
Contributions to community colleges	\$ 95,487	\$ 95,487	\$ 95,487	\$ -
Contribution to County School Board	14,243,414	14,243,414	13,181,298	1,062,116
Total education	<u>\$ 14,338,901</u>	<u>\$ 14,338,901</u>	<u>\$ 13,276,785</u>	<u>\$ 1,062,116</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 200,359	\$ 249,616	\$ 196,426	\$ 53,190
County fair	34,100	34,100	24,599	9,501
COVID-19 expenses - parks and recreation	-	-	2,153	(2,153)
Total parks and recreation	<u>\$ 234,459</u>	<u>\$ 283,716</u>	<u>\$ 223,178</u>	<u>\$ 60,538</u>
Cultural enrichment:				
Halifax County war memorial	\$ -	\$ -	\$ 172	\$ (172)
Total cultural enrichment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ (172)</u>
Library:				
Contribution to county library	\$ 218,800	\$ 218,800	\$ 218,800	\$ -
Total library	<u>\$ 218,800</u>	<u>\$ 218,800</u>	<u>\$ 218,800</u>	<u>\$ -</u>
Total parks, recreation, and cultural	<u>\$ 453,259</u>	<u>\$ 502,516</u>	<u>\$ 442,150</u>	<u>\$ 60,366</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 54,428	\$ 54,428	\$ 45,496	\$ 8,932
Tri-County Community Action Agency	50,766	50,766	50,766	-
Southside Planning District	45,301	45,301	45,301	-
Halifax County tourism	137,629	254,413	197,613	56,800
COVID-19 expenses - broadband	-	-	162,076	(162,076)
Contribution to Industrial Development Authority	401,782	1,491,782	201,315	1,290,467
Total planning and community development	<u>\$ 689,906</u>	<u>\$ 1,896,690</u>	<u>\$ 702,567</u>	<u>\$ 1,194,123</u>
Environmental management:				
Environmental management	<u>\$ 200,865</u>	<u>\$ 206,105</u>	<u>\$ 203,714</u>	<u>\$ 2,391</u>
Cooperative extension program:				
Extension office	\$ 124,490	\$ 124,490	\$ 123,368	\$ 1,122
Agricultural development agent	3,100	3,100	1,424	1,676
Total cooperative extension program	<u>\$ 127,590</u>	<u>\$ 127,590</u>	<u>\$ 124,792</u>	<u>\$ 2,798</u>
Total community development	<u>\$ 1,018,361</u>	<u>\$ 2,230,385</u>	<u>\$ 1,031,073</u>	<u>\$ 1,199,312</u>
Nondepartmental:				
Miscellaneous	\$ 472,442	\$ 220,757	\$ 53,878	\$ 166,879
CARES Act expenditures	6,600,000	498,711	-	498,711
ARPA expenditures	-	6,600,000	-	6,600,000
Total nondepartmental	<u>\$ 7,072,442</u>	<u>\$ 7,319,468</u>	<u>\$ 53,878</u>	<u>\$ 7,265,590</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>General Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ 5,638,518	\$ 5,628,830	\$ 5,325,483	\$ 303,347
Interest and other fiscal charges	1,873,237	1,882,925	1,891,452	(8,527)
Total debt service	<u>\$ 7,511,755</u>	<u>\$ 7,511,755</u>	<u>\$ 7,216,935</u>	<u>\$ 294,820</u>
Total General Fund	<u>\$ 48,906,494</u>	<u>\$ 51,872,267</u>	<u>\$ 41,071,516</u>	<u>\$ 10,800,751</u>
<b>Special Revenue Funds:</b>				
<b>Virginia Public Assistance Fund:</b>				
Health and welfare:				
Welfare and social services:				
Welfare administration and assistance	\$ 4,909,033	\$ 4,909,033	\$ 5,078,688	\$ (169,655)
Comprehensive services	3,540,124	3,540,124	3,740,884	(200,760)
Total welfare and social services	<u>\$ 8,449,157</u>	<u>\$ 8,449,157</u>	<u>\$ 8,819,572</u>	<u>\$ (370,415)</u>
Total Virginia Public Assistance Fund	<u>\$ 8,449,157</u>	<u>\$ 8,449,157</u>	<u>\$ 8,819,572</u>	<u>\$ (370,415)</u>
<b>State and Federal Grants Fund:</b>				
Judicial administration:				
Courts:				
Crime victims grant	\$ 98,889	\$ 98,889	\$ 71,915	\$ 26,974
Supreme court grant	65,000	90,672	72,940	17,732
Federal drug court	31,250	31,300	5,626	25,674
Clerk of circuit court grant	-	17,900	17,900	-
Total judicial administration	<u>\$ 195,139</u>	<u>\$ 238,761</u>	<u>\$ 168,381</u>	<u>\$ 70,380</u>
Public safety:				
Correction and detention:				
Community corrections board	\$ 1,134,656	\$ 1,183,228	\$ 912,502	\$ 270,726
EMS grants	-	38,948	38,948	-
Total public safety	<u>\$ 1,134,656</u>	<u>\$ 1,222,176</u>	<u>\$ 951,450</u>	<u>\$ 270,726</u>
Parks, recreation, and cultural:				
Cultural enrichment:				
Commission for the Arts	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>
Community development:				
Planning and community development:				
Improvement council	\$ 14,297	\$ 14,297	\$ 4,721	\$ 9,576
Housing project	-	313,629	-	313,629
Total community development	<u>\$ 14,297</u>	<u>\$ 327,926</u>	<u>\$ 4,721</u>	<u>\$ 323,205</u>
Total State and Federal Grants Fund	<u>\$ 1,354,092</u>	<u>\$ 1,798,863</u>	<u>\$ 1,134,552</u>	<u>\$ 664,311</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Special Revenue Funds: (Continued)</b>				
<b>William M. Tuck Airport Fund:</b>				
Community development:				
Planning and community development:				
Airport expenditures	\$ 73,600	\$ 148,600	\$ 144,301	\$ 4,299
Capital projects:				
Capital projects	\$ 2,050,000	\$ 2,050,000	\$ 15,457	\$ 2,034,543
Total William M. Tuck Airport Fund	<u>\$ 2,123,600</u>	<u>\$ 2,198,600</u>	<u>\$ 159,758</u>	<u>\$ 2,038,842</u>
<b>Halifax County Tourism Fund:</b>				
Community development:				
Planning and community development:				
Tourism	\$ -	\$ -	\$ 267,374	\$ (267,374)
Total Halifax County Tourism Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,374</u>	<u>\$ (267,374)</u>
<b>Capital Projects Fund:</b>				
<b>County Capital Projects Fund:</b>				
Capital projects expenditures:				
VFD capital project	\$ 100,000	\$ 125,000	\$ 99,281	\$ 25,719
Ladder truck repair	250,000	375,000	395,628	(20,628)
Broadband system	200,000	798,031	-	798,031
Public works equipment	250,000	509,278	236,516	272,762
Collection centers	225,000	719,942	-	719,942
Treasurer office remodel	50,000	50,000	34,586	15,414
High school project	-	105,603,433	571,799	105,031,634
Voting machines	85,000	85,000	73,034	11,966
Agricultural center expansion	-	150,000	10,000	140,000
Farm service building renovation	200,000	200,000	-	200,000
Event center	-	137,625	-	137,625
Courthouse renovation	-	917,913	161,868	756,045
Bond issuance costs	-	-	185,948	(185,948)
Total capital projects	<u>\$ 1,360,000</u>	<u>\$ 109,671,222</u>	<u>\$ 1,768,660</u>	<u>\$ 107,902,562</u>
Total County Capital Projects Fund	<u>\$ 1,360,000</u>	<u>\$ 109,671,222</u>	<u>\$ 1,768,660</u>	<u>\$ 107,902,562</u>
Total Primary Government	<u>\$ 62,193,343</u>	<u>\$ 173,990,109</u>	<u>\$ 52,954,058</u>	<u>\$ 121,036,051</u>
<b>Discretely Presented Component Unit - School Board:</b>				
<b>School Operating Fund:</b>				
Education:				
Administration of schools:				
School board and administration	\$ 4,555,209	\$ 4,555,209	\$ 4,595,233	\$ (40,024)
Instruction costs:				
Elementary and secondary schools	\$ 39,450,826	\$ 39,450,826	\$ 43,037,217	\$ (3,586,391)
Federal programs	11,273,314	11,273,314	4,380,480	6,892,834
Total instruction costs	<u>\$ 50,724,140</u>	<u>\$ 50,724,140</u>	<u>\$ 47,417,697</u>	<u>\$ 3,306,443</u>
Operating costs:				
Pupil transportation	\$ 4,703,120	\$ 4,703,120	\$ 4,599,112	\$ 104,008
Operation and maintenance of schools	5,195,397	5,195,397	4,960,179	235,218
Total operating costs	<u>\$ 9,898,517</u>	<u>\$ 9,898,517</u>	<u>\$ 9,559,291</u>	<u>\$ 339,226</u>
Total education	<u>\$ 65,177,866</u>	<u>\$ 65,177,866</u>	<u>\$ 61,572,221</u>	<u>\$ 3,605,645</u>

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

Fund, Function, Activity and Elements	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Discretely Presented Component Unit - School Board: (Continued)</b>				
<b>School Operating Fund: (Continued)</b>				
Debt service:				
Principal retirement	\$ 221,065	\$ 221,065	\$ 221,065	\$ -
Interest and other fiscal charges	66,590	66,590	66,590	-
Total debt service	<u>\$ 287,655</u>	<u>\$ 287,655</u>	<u>\$ 287,655</u>	<u>\$ -</u>
Total School Operating Fund	<u>\$ 65,465,521</u>	<u>\$ 65,465,521</u>	<u>\$ 61,859,876</u>	<u>\$ 3,605,645</u>
<b>Special Revenue Funds:</b>				
<b>School Cafeteria Fund:</b>				
Education:				
School food services	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 2,906,128</u>	<u>\$ (56,128)</u>
Total School Cafeteria Fund	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>	<u>\$ 2,906,128</u>	<u>\$ (56,128)</u>
<b>School Textbook Fund:</b>				
Education:				
Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,762</u>	<u>\$ (113,762)</u>
Total School Textbook Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,762</u>	<u>\$ (113,762)</u>
<b>School Capital Projects Fund:</b>				
Capital projects expenditures:				
School construction projects	<u>\$ 13,419</u>	<u>\$ 13,419</u>	<u>\$ 193,029</u>	<u>\$ (179,610)</u>
Total School Capital Projects Fund	<u>\$ 13,419</u>	<u>\$ 13,419</u>	<u>\$ 193,029</u>	<u>\$ (179,610)</u>
<b>Student Activity Fund</b>				
Education:				
Instruction	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,367</u>	<u>\$ (621,367)</u>
Total Student Activity Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621,367</u>	<u>\$ (621,367)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 68,328,940</u>	<u>\$ 68,328,940</u>	<u>\$ 65,694,162</u>	<u>\$ 2,634,778</u>

### **Other Statistical Information**

COUNTY OF HALIFAX, VIRGINIA

Table 1

Government-Wide Expenses by Function  
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare		Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-term Debt		Total
	Administration													
2012-13	\$ 2,325,357	\$ 1,596,842	\$ 7,458,534	\$ 3,531,002	\$ 7,551,029	\$ 16,578,196	\$ 474,772	\$ 2,754,844	\$ 2,240,418	\$ 44,510,994				
2013-14	2,198,400	1,638,022	7,190,142	3,810,125	6,813,100	17,009,842	454,679	2,014,030	1,177,375	42,305,715				
2014-15	2,245,594	1,623,467	8,236,832	3,238,819	6,958,509	16,189,829	413,002	1,249,001	2,000,501	42,155,554				
2015-16	2,173,095	1,971,714	8,892,448	3,380,010	7,117,283	17,100,618	418,643	1,313,406	1,815,323	44,182,540				
2016-17	2,390,611	1,852,914	8,463,570	3,627,228	7,371,651	17,174,191	407,567	1,139,119	2,307,304	44,734,155				
2017-18	2,404,121	1,814,319	9,147,202	3,928,409	7,072,573	18,762,954	416,412	1,196,735	1,880,020	46,622,745				
2018-19	2,487,574	1,923,476	9,625,493	3,952,621	7,542,410	16,788,573	426,953	906,153	1,636,618	45,289,871				
2019-20	2,570,808	2,116,198	9,587,875	4,350,814	9,704,216	16,662,922	442,867	1,509,284	1,879,334	48,824,318				
2020-21	4,655,946	2,525,766	11,628,462	4,412,549	9,727,718	13,848,174	405,078	2,639,370	1,741,451	51,584,514				
2021-22	2,614,599	2,145,013	11,215,193	4,313,543	9,384,613	16,330,385	466,015	1,114,408	1,666,029	49,249,798				

Table includes primary government only.



COUNTY OF HALIFAX, VIRGINIA

Table 2

Government-Wide Revenues  
Last Ten Fiscal Years

PROGRAM REVENUES				GENERAL REVENUES					
Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions Not Restricted to Specific Programs	Total
2012-13	\$ 672,784	\$ 9,034,629	\$ 1,461,144	\$ 24,306,577	\$ 6,164,352	\$ 343,065	\$ 302,982	\$ 2,667,870	\$ 44,953,403
2013-14	706,508	8,537,054	928,245	24,807,716	6,583,756	343,804	507,624	2,897,174	45,311,881
2014-15	741,032	8,951,159	201,229	25,366,255	7,086,089	314,961	309,273	2,874,716	45,844,714
2015-16	694,359	9,104,536	17,124	26,313,725	6,725,483	346,296	521,278	2,837,831	46,560,632
2016-17	706,430	9,430,222	639,097	27,264,924	6,680,061	427,396	358,835	2,823,257	48,330,222
2017-18	712,528	9,579,646	98,609	28,200,822	6,686,235	637,656	649,995	2,783,539	49,349,030
2018-19	653,509	10,708,422	2,039,401	28,674,243	7,541,735	695,322	496,019	2,699,565	53,508,216
2019-20	610,430	11,180,599	863,124	28,836,719	7,554,563	580,100	482,904	2,693,426	52,801,865
2020-21	786,762	15,706,258	2,211,768	29,942,039	11,001,923	390,361	392,763	2,599,718	63,031,592
2021-22	1,377,338	13,365,466	17,900	31,754,322	13,429,133	175,951	2,356,212	2,766,561	65,242,883

Table includes primary government only.

COUNTY OF HALIFAX, VIRGINIA

Table 3

General Governmental Expenditures by Function  
Last Ten Fiscal Years

Fiscal Year	General Government		Judicial Administration	Public Safety		Public Works	Health and Welfare	Education (1)	Parks, Recreation, and Cultural	Community Development	Non-Departmental	Debt Service		Total
	Administration													
2012-13	\$ 2,241,420	\$ 1,589,595	\$ 7,625,905	\$ 3,322,434	\$ 7,524,746	\$ 57,919,116	\$ 427,362	\$ 2,866,356	\$ 133,077	\$ 5,503,566	\$ 89,153,577			
2013-14	2,233,023	1,654,197	7,794,656	3,080,549	6,744,418	55,173,973	442,560	2,090,780	131,883	4,784,580	84,130,619			
2014-15	2,208,915	1,656,372	8,468,444	3,477,487	7,128,536	55,971,025	412,663	1,382,070	753	5,640,779	86,347,044			
2015-16	2,143,280	1,748,263	8,867,753	3,186,652	7,379,474	57,061,154	443,764	1,419,642	64,342	5,617,723	87,932,047			
2016-17	2,276,628	1,833,593	8,478,787	2,962,589	7,479,213	57,381,775	425,325	1,256,108	112,162	5,852,201	88,058,381			
2017-18	2,374,957	1,868,812	8,822,307	3,261,862	7,190,834	58,368,213	412,002	1,353,714	82,542	6,544,571	90,279,814			
2018-19	2,494,071	1,892,341	9,335,563	3,320,623	7,779,675	57,072,242	437,752	1,089,603	90,269	6,559,120	90,071,259			
2019-20	2,486,407	2,049,728	11,791,004	3,425,264	9,619,610	55,063,977	449,097	1,640,891	12,195	6,741,030	93,279,203			
2020-21	4,482,425	2,349,190	11,181,595	3,485,208	9,493,551	59,663,209	404,017	3,412,833	32,650	7,365,301	101,869,979			
2021-22	2,791,200	2,214,231	10,700,955	3,848,637	9,435,075	65,308,965	452,150	1,462,926	53,878	7,504,590	103,772,607			

Table includes General and Special Revenue funds of the Primary Government and Discretely Presented Component Unit - School Board.

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

COUNTY OF HALIFAX, VIRGINIA

Table 4

General Governmental Revenues by Source  
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (1)	Total
2012-13	\$ 24,546,393	\$ 6,164,352	\$ 154,721	\$ 62,785	\$ 343,065	\$ 1,355,080	\$ 1,959,857	\$ 903,938	\$ 54,462,534	\$ 89,952,725
2013-14	24,894,828	6,583,756	185,344	73,681	342,926	1,159,147	1,945,739	739,564	52,160,431	88,085,416
2014-15	25,975,109	7,083,089	181,932	89,105	311,928	1,267,571	2,002,311	612,170	52,608,090	90,131,305
2015-16	26,236,246	6,725,483	144,763	66,606	339,598	1,309,056	2,027,740	202,997	52,962,072	90,014,561
2016-17	26,818,027	6,680,061	173,170	111,148	344,945	1,237,451	1,109,865	458,276	54,723,696	91,656,639
2017-18	28,211,449	6,686,235	149,386	86,070	400,530	2,074,076	1,285,937	248,521	53,654,040	92,796,244
2018-19	28,294,228	7,541,735	152,055	63,844	380,844	1,283,562	518,273	232,810	58,346,706	96,814,057
2019-20	28,844,593	7,554,563	169,516	28,272	383,850	852,570	494,574	244,331	57,159,789	95,732,058
2020-21	30,570,715	11,001,923	341,847	25,692	382,638	419,223	383,389	229,629	69,109,664	112,464,720
2021-22	31,184,609	13,429,133	413,308	18,170	450,263	788,099	2,717,463	462,843	68,006,325	117,470,213

Table includes General and Special Revenue funds of the Primary Government and Discretely Presented Component Unit - School Board.

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

COUNTY OF HALIFAX, VIRGINIA

Table 5

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (1)	Delinquent Tax Collections (1)(3)	Total Tax Collections	Percent of Current Tax Collections to Tax Levy	Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Current Tax Levy
2012-13	\$ 25,032,718	\$ 22,313,363	\$ 2,972,629	\$ 25,285,992	89.14%	\$ 1,742,146	6.96%
2013-14	25,423,840	23,063,969	2,718,690	25,782,659	90.72%	1,886,208	7.42%
2014-15	26,260,762	22,795,740	3,834,801	26,630,541	86.81%	1,906,508	7.26%
2015-16	27,063,589	24,486,314	2,443,952	26,930,266	90.48%	2,254,834	8.33%
2016-17	27,820,071	24,555,238	2,936,579	27,491,817	88.26%	2,457,035	8.83%
2017-18	28,865,077	26,422,667	2,308,198	28,730,865	91.54%	2,557,521	8.86%
2018-19	29,446,294	27,163,849	1,735,984	28,899,833	92.25%	2,828,415	9.61%
2019-20	30,239,454	27,282,373	1,914,546	29,196,919	90.22%	2,925,647	9.67%
2020-21	30,465,267	29,774,445	1,226,277	31,000,722	97.73%	2,973,536	9.76%
2021-22	32,165,497	29,139,580	2,350,757	31,490,337	90.59%	3,129,538	9.73%

(1) Exclusive of penalties and interest.

(2) Includes three most current delinquent tax years.

(3) Delinquent tax collections represent total delinquent taxes collected by fiscal year not tax assessment year.

COUNTY OF HALIFAX, VIRGINIA

Table 6

Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Personal Property (1)	Machinery and Tools		Mobile Homes	Public Utility (2)		Total
2012-13	\$ 2,611,941,867	\$ 206,995,250	\$ 115,491,600	\$	21,858,449	\$ 939,796,330	\$	3,896,083,496
2013-14	2,604,844,290	216,430,806	109,754,900		21,548,300	974,075,062		3,926,653,358
2014-15	2,592,875,041	214,359,000	113,167,200		18,805,800	1,012,476,276		3,951,683,317
2015-16	2,610,672,606	220,453,300	104,637,400		19,919,600	1,060,511,659		4,016,194,565
2016-17	2,626,126,937	232,771,900	108,532,100		18,811,900	1,092,693,520		4,078,936,357
2017-18	2,625,339,034	242,403,900	108,262,200		18,806,000	1,122,256,625		4,117,067,759
2018-19	2,655,433,747	247,643,900	113,507,800		19,437,900	1,135,037,315		4,171,060,662
2019-20	2,694,851,728	245,845,100	121,191,900		17,953,200	1,111,371,403		4,191,213,331
2020-21	2,715,792,122	252,107,700	123,365,200		16,849,400	1,101,433,389		4,209,547,811
2021-22	2,799,273,107	280,484,700	137,977,800		16,903,900	1,115,507,314		4,350,146,821

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

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

COUNTY OF HALIFAX, VIRGINIA

Table 7

Property Tax Rates (1)  
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Machinery and Tools
2012-13	\$ .45 / .45	\$ 3.60	\$ 1.26
2013-14	.45 / .46	3.60	1.26
2014-15	.46 / .48	3.60	1.26
2015-16	.48 / .48	3.60	1.26
2016-17	.48 / .48	3.60	1.26
2017-18	.48 / .48	3.85	1.26
2018-19	.48 / .50	3.85	1.26
2019-20	.50 / .50	3.85	1.26
2020-21	.50 / .50	3.85	1.26
2021-22	.50 / .50	3.85	1.26

(1) Per \$100 of assessed value.

COUNTY OF HALIFAX, VIRGINIA

Table 8

Ratio of Net General Bonded Debt to

Assessed Value of Real Property and Net Bonded Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (in thousands) (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012-13	35,849	\$ 2,611,942	\$ 50,276,791	\$ 50,276,791	1.92%	1,402
2013-14	35,407	2,604,844	47,353,729	47,353,729	1.82%	1,337
2014-15	35,200	2,592,875	44,325,482	44,325,482	1.71%	1,259
2015-16	35,125	2,610,673	41,173,927	41,173,927	1.58%	1,172
2016-17	35,125	2,626,127	37,898,511	37,898,511	1.44%	1,079
2017-18	34,563	2,625,339	34,485,686	34,485,686	1.31%	998
2018-19	34,563	2,655,434	30,935,702	30,935,702	1.16%	895
2019-20	34,563	2,694,852	27,243,022	27,243,022	1.01%	788
2020-21	33,911	2,715,792	23,398,127	23,398,127	0.86%	690
2021-22	33,911	2,799,273	121,939,560	121,939,560	4.36%	3,596

(1) US Census Bureau - population estimates

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

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

Excludes revenue bonds, landfill liabilities, compensated absences, lease liabilities, net pension liability, and OPEB liabilities.

COUNTY OF HALIFAX, VIRGINIA

Table 9

Ratio of Annual Debt Service Expenditures for  
Debt to Total General Governmental Expenditures (1)  
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2012-13	\$ 3,055,320	\$ 2,448,246	\$ 5,503,566	\$ 89,153,577	6.17%
2013-14	3,281,525	1,503,055	4,784,580	84,130,619	5.69%
2014-15	3,028,247	1,933,163	4,961,410	86,347,044	5.75%
2015-16	3,601,356	2,016,367	5,617,723	87,932,047	6.39%
2016-17	3,677,311	2,174,890	5,852,201	88,058,381	6.65%
2017-18	4,269,791	2,274,780	6,544,571	90,279,814	7.25%
2018-19	4,425,587	2,133,533	6,559,120	90,071,259	7.28%
2019-20	4,607,405	2,229,514	6,836,919	93,279,203	7.33%
2020-21	5,025,794	2,224,388	7,250,182	101,869,979	7.12%
2021-22	5,546,548	1,958,042	7,504,590	103,772,607	7.23%

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



## **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***

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**To the Honorable Members of  
the Board of Supervisors  
County of Halifax, 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, discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Halifax, 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 Halifax, Virginia's basic financial statements, and have issued our report thereon dated December 14, 2022.

**Report on Internal Control over Financial Reporting**

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

## Report on Compliance and Other Matters

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

### Purpose of this Report

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

A handwritten signature in black ink that reads "Robinson, Farmer, Cox Associates". The script is cursive and fluid.

Charlottesville, Virginia  
December 14, 2022



ROBINSON, FARMER, COX ASSOCIATES, PLLC

*Certified Public Accountants*

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

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**To the Honorable Members of  
the Board of Supervisors  
County of Halifax, Virginia**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited County of Halifax, Virginia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of County of Halifax, Virginia's major federal programs for the year ended June 30, 2022. County of Halifax, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, County of Halifax, 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 Halifax, 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 Halifax, 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 Halifax, 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 Halifax, 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 Halifax, 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 Halifax, 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 Halifax, 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 Halifax, Virginia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

## Report on Internal Control over Compliance (Continued)

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 may exist that were not identified.

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 14, 2022

COUNTY OF HALIFAX, VIRGINIA

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 #	Pass-Through Entity Identifying Number	Federal Expenditures	Provided to Subrecipients
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
Child Care and Development Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760121/0760122	\$ 85,990	\$ -
Subtotal Child Care and Development Cluster			\$ 85,990	\$ -
Guardianship Assistance	93.090	1110122	\$ 398	\$ -
Title IV-E Prevention Program	93.472	1140122	6,957	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950120/0950121	9,056	-
Temporary Assistance for Needy Families (TANF)	93.558	0400121/0400122	378,923	-
Refugee and Entrant Assistance/Replacement Designee Administered Programs	93.566	0500122	1,814	-
Low-income Home Energy Assistance	93.568	0600421/0600422	69,525	-
Chafee Education and Training Vouchers Program	93.599	9160120/9160121	756	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900121	948	-
Foster Care - Title IV-E	93.658	1100121/1100122	339,830	-
Adoption Assistance	93.659	1120121/1120122	422,256	-
Social Services Block Grant	93.667	1000121/1000122	483,038	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150120/9150121	9,456	-
Elder Abuse Prevention Interventions Program	93.747	8000221	2,789	-
Children's Health Insurance Program	93.767	0540121/0540122	3,829	-
Medicaid Cluster:				
Medical Assistance Program	93.778	1200121/1200122	387,857	-
Total Department of Health and Human Services			\$ 2,203,422	\$ -
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution	10.555	202121H17034 1/202221N89034 1 202121N11994 1/202221N11994 1/ 202222N11994 1	\$ 215,226	\$ -
National School Lunch Program	10.555		2,305,456	-
Subtotal CFDA 10.555			\$ 2,520,682	\$ -
School Breakfast Program	10.553	2021N11994 1/2022N11994 1 202020N10994 1/202120N10994 1/ 202121N11994 1	718,466	-
Summer Food Service Program for Children	10.559		162,059	-
Department of Education:				
Fresh Fruit and Vegetable Program	10.582	202120L160341/202221L160341	158,718	-
Subtotal Child Nutrition Cluster			\$ 3,559,925	\$ -
Department of Education:				
Child and Adult Care Food Program	10.558	202121H17061 1	\$ 9,047	\$ -
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010121/0010122/0040121/0040122	731,527	-
COVID-19 Pandemic EBT Administrative Costs	10.649	202121S900941	3,063	-
Total Department of Agriculture			\$ 4,303,562	\$ -
Department of Housing and Urban Development:				
Pass Through Payments:				
Department of Housing and Community Development:				
Community Development Block Grant/States' Program and Non-Entitlement Grants in Hawaii	14.228	HCD50790	\$ 18,058	\$ -
Total Department of Housing and Urban Development			\$ 18,058	\$ -

COUNTY OF HALIFAX, VIRGINIA

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 #	Pass-Through Entity Identifying Number	Federal Expenditures	Federal Expenditures
Department of Justice:				
Direct Payments:				
Drug Court Discretionary Grant Program	16.585	N/A	\$ 30,417	\$ -
Pass Through Payments:				
Virginia Department of Criminal Justice: Crime Victim Assistance	16.575	19V2GX0054	\$ 23,414	\$ -
Total Department of Justice			\$ 53,831	\$ -
Institute of Museum and Library Services:				
Pass Through Payments:				
Public Library Construction/Tech Enhancement	45.310	Not Available	\$ 15,721	\$ -
Department of Treasury:				
Pass Through Payments:				
Virginia Department of Accounts: COVID-19 Coronavirus Relief Fund	21.019	SLT0022	\$ 419,486	\$ -
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	236,088	
Virginia Compensation Board: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Not Available	106,574	-
Subtotal CFDA 21.027			\$ 342,662	\$ -
Total Department of Treasury			\$ 762,148	\$ -
Department of Homeland Security				
Pass Through Payments:				
Department of Emergency Management: Emergency Management Performance Grants	97.042	EMP-2020-EP-00010	\$ 62,000	\$ -
Total Department of Homeland Security			\$ 62,000	\$ -
Department of Education:				
Pass Through Payments:				
Virginia Department of Education: Title I: Grants to Local Educational Agencies	84.010	S010A190046/S010A200046/S010A210046	\$ 1,725,346	\$ -
Special Education Cluster: Special Education - Grants to States	84.027	H027A200107/H027A210107/H027X210107	\$ 1,625,666	\$ -
Special Education - Preschool Grants	84.173	H173A190112/H173A200112/ H173A210112/H173ZX210112	108,021	-
Subtotal Special Education Cluster			\$ 1,733,687	\$ -
Career and Technical Education: Basic Grants to States	84.048	V048A190046/V048A200046/V048A210046	174,225	-
Rural Education	84.358	S358B200046/S358B210046	84,940	-
Supporting Effective Instruction State Grants	84.367	S367A190044/S367A200044/S367A210044	193,727	-
Student Support and Academic Enrichment Grants	84.424	S424A200048/S424A210048	217,208	-
COVID-19 Education Stabilization Fund:				
Governor's Emergency Education Relief Fund	84.425C	S425C200042	\$ 68,710	\$ -
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200008/S425D210008	2,952,851	-
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	S425U210008	1,255,704	-
Subtotal CFDA 84.425			\$ 4,277,265	\$ -
Total Department of Education			\$ 8,406,398	\$ -
Total Department of Education			\$ 8,406,398	\$ -
Total Expenditures of Federal Awards			\$ 15,825,140	\$ -

See accompanying notes to schedule of expenditures of federal awards.



## COUNTY OF HALIFAX, VIRGINIA

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

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#### Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards ("Schedule") includes the federal award activity of the County of Halifax, Virginia under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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 Halifax, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Halifax, Virginia.

#### Note 2 - Summary of Significant Accounting Policies

(1) Expenditures on the Schedule are reported on the accrual basis of accounting. 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 - 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	\$	873,137
Special Revenue Funds:		
Virginia Public Assistance Fund		2,934,949
State and Federal Grants Fund		71,889
Total primary government	\$	<u>3,879,975</u>

Component Unit School Board:

School Operating Fund	\$	8,406,398
School Cafeteria Fund		3,572,035
Total component unit School Board	\$	<u>11,978,433</u>

Component Unit Regional Library	\$	<u>15,721</u>
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Less amounts not reported on Schedule of Expenditures of Federal Awards

Department of Interior - Payments in lieu of taxes	15.226	<u>(48,989)</u>
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Total federal expenditures per basic financial statements	\$	<u>15,825,140</u>
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Total federal expenditures per the Schedule of Expenditures of Federal Awards	\$	<u><u>15,825,140</u></u>
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#### Note 6 - Loan Balances

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

COUNTY OF HALIFAX, VIRGINIA

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

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**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? No

Significant Deficiency(ies) identified? No

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

Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a) No

Identification of major programs:

Assistance Listing #	Name of Federal Program or Cluster
10.561	State Administrative Matching Grants for Supplemental Nutrition Assistance Program
84.010	Title I: Grants to Local Educational Agencies
	COVID-19 Education Stabilization Fund:
84.425C	Governor's Emergency Education Relief Fund
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan Elementary and Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

There are no financial statement findings to report.

**Section III - Federal Award Findings and Questioned Costs**

There are no federal award findings and questioned costs to report.

**Section IV - Prior Year Findings**

None