NEW ISSUE
BOOK-ENTRY ONLY

Ratings: Moody's "Aa2"
S&P "AA"
Fitch "AA-"
(See "Ratings" herein)

In the opinion of Bond Counsel, under current law and subject to the conditions described in the section "TAX EXEMPTION," interest on the Bonds (1) will not be included in gross income for federal income tax purposes, (2) will not be an item of tax preference for purposes of the federal alternative minimum income tax, however, for taxable years beginning after December 31, 2022, interest on the Bonds will be part of the adjusted financial statement income in computing the alternative minimum tax for applicable corporations , and (3) will be exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal income tax consequences as described in the section "TAX EXEMPTION."

$20,630,000
ECONOMIC DEVELOPMENT AUTHORITY OF KING GEORGE COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE BONDS, SERIES 2023

Dated: Date of Delivery **Due: October 15, as shown on the inside front cover**

This Official Statement has been prepared by the County of King George, Virginia **(the "County")**, on behalf of the Economic Development Authority of King George County, Virginia **(the "Authority")**, to provide information on the Bonds, the security therefor, the County and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding purchase of the Bonds, a prospective investor should read this Official Statement in its entirety.

Security	**THE BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT, DATED AS OF NOVEMBER 1, 2023 (THE "FINANCING AGREEMENT"), BETWEEN THE AUTHORITY AND THE COUNTY, AND FROM CERTAIN FUNDS AND THE INVESTMENT INCOME THEREFROM HELD BY THE TRUSTEE. THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT WILL BE SUBJECT TO APPROPRIATIONS BY THE COUNTY BOARD OF SUPERVISORS FROM TIME TO TIME OF SUFFICIENT FUNDS FOR SUCH PURPOSE. NEITHER THE BONDS NOR THE FINANCING AGREEMENT CONSTITUTE A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. THE AUTHORITY HAS NO TAXING POWER.**
Issued Pursuant To	The Bonds will be issued pursuant to an Indenture of Trust, dated as of November 1, 2023, between the Authority and Wilmington Trust, National Association, as Trustee **(the "Trustee")**.
Trustee	Wilmington Trust, National Association, Henrico, Virginia.
Purpose	The proceeds of the Bonds will be used to provide funds to assist the County in financing the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a new pre-school facility and fire and rescue facilities in the County and the costs of issuing the Bonds.
Interest Payment Dates	April 15 and October 15 commencing April 15, 2024.
Redemption	The Bonds are subject to optional and mandatory sinking fund redemption as set forth herein.
Denominations	$5,000 and integral multiples thereof.
Closing/Delivery Date*	On or about November 21, 2023.
Registration	Full book-entry only: The Depository Trust Company, New York, New York.
Bond Counsel	Sands Anderson PC, Richmond, Virginia.
County Attorney	Kelly Lackey, Esq., King George, Virginia.
Conditions Affecting Issuance	The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Sands Anderson PC, Bond Counsel, and to certain other conditions referred to herein.

This Official Statement is dated October 31, 2023.

$20,630,000
ECONOMIC DEVELOPMENT AUTHORITY
OF KING GEORGE COUNTY, VIRGINIA
Public Facility Revenue Bonds,
Series 2023

Maturity (October 15)	Principal Amount	Interest Rate	Yield	Initial Offering Price	CUSIP No.†
2026	$425,000	5.000%	3.620%	103.763%	49548K BQ3
2027	445,000	5.000	3.600	105.048	49548K BR1
2028	470,000	5.000	3.600	106.234	49548K BS9
2029	490,000	5.000	3.630	107.213	49548K BT7
2030	520,000	5.000	3.670	108.038	49548K BU4
2031	545,000	5.000	3.700	108.831	49548K BV2
2032	570,000	5.000	3.730	109.539	49548K BW0
2033	600,000	5.000	3.750	110.254	49548K BX8
2034	630,000	5.000	3.830	109.561*	49548K BY6
2035	665,000	5.000	3.950	108.530*	49548K BZ3
2036	700,000	5.000	4.070	107.512*	49548K CA7
2037	735,000	5.000	4.170	106.671*	49548K CB5
2038	770,000	5.000	4.270	105.839*	49548K CC3
2039	810,000	5.000	4.320	105.426*	49548K CD1
2040	855,000	5.000	4.400	104.769*	49548K CE9
2041	895,000	5.000	4.460	104.279*	49548K CF6
2042	945,000	5.000	4.520	103.792*	49548K CG4
2043	990,000	5.000	4.580	103.308*	49548K CH2
2044	1,045,000	5.250	4.610	105.036*	49548K CJ8
2045	1,100,000	5.250	4.650	104.712*	49548K CK5
2046	1,160,000	5.250	4.690	104.389*	49548K CL3

$5,265,000 5.000% Term Bond due October 15, 2050, Yield 5.000%, Price 100.000, CUSIP 49548K CQ2

The Bonds are subject to optional and mandatory redemption as set forth herein.

† A registered trademark of the American Bankers Association **("ABA")**. CUSIP Global Services is managed on behalf of the American Bankers Association by FactSet Research Systems Inc., an organization not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely as a convenience to prospective purchasers and Holders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to the Bonds may be changed while they are outstanding based on a number of factors including, but not limited to, the refunding or defeasance of the Bonds or the use of secondary market financial products. There is no duty or obligation to update this Official Statement to reflect any change of correction in the CUSIP numbers set forth above.

* Calculated to first optional redemption date of 10/15/2033.

KING GEORGE COUNTY, VIRGINIA

BOARD OF SUPERVISORS

Richard Granger, Chairman
T.C. Collins, Vice Chairman
Cathy Binder
Ann C. Cupka
Jeffrey Stonehill

COUNTY OFFICIALS

Christopher Miller, *County Administrator*
Donna Hahn, *Director of Finance*
Kelly Lackey, Esq., *County Attorney*
Keri Gusmann, *Commonwealth's Attorney*
Charles V. "Vic" Mason, *Clerk of the Circuit Court*
Randy R. Jones, *Treasurer*
Judy S. Hart, *Commissioner of Revenue*
Christopher A. Giles, *Sheriff*
Dr. Jesse Boyd, *Superintendent of Schools*

FINANCIAL ADVISOR

Davenport & Company LLC
Richmond, Virginia

BOND COUNSEL

Sands Anderson PC
Richmond, Virginia

INDEPENDENT AUDITORS

Robinson, Farmer, Cox Associates
Fredericksburg, Virginia

THE BONDS ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE BONDS ARE ALSO EXEMPT FROM REGISTRATION UNDER THE SECURITIES LAWS OF THE COMMONWEALTH OF VIRGINIA.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AUTHORITY OR THE COUNTY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE COUNTY, THE AUTHORITY, THE UNDERWRITERS OR HOLDERS OF ANY OF THE BONDS.

THE INFORMATION HEREIN IS SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY OR THE AUTHORITY SINCE THE DATE HEREOF.

THE TRUSTEE HAS NEITHER REVIEWED NOR PARTICIPATED IN THE PREPARATION OF THIS OFFICIAL STATEMENT.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS, INCLUDING TRANSACTIONS TO (A) OVERALLOT IN ARRANGING THE SALES OF THE BONDS AND (B) MAKE PURCHASES AND SALES OF BONDS, FOR LONG OR SHORT ACCOUNT, ON A WHEN-ISSUED BASIS OR OTHERWISE, AT SUCH PRICES, IN SUCH AMOUNTS AND IN SUCH MANNER AS THE UNDERWRITER MAY DETERMINE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

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OFFICIAL STATEMENT

$20,630,000
ECONOMIC DEVELOPMENT AUTHORITY
OF KING GEORGE COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE BONDS,
SERIES 2023

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to furnish information in connection with the issuance by the Economic Development Authority of King George County, Virginia **(the "Authority")**, a political subdivision of the Commonwealth of Virginia **(the "Commonwealth")**, of its $20,630,000 Public Facility Revenue Bonds, Series 2023 **(the "Bonds")**. The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes. **Certain capitalized terms used in this Official Statement are defined in Appendix C - "Definitions and Summary of the Financing Documents."**

The Issuer

The issuer of the Bonds is the Economic Development Authority of King George County, Virginia, a political subdivision of the Commonwealth of Virginia.

The Bonds

The Bonds will be dated the date of their delivery and will mature on October 15 on the dates and in the amounts set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on each April 15 and October 15, beginning April 15, 2024, until the earlier of maturity or redemption, at the rates set forth on the inside cover of this Official Statement.

Purpose

The proceeds of the Bonds will be used to provide funds to assist the County in financing the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a new pre-school facility and fire and rescue facilities in the County, and the costs of issuing the Bonds, as further described in the subsection "THE BONDS – Plan of Financing" in Section Two.

Financing Documents

The Bonds will be issued in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended **(the "Act")**, and an Indenture of Trust, dated as of November 1, 2023 **(the "Indenture")**, between the Authority and Wilmington Trust, National Association, as trustee **(the "Trustee")**.

The County will make payments to the Authority sufficient to pay debt service on the Bonds and other amounts required under the Indenture pursuant to a Financing Agreement, dated as of November 1, 2023 **(the "Financing Agreement")**, between the Authority and the County.

Payments by the County under the Financing Agreement **("Basic Payments")** are expected to be sufficient to enable the Authority to pay principal of and interest on the Bonds. Pursuant to the Indenture, the Authority will assign to the Trustee for the benefit of the holders of the Bonds certain of its rights under the Financing Agreement including (1) its rights to receive Basic Payments and (2) its rights to exercise other remedies upon default by the County.

The County has undertaken under the terms of the Financing Agreement to make Basic Payments, which amounts are designed to be sufficient in amount to pay, when due, the principal of and interest on the Bonds. However, the County's undertaking in any fiscal year to make payments of Basic Payments and Additional Payments, which includes any fees and expenses of the Trustee and the Authority and payments of arbitrage rebate amounts due to the United States, is subject to and dependent upon an annual appropriation by the Board of Supervisors of the County **(the "Board of Supervisors")** in an amount equal to the payment of Basic Payments and Additional Payments that is due during such fiscal year. The undertaking by the County to pay Basic Payments and Additional Payments does not constitute a general obligation of the County.

The Bonds and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Indenture. The Bonds and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefore, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or interest on the Bonds or other costs incident thereto.

A more complete description of the Financing Agreement and the Indenture is provided in Appendix C.

Redemption

The Bonds are subject to redemption prior to maturity, at the option of the Authority, in whole or in part (in $5,000 integrals), at any time on or after October 15, 2033 upon payment of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption. A more complete description of the redemption features is provided in the subsection "THE BONDS - Redemption" in Section Two.

Delivery

The Bonds are offered for delivery when, as and if issued, subject to the approval of validity by Sands Anderson PC, Bond Counsel, and to certain other exceptions referred to herein. Certain legal matters will be passed upon for the County by the County Attorney, Kelly Lackey, Esq., King George, Virginia and for the Authority by Kelly Lackey, Esq., King George, Virginia, counsel to the Authority.

Ratings

The Bonds have been rated as shown on the cover page hereto by Moody's Investor's Service **("Moody's")**, S&P Global Ratings **("S&P")** and Fitch Ratings Inc. **("Fitch")**. A more complete description of the ratings is provided in the section herein "Ratings" in Section Four.

Continuing Disclosure

For purposes of Rule 15c2-12 **("Rule 15c2-12")** promulgated by the Securities and Exchange Commission **("SEC")**, the County is an obligated person with respect to the Bonds. The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the Underwriter in complying with the provisions of Rule 15c2-12 and as in effect on the date hereof, by providing annual financial information and event notices required by Rule 15c2-12. See the section herein "CONTINUING DISCLOSURE" in Section Four.

Additional Information

Any questions concerning the content of this Official Statement should be directed to Christopher Miller, County Administrator, 10459 Courthouse Drive, Suite 200, King George, Virginia 22485 (540) 775-9181, or the County's Financial Advisor, Davenport & Company LLC, Attention: Public Finance, Kyle A. Laux, Senior Vice

President, 901 East Cary Street, Richmond, Virginia 23219, (804) 697-2913, or Austin Sacks, Associate Vice President, 901 East Cary Street, Richmond, Virginia 23219, (804) 915-2863.

SECTION TWO: THE BONDS

The Authority

The Authority was created pursuant to the Act by an ordinance adopted by the Board of Supervisors on May 3, 1973, as amended on January 17, 2006 changing the name of the Authority, to promote and further the purposes of the Act. The Authority is a political subdivision of the Commonwealth of Virginia governed by five (5) directors appointed by the Board of Supervisors. The Authority is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease and dispose of facilities for use by governmental entities and to finance the same by the issuance of its revenue bonds and notes. The Bonds will be limited obligations of the Authority as described in the Section entitled "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." **The Authority has no taxing power.**

The Authority will not be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement and which will be assigned under the Indenture to the Trustee for the benefit of the Bondholders.

Description of the Bonds

The Bonds will be dated the date of their delivery, will bear interest from their date, payable semiannually on each April 15 and October 15, beginning April 15, 2024, at the rate and in maturities, set forth on the inside cover of this Official Statement. If such interest payment date is not a Business Day (as defined in Appendix C hereto), such payment shall be made on the next succeeding Business Day with the same effect as if made on the interest payment date and no additional interest shall accrue.

The Bonds will be issued as fully registered bonds, in denominations of $5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York **("DTC")**. Individual purchases of beneficial ownership in the Bonds will be made in principal amounts of $5,000 and integral multiples of $5,000. Individual purchasers of beneficial ownership in the Bonds **(the "Beneficial Owners")** will not receive physical delivery of bond certificates. Transfer of the Bonds and payment of principal of and interest on the Bonds will be effected as described below in this section. If the book-entry system is discontinued, Bond certificates will be delivered as described in the Indenture, and Beneficial Owners will become registered owners of the Bonds. Registered owners of the Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** See "Book-Entry Only System" in Section Two.

The Bonds will be limited obligations of the Authority as described more fully in the subsection "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the Authority (at the direction of the County), on or after October 15, 2033, in whole or in part (in $5,000 integrals) at any time upon payment of 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the date fixed for redemption.

Mandatory Redemption. Bonds maturing on October 15, 2050 are required to be redeemed in part before maturity on October 15 in the years and in the amounts set forth below, at a redemption price equal to the principal amount of such Bonds called for redemption, plus interest accrued to the redemption date:

Year	Principal Amount
2047	$1,220,000
2048	1,280,000
2049	1,350,000
2050*	1,415,000

*final maturity

Notice of Redemption. Notice of redemption shall be given by the Trustee by facsimile or electronic transmission, registered or certified mail or overnight express delivery not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Bonds, to the substitute securities depository, or, if none, to the respective registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Trustee. The Trustee shall submit a copy of any notice of redemption to the Municipal Securities Rulemaking Board for inclusion in its Electronic Municipal Market Access **("EMMA")** System. During the period that DTC or its nominee is the registered owner of the Bonds, the Trustee will not be responsible for sending notices of redemption to the Beneficial Owners. The receipt of notice will not be a condition precedent to redemption.

At the direction of the County, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption and principal will continue to be payable as scheduled. On presentation and surrender of the Bonds called for redemption at the place or places of payment, such Bonds shall be paid and redeemed.

Manner of Redemption. If less than all of the Bonds are called for optional redemption, they will be called in such order of maturity as the Authority may determine, at the direction of the County. If less than all of the Bonds of any maturity are to be redeemed, such Bonds will be selected by the Trustee in such manner as the Trustee shall deem fair and equitable and pursuant to its rules and procedures. The portion of any Bond to be redeemed will be in the principal amount of $5,000 or some multiple thereof. In selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $5,000. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

Effect of Redemption. On the date on which any of the Bonds have been called for redemption and sufficient funds for their payment on the redemption date are held by the Trustee, interest on such Bonds will cease to accrue and their registered owners will be entitled to receive payment only from the Trustee from funds available for that purpose.

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and interest on the Bonds to DTC, its nominee, Direct Participants (defined below) or Beneficial Owners, confirmation and transfer of beneficial ownership interests in the Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee, or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants **(the "Direct Participants")** deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation **("DTCC")**. DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly **(the "Indirect Participants")**. DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond **(the "Beneficial Owner")** is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and principal of and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the

Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC (nor its nominee), the Trustee, the Authority nor the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The Authority, at the direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the Authority and the County take no responsibility for the accuracy thereof.

Neither the Authority, the County nor the Trustee has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Indenture to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Bonds for all purposes under the Indenture.

The Authority, at the direction of the County, may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of Beneficial Owners or Bondholders.

Plan of Financing

A portion of the proceeds of the Bonds will be used by the County to finance the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a new pre-school facility and fire and rescue facilities in the County.

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The following table sets forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Sources of Funds

Principal Amount of Bonds	$20,630,000.00
Plus: Net Original Issue Premium	919,434.45
Total Sources	$21,549,434.45

Uses of Funds

Deposit to Project Fund	$21,003,319.81
Costs of Issuance (including Underwriter's Discount)	546,114.64
Total Uses	$21,549,434.45

Security and Sources of Payment for the Bonds

The following is a summary of the sources of security and payment for the Bonds. The references to the Bonds, the Financing Agreement and the Indenture are qualified in their entirety by reference to such documents.

Security for the Bonds. The Bonds will be equally and ratably secured by (1) payments of Basic Payments which will be assigned by the Authority to the Trustee and shall be applied to the payment of principal of and interest on the Bonds as set forth in the Indenture, without preference, priority or distinction of any Bond over any other Bond, and (2) certain funds established under the Indenture. The Bonds are equally and ratably secured under the Indenture; *provided* that moneys in any account or subaccount of the Bond Fund, if any relating to a particular series of Bonds shall secure only such Bonds. The Bonds are not secured by any debt service reserve fund or account.

The Bonds and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement, which revenues and receipts have been pledged and assigned under the Indenture to secure payment of the Bonds, and from certain funds established under the Indenture and the investment income therefrom. The undertaking by the County to make payments under the Financing Agreement is subject to annual appropriation by the Board of Supervisors. The Board of Supervisors has no legal obligation to make any such annual appropriations. See the subsection "BONDHOLDERS' RISKS" in Section Four.

The Bonds and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or interest on the Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or interest on the Bonds or other costs incident thereto. The Authority has no taxing power.

Financing Agreement. In the Financing Agreement, the County has undertaken to pay Basic Payments and Additional Payments. Basic Payments are expected to be sufficient in amount and in time to enable the Authority to pay when due principal of and interest on the Bonds. In the Financing Agreement, the County states that the current intention of the Board of Supervisors is to make sufficient annual appropriations to make all payments of Basic Payments and estimated Additional Payments. However, the County's undertaking to pay the costs of performing its obligations under the Financing Agreement and the Indenture, including without limitation its undertaking to pay Basic Payments, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors in amounts sufficient for such purpose. The Financing Agreement provides that the County Administrator shall include in the County's budget the amount of Basic Payments and estimated Additional Payments required to be paid by the County under the Financing Agreement. The Board of Supervisors is under no obligation, however, to retain such amounts in the budget as finally adopted or to make all or any of such requested appropriations. Failure to pay Basic Payments due to a non-appropriation by the Board of Supervisors will not constitute an Event of Default under the Financing Agreement, but will permit the Authority and (through the Indenture) the Trustee to terminate the Financing Agreement.

Other provisions of the Financing Agreement are summarized in Appendix C - "Definitions and Summary of the Financing Documents."

The undertaking by the County to make payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's undertaking to make payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

Additional Bonds

The Authority may, upon the request of the County, issue one or more series of Additional Bonds or Additional Notes under the Indenture to refund any Bonds, Additional Bonds or Additional Notes issued under the Indenture. Such Additional Bonds or Additional Notes shall be issued pursuant to supplements to the Indenture and amendments to the Financing Agreement and shall be equally and ratably secured with the Bonds.

Debt Service Requirements

The following table shows for each Fiscal Year amounts required for payment of principal of and interest on the Bonds.

Period Ending	Principal	Interest	Debt Service
6/30/2024		$415,905.00	$415,905.00
6/30/2025		1,039,762.50	1,039,762.50
6/30/2026		1,039,762.50	1,039,762.50
6/30/2027	$425,000	1,029,137.50	1,454,137.50
6/30/2028	445,000	1,007,387.50	1,452,387.50
6/30/2029	470,000	984,512.50	1,454,512.50
6/30/2030	490,000	960,512.50	1,450,512.50
6/30/2031	520,000	935,262.50	1,455,262.50
6/30/2032	545,000	908,637.50	1,453,637.50
6/30/2033	570,000	880,762.50	1,450,762.50
6/30/2034	600,000	851,512.50	1,451,512.50
6/30/2035	630,000	820,762.50	1,450,762.50
6/30/2036	665,000	788,387.50	1,453,387.50
6/30/2037	700,000	754,262.50	1,454,262.50
6/30/2038	735,000	718,387.50	1,453,387.50
6/30/2039	770,000	680,762.50	1,450,762.50
6/30/2040	810,000	641,262.50	1,451,262.50
6/30/2041	855,000	599,637.50	1,454,637.50
6/30/2042	895,000	555,887.50	1,450,887.50
6/30/2043	945,000	509,887.50	1,454,887.50
6/30/2044	990,000	461,512.50	1,451,512.50
6/30/2045	1,045,000	409,331.25	1,454,331.25
6/30/2046	1,100,000	353,025.00	1,453,025.00
6/30/2047	1,160,000	293,700.00	1,453,700.00
6/30/2048	1,220,000	232,750.00	1,452,750.00
6/30/2049	1,280,000	170,250.00	1,450,250.00
6/30/2050	1,350,000	104,500.00	1,454,500.00
6/30/2051	1,415,000	35,375.00	1,450,375.00
	20,630,000	18,182,836.25	38,812,836.25

SECTION THREE: KING GEORGE COUNTY

The County is located in the Northeastern portion of Virginia on the Rappahannock River. The County was established in 1720 when land was split from Richmond County, Virginia. The County is named for King George I of Great Britain and was substantially reorganized in 1776 and 1777, with land swapped with both Stafford and Westmoreland Counties to form the modern boundaries. The County seat is located in the Town of King George Virginia. The total land contained within the County is approximately 183 square miles. The County had an estimated population of 27,645 as of 2022 according to the U.S. Census Bureau.

The County is organized under the traditional form of county government. Under this form, the locality is directed by a five-member Board of Supervisors. Members of the Board of Supervisors are elected by election districts. The Board of Supervisors has overall administrative and legislative responsibilities including levying County taxes, appropriating funds, approving and enforcing the County's Comprehensive Plan, which governs land use, enacting and enforcing ordinances and establishing policies and procedures for the residents of the County. A Chairman and Vice Chairman are selected by the Board on an annual basis from among the members of the Board of Supervisors.

The County Administrator serves at the pleasure of the Board of Supervisors and supervises management of the various governmental agencies of the County, including the County Director of Finance. In addition to the Board of Supervisors, other elected County officials include the Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Treasurer, and Sheriff. There is also an elected five-member School Board.

Appendix A contains additional financial and demographic information concerning the County. The County's audited financial statements for the fiscal year ended June 30, 2022, are contained in Appendix B. The auditor has not reviewed any matters in connection with this Official Statement or the issuance of the Bonds.

SECTION FOUR: MISCELLANEOUS

Bondholders' Risks

The purchase of the Bonds involves a degree of risk; therefore, prospective purchasers of the Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. The following factors in particular should be considered:

(1) Source of Payments. The Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments received under the Financing Agreement and other moneys held by the Trustee and pledged to the payment of the Bonds. The ability of the Authority to make timely payments of principal of and interest on the Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement. The undertaking by the County to make payments under the Financing Agreement is subject to and dependent upon sufficient amounts being lawfully appropriated from time to time by the Board of Supervisors for such purpose. However, no assurance can be made that the County will at all times remain in a financial position adequate to afford such payments, without impacting other budgetary priorities. **The Board of Supervisors is not legally obligated to appropriate the funds necessary to make the payments due under the Financing Agreement.**

(2) Non-Appropriation and Limited Remedies. The County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all payments of Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of the Financing Agreement, the County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to deliver to the Trustee and the Authority not later than June 30 of each year a certificate stating whether an amount equal to the Basic Payments and estimated Additional Payments which will come due during the next succeeding Fiscal Year has been appropriated by the Board of Supervisors in the adopted annual budget. If any adopted annual budget does not include an appropriation of funds sufficient to pay both Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the County Administrator shall submit to the Board of Supervisors, within 31 days after the date of the certificate referenced above, a request to the Board of Supervisors to consider a supplemental appropriation for such purposes.

In the event of non-appropriation of funds by the Board of Supervisors, neither the County nor the Authority may be held liable for the principal and interest payments on the Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement were appropriated by the Board of Supervisors. In the event of non-appropriation, moneys already on deposit in the subaccounts in the Bond Fund will be used for the payment of principal and interest payments on the Bonds but these moneys may not be sufficient to pay the Bonds in full.

(3) Economic Risk. The availability of funds and the ability of the County to make appropriations to pay debt service on the Bonds will generally be subject to, among other things, general economic conditions, demographic changes, changes in the economy and costs of complying with state and federal mandates and regulations. It is impossible to predict the future economic strength of the County or of industries employing County residents and providing tax revenues to the County. Prospective purchasers should consider all risks inherent in purchasing bonds of rural counties or municipalities.

(4) Political Risk. The current Board of Supervisors has evidenced in its resolution adopted in connection with the Bonds a present intent to make future appropriations of such funds in such amounts as may be necessary to make payments due under the Financing Agreement as and when such payments become due. There can be no guarantee, however, that the Board of Supervisors will retain its current constituency in the future, and there can be no guarantee that a future Board of Supervisors will retain the current Board of Supervisors' policy with respect to the Bonds.

(5) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Indenture and the Financing Agreement. Any attempt by the Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies specified in the Indenture and the Financing Agreement may not be readily available or may not be enforced to the extent such remedy may contravene public policy.

(6) Taxation of Interest on the Bonds. The opinion of Bond Counsel as described in the sub-section below entitled "Tax Exemption" will state that, under the conditions set forth therein, interest on the Bonds is excluded from gross income for Federal income tax purposes. Future action by Congress or regulatory bodies could affect the authority for or value of the tax-exempt status of the Bonds' interest.

(7) Availability of Current Financial Information. The financial and other information with respect to the County that is set forth herein for the County's fiscal year ending June 30, 2022, has been prepared on an audited basis. No independent verification of such information has been undertaken by anyone, including the County.

(8) Bankruptcy. Chapter 9 of the United States Bankruptcy Code **(the "Bankruptcy Code")** permits "municipalities," if insolvent or otherwise unable to pay their debts as they become due, to file a voluntary petition for the adjustment of debts, provided that such municipality is "specifically authorized, in its capacity as a municipality or by name, to be a debtor…." Bankruptcy Code, Section 109(c)(2). Current Virginia statutes do not expressly authorize the Authority or municipalities generally to file under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the County or the Authority.

Bankruptcy proceedings by the County or the Authority could have adverse effects on holders of Bonds, including (i) delay in the enforcement of their remedies, (ii) subordination of their claims to claims of those supplying goods and services to the County after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings, and (iii) imposition without their consent of a plan of reorganization reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any plan of reorganization not accepted by at least a majority of any class of creditors such as the holders of the Bonds, such class of creditors will have the benefit of their original claim or the "indubitable equivalent" thereof, although such "equivalent" may not provide for payment of the Bonds in full. The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

(9) No Credit Enhancement. There is no credit enhancement providing additional security for the Bonds.

(10) No Debt Service Reserve Fund. There is no debt service reserve fund or other reserve fund available to pay debt service on the Bonds.

Sale at Competitive Bidding

The Bonds were offered for sale at competitive bidding on October 31, 2023. The Bonds were awarded to Hilltop Securities Inc. (**the "Underwriter"**). The Underwriter has supplied information as to the initial public offering prices of the Bonds set forth on the inside cover of the Official Statement. The purchase price for the Bonds will be $21,453,319.81 (representing the par amount of the Bonds ($20,630,000) plus net original issue premium of $919,434.45 and less Underwriter's discount of $96,114.64). The Underwriter may offer to sell the Bonds to certain dealers and others at prices lower than the initial offering prices and the public offering prices may be changed from time to time by the Underwriter.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as a financial advisor **("Davenport")** to the County in connection with the issuance of the Bonds. The financial advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the County, has provided the following sentence for inclusion in this Official Statement. Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Credit Ratings

Moody's has given the Bonds a rating of "Aa2", based on the creditworthiness of the County. S&P have given the Bonds a rating of "AA" based on the creditworthiness of the County and Fitch has given the Bonds a rating of "AA-."

Such ratings reflect only the respective view of Moody's, S&P and Fitch. References should be made to Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, S&P Global Ratings, 55 Water Street, New York, New York 10041, and Fitch Ratings Inc., 33 Whitehall Street, New York, New York 10004 for a fuller explanation of the significance of the ratings assigned by such rating agencies. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be changed, suspended or withdrawn entirely by such rating agencies if, in the judgment of such rating agencies, changes in or unavailability of, information so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bonds Eligible for Investment and Security for Public Deposits

The Act provides that bonds issued pursuant thereto shall be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. No representation is made as to the eligibility of the Bonds for investment or any other purchase under any law of any other state. The Act also provides that bonds, such as the Bonds, issued pursuant thereto may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

Litigation

To the best information, knowledge and belief of the Authority and the County, there is no litigation of any kind now pending or threatened to restrain or enjoin the issuance or delivery of the Bonds, in any manner questioning the proceedings and authority under which the Bonds are being issued, or affecting the power and authority of the Authority or the County to execute or perform their respective obligations or undertakings under the Financing Agreement or the Indenture, as applicable, or to make payments due under the Financing Agreement or the Indenture, as applicable. In addition, to the best information, knowledge and belief of the County, there is no litigation presently pending, or threatened against the County which, in the event of an unfavorable decision, would have a material adverse effect upon the financial condition of the County or its ability to make payments under the Financing Agreement.

Legal Matters

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Sands Anderson PC, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the County upon delivery of the Bonds, in substantially the form set forth as Appendix D **(the "Bond Opinion")**. The Bond Opinion will be limited to matters relating to the authorization and validity of the Bonds and to the tax-exempt status of interest thereon as described in the section "Tax Exemption." Bond Counsel has not been engaged to investigate the financial resources of the Authority or the County or their ability to provide for payment of the Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase the Bonds.

Certain legal matters will be passed upon for the County by the County Attorney, Kelly Lackey, King George, Virginia, and for the Authority by Kelly Lackey, King George, Virginia, counsel to the Authority.

Tax Exemption

Opinion of Bond Counsel. In the opinion of Bond Counsel, under current law, interest on the Bonds, (a) will not be included in gross income for Federal income tax purposes, (b) will not be an item of tax preference for purposes of the Federal alternative minimum income tax, however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, and (c) will be exempt from income taxation by the Commonwealth of Virginia. No other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds. Further, no opinion will be expressed by Bond Counsel as to the treatment for Federal income tax purposes of any interest paid on the Bonds in the event of non-appropriation or default by the County.

Bond Counsel's opinion will be given in reliance upon certifications by representatives of the Authority and the County as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended **(the "Code")**, and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for Federal income tax purposes. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the County or the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue.

The Internal Revenue Service **(the "Service")** has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Service does audit the Bonds, under current Service procedures, the Service will treat the Authority as the taxpayer, and the owners of the Bonds will have only limited rights, if any, to participate.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of existing law but is not a guarantee of result or binding on the Service or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in law or the interpretation thereof that may thereafter occur or become effective.

Original Issue Premium. Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for Federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

Other Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

There are many events which could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purport to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors with respect to the status of interest on the Bonds under the tax laws of any state other than Virginia.

Continuing Disclosure

The County has undertaken in the Continuing Disclosure Agreement to comply with the provision of Rule 15c2-12 **(the "Rule")** by providing certain annual financial information and operating data and event notices required by the Rule. Such information is to be filed through the Electronic Municipal Market Access System **("EMMA")** maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in Appendix E, such undertaking requires the County to provide only limited information at specified times.

The obligation of the County described above requires it to provide only limited information at specific times and the information provided may not be all the information necessary to value the Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by the Continuing Disclosure Agreement. If the County chooses to provide any additional information, the County shall have no obligation to continue to update such information or to include it in any future disclosure filing.

The Authority is not an obligated person within the meaning of the Rule and has no responsibility to update or provide any information in the future.

The County was slightly late in filing its annual financial information for the fiscal year ending June 30, 2021. Such information was filed on EMMA on April 5, 2022. Other than such late filing, the County has not failed to comply in the last five years, in any material respect, with any prior disclosure undertaking under the Rule.

Miscellaneous

References in this Official Statement to the Financing Agreement and the Indenture and to other materials and documents are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of the provisions thereof. Reference is hereby made to such materials and documents for the complete provisions thereof, copies of which are on file with the Trustee.

Except with respect to the section "The Authority" and that part of the section "Litigation" pertaining to the Authority, all information in this Official Statement, including the appendices, has been furnished by the County and has been reviewed by their representatives and approved for use in this Official Statement. The Authority assumes no responsibility for the accuracy or completeness of such information. Decisions regarding policy, research and analysis of the funding sources have been made by the County.

The distribution of this Official Statement has been duly authorized by the Authority and the County. This Official Statement has been deemed final within the meaning of the Rule.

KING GEORGE COUNTY, VIRGINIA

By: /s/ Richard Granger
Chairman, Board of Supervisors

ECONOMIC DEVELOPMENT AUTHORITY OF KING GEORGE COUNTY, VIRGINIA

By: /s/ Beckey Gallamore
Chairman

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APPENDIX A

INFORMATION REGARDING
KING GEORGE COUNTY, VIRGINIA

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THE COUNTY ADMINISTRATION AND SERVICES

General Information

The County of King George, Virginia **(the "County")** was established in 1720 and is named for King George I of Great Britain and was substantially reorganized in 1776 and 1777, with land swapped with both Stafford and Westmoreland Counties to form the modern boundaries. The County covers approximately 113,920 acres (183 square miles), of which 72,718 acres are forested, and 38,105 acres are agricultural. The County is located on the Northern Neck and is bounded on the north by the Potomac River, on the south by the Rappahannock River across which lie Caroline and Essex Counties, on the east by Westmoreland County and on the west by Stafford County. The County is within an hour drive from the City of Richmond, less than two hours from Washington, DC and Colonial Williamsburg, and approximately 2 hours from Baltimore to the north and 2.5 hours from the Hampton Road region to the south. The two major thoroughfares in the County are US Routes 3 and 301. The County is growing in the area of state-of-the-art fiber optics and telecommunications networks and serves as home of one of the world's premier research and development centers, the Naval Surface Warfare Center - Dahlgren Division, one of the region's largest employers. The County was ranked as one of the top 25 military communities with military populations under 10,000 in the United States in 2006 by Expansion Management magazine and was ranked first in public educational systems, third in spouse employment opportunities, eleventh in crime and safety and thirteenth in community standard of living. The County had an estimated population of 27,645 as of 2022 according to the U.S. Census Bureau.

Form and Organization of Government

The County is organized under the traditional form of government, which sets overall policies for the administration of the County. The Board of Supervisors of the County **(the "Board of Supervisors")** consists of five (5) members representing four (4) Election Districts and one (1) at-large district in the County. The Chairman of the Board is elected by the Board of Supervisors and serves a term of one year in addition to being a District Supervisor. The Board of Supervisors appoints a County Administrator to act as the Chief Administrative Officer for the County. The County Administrator serves at the pleasure of the Board of Supervisors, implements the policies established by the Board of Supervisors, and manages the day-to-day affairs of the County. The Board of Supervisors is required by law to adopt a budget by every June 30 for the following July 1 - June 30 fiscal year. Each member of the Board of Supervisors is elected by the voters of the election district in which such member resides. Members of the Board of Supervisors serve four-year (staggered) terms, each expiring as set forth below:

Member	**Occupation**	**Term Expires December 31**
Richard Granger, Chair	Systems Engineer at NSWCDD	2023
T.C. Collins, Vice Chair	Family's Spiritual Leader	2025
Cathy Binder	Media Specialist and Coach	2025
Ann C. Cupka	Office Administrator for Real Estate Brokerage	2023
Jeffrey Stonehill	Retired King George County Sheriff Deputy; Current Marina Owner/Operator	2023

The Chairman of the Board of Supervisors is Richard Granger and the Vice-Chairman is T.C. Collins. The Chairman and Vice-Chairman are elected annually by the members of the Board of Supervisors.

The County Administrator is the Chief Administrative Officer of County Government and is accountable directly to the Board of Supervisors. The County Administrator directs and supervises the day-to-day operations of all County departments and agencies under the direct control of the Board of Supervisors, pursuant to County ordinances and regulations; and provides administrative support to the Board of Supervisors and coordinates and implements its policy directives with regard to Board agendas, meetings, resolutions, legislative policies and constituent services. Additionally, the County Administrator serves as the Board of Supervisors' liaison to the Constitutional Officers, the Judiciary, Regional, State and local agencies and authorities and community associations. The County currently employs (not including public school system employees) approximately 256 full-time employees and 46 part-time employees, which includes Constitutional Offices.

In addition to the Board of Supervisors, other elected County officials include the Clerk of the Circuit Court, Commissioner of the Revenue, Commonwealth's Attorney, Treasurer, and Sheriff, which are the Constitutional Officers. There is also an elected five-member School Board.

Certain Staff Members

Christopher Miller has served as County Administrator and Interim General Manager of the King George County Service Authority since July 2021. He previously served as Executive Director of Northeast Texas Regional Mobile Authority and South Alabama Regional Planning Commission and prior to that served as City Administrator for the City of Bay Minette, Alabama and for the City of Lamar, Colorado. Mr. Miller received a BA in Arts, History and Political Science from the University of Northern Colorado and a Master of Public Administration (M.P.A.) from the University of Colorado Denver.

Donna Hahn has served as Director of Finance for the County since November 2020. She previously served as a Business Manager for the Office of the State Inspector General and as the Director of Finance for Colonial Beach Public Schools. Ms. Hahn received a Bachelor of Business Administration degree from Averett University. She is an active member of the Government Finance Officers Association and the Virginia Government Finance Officers Association.

Nick Minor has served as the Director of Economic Development and Tourism since September, 2019. Prior to his current role, Mr. Minor served as Communications and Research Manager for the Fredericksburg Regional Alliance.

Kelly Lackey was appointed by the Board of Supervisors to serve as full time County Attorney in November 2021. She was previously Deputy City Attorney in Chesapeake, Virginia. Ms. Lackey holds a Bachelor of Arts degree from College of the Holy Cross and earned her Juris Doctor degree from the College of William & Mary. Ms. Lackey is an active member of the Virginia State Bar.

Constitutional Officers

Within the County Administrator form of government, in addition to the Board of Supervisors and the Administrator, there are a number of other independently elected County officers who serve as an integral part of the County government. These are the Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court and Commonwealth's Attorney.

Randy R. Jones was first elected Treasurer of the County in November, 2015 and was re-elected for a four year term beginning January 1, 2020 and ending December 31, 2023. Prior to his election as Treasurer, Mr. Jones was Chief Deputy Treasurer of the County. He is also a member of the Treasurer's Association of Virginia, Virginia Association of Local Elected Constitutional Officers, Omega Psi Phi Fraternity, Inc., and Virginia High School Coaches Association.

Judy S. Hart was first elected Commissioner of the Revenue in November 2015 and was re-elected for a four year term beginning January 1, 2020 and ending December 31, 2023. Mrs. Hart has more than 17 years' experience in the Commissioner's office. Mrs. Hart is a member of the Commissioner of the Revenue Association, Virginia Association of Local Elected Constitutional Officers, Northern District COR Association of Virginia, Virginia Association of Assessing Officers, Tidewater District COR Association, BAI Users Group Commissioners of Revenue and Commissioner of the Revenue Political Action Committee.

Charles V. "Vic" Mason has served as Clerk of the Circuit Court for over 26 years and was re-elected to the current eight year term in November, 2015. He is a member of the Virginia Court Clerks Association, serving on its Virginia Executive Committee, the Virginia Technology & TTF Committee, the Virginia IT Advisory Committee, and Legislative Committee.

Keri A. Gusmann has served as Commonwealth Attorney since September 1, 2012 and was re-elected to the current four year term in November, 2019. Ms. Gusmann holds a B.A. degree from Hiram College and earned her Juris Doctor degree from the University of Richmond. Ms. Gusmann is a member of the Virginia State Bar Association.

Christopher Allen Giles was elected to the office of Sheriff in November, 2019 for a four year term beginning January 1, 2020 and ending December 31, 2023. Mr. Giles served 27 years as a Deputy Sheriff in King George County. He is a member of the Virginia Sheriff's Association.

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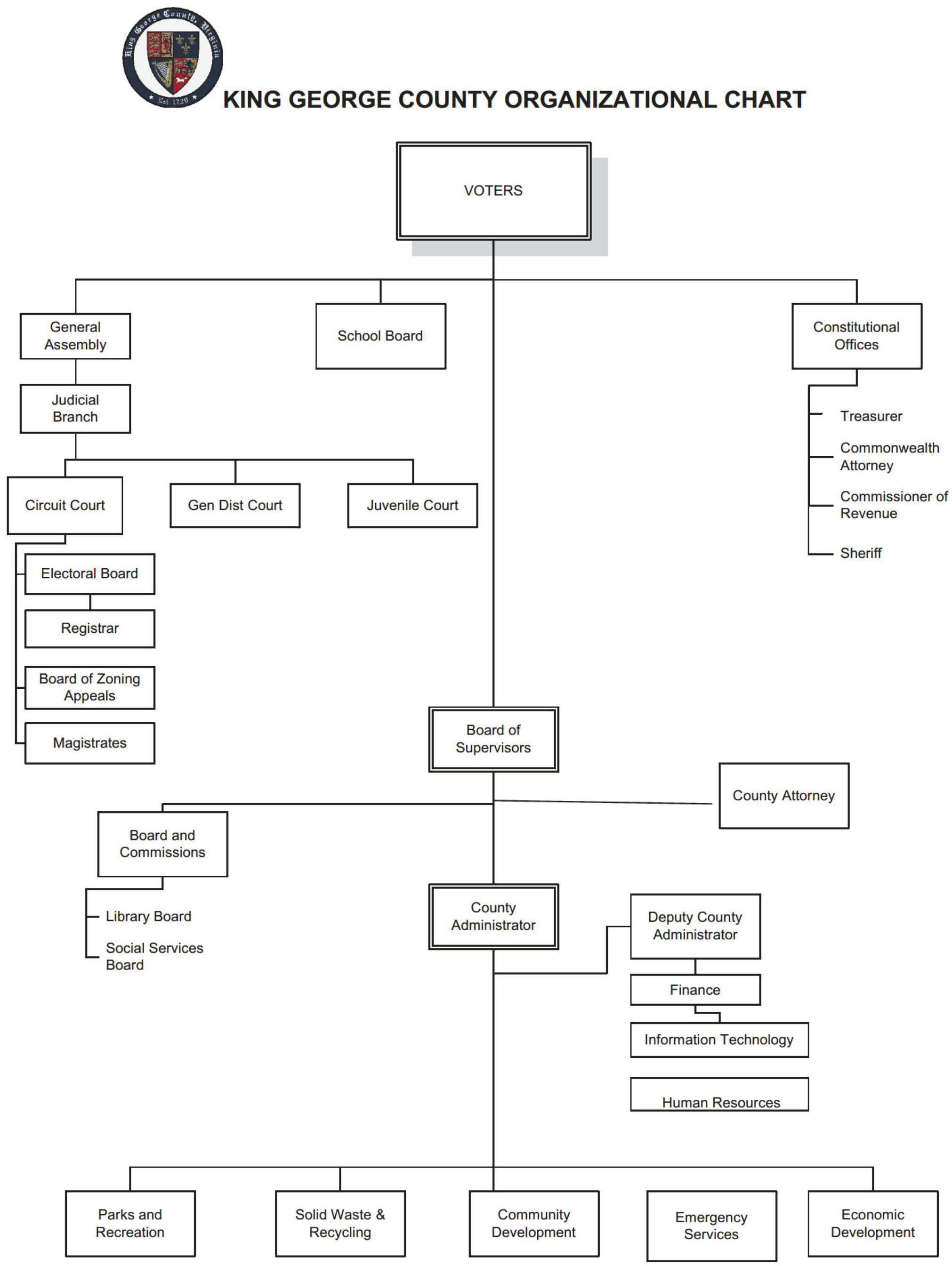
Organizational Chart



GOVERNMENTAL SERVICES

General Government Administration

The King George County Administrator's Office directs the daily operations of the County and engages in long range planning of governmental operations.

Public Safety

The King George County Sheriff's Office through its deputies is responsible for public safety services. The office currently has a staff of 61 full-time and 11 part time personnel. They are a full-service office providing law enforcement, investigations, corrections, court security, civil process, and animal control. They also provide educational programs such as DARE and Class Action presentations to County schools. They have highly trained and dedicated E911/Communications personnel answering both emergency and non-emergency calls.

The King George County Department of Fire, Rescue and Emergency Services **(the "Department")** is a combination fire and rescue system supported by approximately 65 full-time, 11 part-time, and 25 active volunteer members and three stations. Both paid and volunteer staff provide Basic Life Support and Advanced Life Support Care throughout the County. The Department serves the citizens with a variety of services including, but not limited to, fire suppression, fire prevention, basic life support, advanced life support, water rescue, vehicle rescue, hazardous materials mitigation, emergency and disaster planning, public education and more. The Department is a licensed Basic and Advanced Life Support EMS Agency by the Virginia Office of EMS.

These services are provided 24 hours a day operating from three stations throughout the County. The Department responds to over 4,100 calls for service annually and operates using mutual-aid agreements with surrounding localities and the Naval Activity South Potomac – Dahlgren Naval Base.

In October 2007, the new Company 1 Fire & Rescue Station was opened. This station houses fire administration, operations, fire prevention, training, and emergency management functions. The Company 1 station also houses the County's Emergency Operations Center and back-up 911 center.

In September of 2008, the Board of Supervisors passed an ordinance establishing the King George Department of Fire Rescue and Emergency Services, which combined all fire and rescue operations throughout the County.

In September of 2023, the County acquired property in the amount of 3.15 acres for the replacement station in the Dahlgren area of the County. The design work and construction schedule are ongoing.

The County has developed a Domestic Violence Task Force to address the needs of those individuals and families who have experienced or believe they are experiencing Domestic Violence in their homes.

The King George Animal Control **("KGAC")** is operated by five full-time personnel. The purpose of the County shelter is to impound, or harbor seized, stray, homeless, abandoned or unwanted animals. The shelter is operated under the guidelines of the Commonwealth of Virginia Board of Agriculture and Consumer Services at the direction of the State Veterinarian, pursuant to 3.2-6500 of the Code of Virginia. The Animal Control Officers also have responsibility for controlling the spread of rabies within the County.

KGAC began operating at its new location in July 2010. On average, the Animal Control Officers handle 600 complaints per year. The shelter manages an average of 750 dogs, cats and livestock per year. The officers investigate and handle livestock complaints, in addition to dogs and cats. They also respond to wildlife emergencies. They do not handle wildlife nuisance calls or removal of dead wildlife.

Health and Welfare

Mary Washington Hospital in Fredericksburg (18 miles from the County seat) is a non-profit regional system of two hospitals (571 beds), three emergency departments, and over 60 healthcare facilities and wellness services center with a designated Level II trauma center, Primary Stroke Center, and Level III NICU. It is one of seven level II trauma centers in Virginia and was ranked 6th best in the state by U.S. News & World Report.

Residents of the County have access to nearby Spotsylvania Regional Medical Center **("SRMC")** (25 miles from the County seat) affiliated with Valley Health that is a $175 million hospital with 133-inpatient bed facility that provides a wide range of in- and outpatient services, including 24-hour emergency care, obstetrics, diagnostic imaging, intensive care, cardiac catheterization and psychiatric care. SRMC recently opened and operates Spotsylvania Regional Cancer Center, a center specializing in cancer treatment, in cooperation with VCU's Massey Cancer Center. Located on a 75-acre campus south of Fredericksburg on Interstate 95, SRMC is a part of HCA Virginia, which is one of the Commonwealth's most comprehensive healthcare networks.

Locally, Heritage Hall, a state-licensed nursing home, has been part of the community since 1983 and has 130 beds. Heritage Hall provides long term care, short term rehabilitation and outpatient therapy to the citizens of County and the surrounding counties of Spotsylvania, Fredericksburg, Caroline, Tappahannock and Westmoreland. With approximately 110 employees, Heritage Hall ranks as one of the County's largest private employers. Recently Heritage Hall was awarded the AHCA/NCAL Silver Award, an award given to skilled nursing facilities that exhibit process and quality improvement for their residents. This is a major achievement as only 11 facilities in Virginia have ever been given the award.

Mary Washington Hospital Urgent Care offers treatment for most major illnesses, minor surgical procedures, fractures, lacerations, flu shots and vaccinations. Physical exams are available (general, school, sports, employment, DOT-DCL). Laboratory testing, digital x-ray services and EKG testing are done on-site.

Emergency transport service is provided by the Department of Fire, Rescue & Emergency Services. LifeCare, Inc. provides private non-emergency medical transportation.

The Public Health Department offers immunizations, pediatric and orthopedic services, and pregnancy tests. The department also performs soil studies, tests water samples as part of its clinical/environmental program, and issues sewerage disposal permits.

Judicial Administration

The County administers judicial affairs through a court system consisting of the Circuit Court, the General District Court and the Juvenile and Domestic Relations Court and through the Offices of the Clerk of the Court, the Commonwealth's Attorney, the Community Corrections Agency and the office of Criminal Justice. Funding for the operations of the Clerk of the Court, the Circuit Court and other courts, the Magistrates, the Commonwealth's Attorney, and the Sheriff's Office is largely provided by the Commonwealth but is supplemented by the County. A new County courthouse is expected to reach completion in 2024.

Education System

The King George County Public School System is under the direction of a five-person school board **(the "School Board")**, the members of which are elected by the voters for four year terms at the same time as the Board of Supervisors. Public school facilities include three elementary schools, one middle school, one high school, one pre-school and one vocational school. The County's public school system currently employs approximately 700 full time people under the administration of the Superintendent of Schools, Dr. Jesse Boyd. There are 4,452 students in the County School System as of September 2023.

In the spring of each year, the School Board prepares and forwards its annual budget request to the Board of Supervisors. The Board of Supervisors is required to make an annual appropriation for school operations, but the Board of Supervisors' authority over how the appropriation is spent is limited to five categorical amounts. The School Board is not empowered to levy taxes and may incur indebtedness only under certain limited statutory authority.

Historical Information

Schools	Year Built	Last Renovated	Current Enrollment	Maximum Capacity
King George Elementary	1997		736	777
Potomac Elementary	1951	2013-2014	548	751
Sealston Elementary	2004		716	717
King George Middle	1968	2018-2019	1,063	1,538
King George High	2008		1,513	1,500

Source: Superintendent of Schools, King George County, Virginia.

Public School Enrollment

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Elementary School Enrollment	2,497	2,461	2,426	2,103	1,920	1,911
Middle School Enrollment	733	675	726	739	1,015	1,001
High School Enrollment	1,316	1,253	1,300	1,399	1,455	1,489
Total Enrollment	**4,385**	**4,346**	**4,530**	**4,241**	**4,390**	**4,401**

Source: Superintendent of Schools, King George County, Virginia.

Fall Student Membership by Grade
(Active Enrollees on September 30)

Grade	2018	2019	2020	2021	2022	2023
Pre-K	99	96	69	78	120	122
K	277	326	275	301	273	260
1	314	309	297	318	313	294
2	354	355	297	324	325	319
3	362	333	320	307	324	43
4	331	302	318	333	319	333
5	337	333	282	337	357	328
6	368	372	335	295	361	373
7	306	371	371	338	306	366
8	321	355	367	382	334	320
9	327	369	375	417	436	389
10	347	381	358	333	375	413
11	280	295	347	332	325	348
12	356	321	340	373	353	346

Source: Superintendent of Schools, King George County, Virginia.
2021 Post Graduate Enrollment

Higher Education

There are many well established private and public educational institutions within driving distance of the County.

In addition to bachelors, masters and doctorate degrees offered by the four-year institutions, community colleges described below offer certificates or degrees as well as participate in state sponsored industrial training and specialized training programs to meet employer's needs.

Two Year Institutions

Rappahannock Community College and Germanna Community College offer continuing education and associate degrees in a variety of programs and disciplines. In addition, both colleges offer workforce development training and programs for existing and new business locating into the County.

Rappahannock Community College's **("RCC")** site is located inside of King George High School and offers a variety of courses, including Emergency Medical Services (EMS) classes, as well as resources for the personnel at Naval Surface Warfare Center Dahlgren Division. Placement and Distance Learning Testing takes place during office hours. RCC is accredited by the Southern Association of Colleges Commission on Colleges to award associate degrees and certificates and has guaranteed admissions agreements with over 30 public and private colleges and universities, providing a wide variety of opportunities for transfer.

King George Public Schools, working with RCC, provides vocational education curriculums for high school students geared to meet the needs of the business base. The Department of Business Assistance through its Virginia Jobs Investment helps offset recruiting and training costs incurred by companies that are either creating new jobs or implementing technological upgrades.

Germanna Community College **("Germanna")** is one of the twenty-three community colleges in Virginia that comprise the Virginia Community College System. It is a two-year public institution of higher education established in 1970 that serves the residents of the City of Fredericksburg and the Counties of Caroline, Culpeper, King George, Madison, Orange, Spotsylvania and Stafford. Germanna is a comprehensive institution of higher education offering programs of instruction generally extending no more than two years beyond the high school level awarding associate degrees in Business Administration, Education, General Studies, Liberal Arts, and Science.

Four Year Institutions

University of Mary Washington, located in Fredericksburg, Virginia (18 miles from the County), offers both undergraduate and graduate studies. It is a public university that focuses on undergraduate education in the liberal arts and sciences. In January 2012, the University of Mary Washington opened a new two-story 40,000 square foot campus in Dahlgren.

The new facility is designed to support the continuing educational and professional development of the region's engineers, scientists, and administrative professionals. It is expected that the university's presence will facilitate the establishment of a viable research presence and contribute to long-term regional economic growth and development. and works in conjunction with engineering schools in Virginia including: Old Dominion University, Virginia Polytechnical Institute, Virginia Commonwealth University, University of Virginia and George Mason University. This facility consists of a two-story 40,000 sq. ft. building located on 27 acres that includes 21 classrooms with seating for 12 to 40 or more, a research and computer lab, group study rooms, a 3,200 square foot multi-purpose room with a catering kitchen, and seating for more than 300. State of the art instructional technology and wireless access are available throughout the building and the building was designed to meet or exceed LEED Silver Certification requirements. The building provides a technology-rich venue for graduate-level science, technology, engineering and mathematics programs to serve the needs of the military and the region's many defense-related contractors. The UMW-Dahlgren Campus has also played an expanded role in economic development in providing a forum for Quarterly Economic Development Meetings which are helping to educate the citizens, and small businesses alike on the resources available to them at the County and State levels. In 2016 the Small Business Development Center at UMW has worked with over 20 start-up and existing businesses to help them launch and expand in the County.

Currently, Old Dominion University offers telecourses and distance learning opportunities at the new Dahlgren Campus. Strayer University, George Mason University, Virginia Commonwealth University, Virginia Union University and the University of Richmond are within easy commuting distance and offer graduate and post graduate degrees.

Transportation

Highway

The County has two major thoroughfares, U.S. Routes 3 and 301. Three major international airports and two large seaports are within a two-hour drive. Regular freight and passenger railway service is also available.

Interstate 95, located 18 miles to the west, provides a six lane north-south transportation route from Northern Maine to Southern Florida. North-south travel in the County is supplemented by U.S. Route 301. East-west links are provided by Virginia Primary Route 3 and Route 218. Other primary local roads include Routes 205 and 206. The County has convenient connections to Interstate 66 in Northern Virginia, Interstate 81 in the Shenandoah Valley, and Interstate 64 to the Port of Hampton Roads. US Route 301 supplements I-95's north-south transportation.

VA Route 3 and VA Route 218 provide east-west transportation. VA Route 3 is one of two main highway facilities in the Northern Neck and the only highway that traverses from one corner of the region to the other. The Virginia Department of Transportation (VDOT), in partnership with the Northern Neck Planning District Commission, conducted the first phase of a study to improve the efficiency of the Route 3 corridor between Route 301 in the County and the Robert O. Norris Bridge in Lancaster County, Virginia. Route 3 is one of two main highway facilities in the Northern Neck and the only highway that traverses from one end of the geographic region to the other.

The Maryland Transportation Authority (MDTA) recently completed a $463 million dollar project to replace the Harry Nice Bridge, also known as the Potomac River Bridge. This bridge is a major hub that runs along US Route 301 and connects Virginia (via King George County) to Maryland (via Charles County). The new bridge doubled the vehicle capacity with four 12-foot-wide lanes, replacing the old bridge's two 11-foot-wide lanes; improve safety by installing a barrier-separated median between east- and westbound lanes, adding two-foot shoulders and other improvements that meet current safety standards; eliminate lane-shifting safety issues at toll booths by replacing them with all-electronic tolling and enable tall ships to pass beneath its 135-foot clearance. Construction started in July 2020, and the MDTA opened the new Nice/Middleton Bridge on October 12, 2022.

Public bus services are available through Rappahannock Regional Transit (RRT), which allows riders to travel to nearby towns and cities.

Air Service

Richmond International Airport, located within a 1-hour drive from the County, provides commercial air service, freight and charter service. Three additional major airports, Dulles International Airport, in Northern Virginia, Ronald Reagan National Airport, in Washington, D.C. and Baltimore-Washington International Airport are located within a two hour drive.

Shannon Airport, a general aviation facility (15 miles west in Fredericksburg) provides charter, corporate and commuter services and facilities. The airport has a 3,000 foot paved runway and FAA approved lighting. The nearby Stafford Regional Airport serves as a reliever airport for Dulles International Airport and Ronald Reagan National Airport.

Rail

CSX Transportation provides Class 1 freight and piggyback rail service to the County.

Amtrak provides regularly scheduled passenger rail service to points north and south, with connections for nationwide travel.

The Virginia Railway Express (VRE) operates weekday commuter rail service to northern Virginia and Washington D.C., with Metrorail and Metrobus connections in the nation's capital.

Ports

A 12-foot navigable channel in the Rappahannock River and a 24-foot channel in the Potomac River are directly accessible from the County. Deep water river ports are located in Alexandria on the Potomac River, and Richmond and Hopewell on the James River. Worldwide export markets are served by the Port of Hampton Roads, the largest natural harbor in the world and the nation's number one export harbor. Seaport facilities are also available at Baltimore, Maryland, which is within two hours of the County.

Trucking and Delivery Services

The County is located in a very competitive trucking market with more than 20 major lines authorized for interstate shipping. Delivery services such as: Airborne, Emery, Federal Express, Purolator and United Parcel Service serve regional airports and provide worldwide shipping.

Wastewater Treatment, Water and Sewer Systems

The King George County Service Authority **(the "Service Authority")**, established in 1992 by ordinance of the King George County Board of Supervisors, manages the water and wastewater functions within the County. The Service Authority is managed by a General Manager who serves at the pleasure of an appointed five-member Board of Directors. Staff consists of maintenance and engineering divisions with water and wastewater operations provided by a third-party contractor. The Service Authority currently operates 5 wastewater treatment plants in 5 different service areas, which can process up to a total of 1,835,000 gallons per day. The Water Operations division manages 12 well-driven water systems that produce over 750,000 gallons of fresh water each day. These systems are interconnected with distribution systems employing over 450 miles of pipe. The Service Authority is in the process of developing an updated multi-year rate plan beginning with FY 2025. The updated rate plan will account for projected operating and capital needs.

KING GEORGE COUNTY SERVICE AUTHORITY
RATES FY 23/24

Usage Fees	Water up to 10,000	$6.17
Usage Fees	Water above 10,000	$7.04
Usage Fees	Water Debt Service	$44.45
Usage Fees	Wastewater up to 10,000	$14.39
Usage Fees	Wastewater above 10,000	$15.64
Usage Fees	Wastewater Debt Service	$72.57
Usage Fees	Capital Reserve	$2.48
Minimum Bi-Monthly Residential Bill	Minimum Bi-Monthly Residential Bill based on 3,000	$181.18
Average Bi-Monthly Residential Bill	Average Bi-Monthly Residential Bill	$321.06
Bulk Water Sales	Vehicles up to 3,000	$48.03
Bulk Water Sales	Vehicles over 3,000	$26.83
Bulk Water Sales	Per 1,000	$8.01
Unusual Wastewater Fee	Unusual Wastewater Fee	$32.32
Septic Disposal Rate	Septic Disposal Rate	$68.95
New Utility Account Deposit	Water/Sewer	$250
New Utility Account Deposit	Water	$125
New Utility Account Deposit	Sewer	$125
Tampering Fee	Tampering Fee	$250
Unmetered Connection Bi-Monthly Bill	Water/Sewer based on 10,000	$321.06
Unmetered Connection Bi-Monthly Bill	Water based on 10,000	$104.59
Unmetered Connection Bi-Monthly Bill	Wastewater based on 10,000	$218.95
Fire Suppression Availability Fee	Water Availability	$3,531
Fire Suppression Availability Fee	Water Debt Fee	$3,969

HISTORICAL RATES

Usage Fee	FY 19/20	FY 20/21	FY 21/22	FY 22/23	
Water Consumption up to 10,000 gal.	$4.98	$5.18	$5.39	$5.61	Per 1,000 gal.
Wastewater Consumption fee-up to 10,000 gal.	11.63	12.10	12.58	13.47	Per 1,000 gal.
Water Consumption fee -5/8 meter above 10,000 gal.	5.68	5.91	6.15	6.59	Per 1,000 gal.
Wastewater Consumption fee-5/8 meter above 10,000 gal.	12.63	13.14	13.67	14.65	Per 1,000 gal.
Water Debt Service User Fee	35.93	37.37	38.86	41.62	Flat Fee per bill
Wastewater Debt Service Fee	58.64	60.99	63.43	67.95	Flat Fee per bill
Capital Reserve Fee	2.20	2.29	2.38	2.55	Flat Fee per bill
Minimum Bi-monthly Residential Bill	146.60	152.49	158.58	169.87	Based on 3,000 gal.
Average Bi-monthly Residential bill based on 10,000 gal.	262.87	273.45	284.37	304.62	Based on 10,000 gal.

Solid Waste Centers

The County offers trash disposal and recycling at two county convenience centers and the Sealston landfill. Convenience centers are only available to County residents and property owners. Non-residents and commercial users may pay to dispose of waste at the Sealston landfill, and the fee will be determined by the weight of the material.

The Purkins' Corner convenience center is located on Henry Griffin Road, just off Route 205 near the King George Elementary School. The Sealston convenience center is adjacent to the County landfill at 10376 Bullock Drive.

Planning

The County's current zoning ordinance was first adopted in 1987 and last amended on June 6, 2023. The County is expected to enact a comprehensive amendment and reenactment of the zoning and subdivision ordinances in the last quarter of 2023. The Planning Commission consists of ten members. Members are appointed by the Board of Supervisors for up to four-year staggered terms.

The Comprehensive Plan serves as the guiding planning document for the County. This plan is updated every 5 years. The last update was in 2019.

Electricity

Reliable, cost-effective electric power is supplied by Dominion Virginia Power and two distribution companies, Northern Neck and Rappahannock Electric Cooperatives, both of which are members of Old Dominion Electric Cooperative.

Parks and Recreation

The King George Parks and Recreation Department sponsors many athletic events at local facilities along with various special events throughout the year for residents of all age groups such basketball, soccer and gymnastics. The County operates a 10,000 square foot multi-purpose center that is available for meetings, dances, and recreational programs. Additional facilities include baseball/softball fields; six new tennis courts; six pickleball courts; Barnesfield Park consisting of athletic fields, picnic areas, hiking trails, and a playground; Sealston Sports Complex with athletic fields and a concession building;, Wayside Park (which contains the County's public beach), and Cedell Brooks, Jr. Park that has athletic fields, a walking trail, a playground, a picnic shelter, and a native plant demonstration garden.

Belle Grove Plantation, the birthplace of President James Madison, located in the County, is now the home of Belle Grove Plantation Bed & Breakfast. The Southern Plantation was established in 1670 on the banks of the Rappahannock River. In its three hundred plus years, Belle Grove Plantation has stood witness to many of America's greatest historic events and hosted many famous and historical people. Its history includes being among the sites of England's first colonization efforts in the Americas in the late 1600's to the American Revolution to the American Civil War.

Located on the banks of the Potomac River is the 2,579-acre Caledon State Park, a National Natural Landmark. This state park is a nesting area for the bald eagle, offers secluded picnic spots and has ten hiking and four multi-use trails. The Lands' End Wildlife Preserve located on the Rappahannock River is a major refuge for Canadian geese.

Accessibility to both the Potomac and the Rappahannock Rivers provides opportunity for water sports. Two public boat ramps are available on the Rappahannock. Wilmont Landing is operated by King George County Parks and Recreation and Hopyard Landing is operated by the Virginia Department of Wildlife Resources. Both of the rivers offer boating and saltwater fishing. Major amusement parks include Paramount's Kings Dominion (30 minutes from the County seat), Busch Gardens and Water Country U.S.A. (within 2 hours of the County seat).

The Dahlgren Railroad Heritage Trail **("DRHT")** is a 15.7-mile (25.3 km) trail from the western edge of the County to the Naval Surface Warfare Center, Dahlgren Division. A privatively operated "Rails-to-Trails" project, the trail winds through rural parts of the County and accommodates non-motorized, recreational users including hikers, bikers, horseback riders, and runners. The Friends of the DRHT hope to eventually make the trail a public resource for the County, and to connect it to similar trails in Fredericksburg, Virginia. The trail is currently private, and a permit is required to use it.

Library

Built in 1969, the L. E. Smoot Memorial Library has been serving the King George community for over 45 years. The library is centrally located within the County in the village of King George. It is governed by a Board of Trustees appointed by the Board of Supervisors. It contains more than 46,000 volumes in its collection. Special reading and lecture programs are offered for residents of all ages. The library recently completed a $5 million expansion which increases its size to 28,000 square feet of new meeting and conference rooms, educational rooms and audio-visual equipment.

SECTION FOUR: ECONOMIC AND DEMOGRAPHIC DATA

Population

The County has experienced steady population growth during the past 10 years.

Year	County	Virginia	United States*
2010	23,547	8,022,832	309,378,422
2011	23,397	8,110,080	311,841,632
2012	23,929	8,201,507	314,344,331
2013	24,408	8,275,067	316,735,375
2014	24,787	8,339,117	319,270,047
2015	24,944	8,394,902	321,829,327
2016	25,078	8,449,049	324,367,742
2017	25,222	8,506,433	326,623,063
2018	25,644	8,549,345	328,542,157
2019	26,084	8,598,513	330,233,102
2020	26,783	8,646,905	331,501,080
2021*	27,021	8,655,608	331,893,745
2022*	27,645	8,696,955	333,287,557

Source: Weldon Cooper/U.S. Census Bureau/Bureau of Economic Analysis (BEA).
*Intercensal Estimates Decennial Count data. BEA produced intercensal annual county population statistics for 2010 to 2019 that are tied to the Census Bureau decennial counts for 2010 and 2020. BEA developed intercensal population statistics because this data was not published when Census released county population data for 2020 and 2021, which are based on the 2020 decennial counts. BEA used the Census Bureau Das Gupta method (see https://www2.census.gov/programs-surveys/popest/technical-documentation/methodology/intercensal/2000-2010-intercensal-estimates-methodology.pdf), modified to account for an extra leap year day, to produce the intercensal population figures that will be used until Census releases its official intercensal population data.

Median Household Income

FY	County	Virginia	United States
2010	$77,200	$60,367	$49,276
2011	75,935	62,616	50,054
2012	75,861	64,632	51,017
2013	78,180	65,907	53,585
2014	76,206	66,155	53,657
2015	81,128	61,486	56,516
2016	80,664	66,451	59,039
2017	86,878	70,811	61,136
2018	86,619	77,151	63,179
2019	85,657	81,313	68,703
2020	90,786	82,214	68,010
2021	98,668	80,268	70,784

Source: Federal Reserve Economic Data (FRED).

Per Capita Personal Income

FY	King George	Virginia	United States
2010	$45,328	$45,513	$40,683
2011	45,890	47,608	42,747
2012	47,077	49,309	44,548
2013	48,013	48,573	44,798
2014	49,071	50,318	46,887
2015	53,494	52,238	48,725
2016	51,661	53,268	49,613
2017	52,814	54,879	51,550
2018	53,482	56,619	53,786
2019	56,280	59,073	56,250
2020	59,255	62,157	59,763
2021	62,077	66,190	64,117

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Most recent information available.

General Economic Information

The County has a diversified economy with a strong government, professional services, manufacturing, retail, and agricultural sectors. That strength is appreciated in the County's gross domestic product (GDP), which increased to $2.3 billion dollars in 2021. The per capita personal income increased to $62,077, and the County continued to see growth in total employment with an increase of 4.3% in 2021. With increases in employment and population, the combined County's personal income rose to $1.7 billion in 2021. This is a strong indicator that the County is continuing to create high-paying jobs and attract new residents to the community.

In FY 21/22, the County was able to cash fund $4.65 million of capital projects to include the purchase of a new Financial Management System, security upgrades for both the County and School system, and new equipment for Fire & Rescue

The County's Board of Supervisors is committed to creating prosperity and opportunity, while enhancing the quality of life in the County through economic development. To this end, the County is developing a "Strategic Plan" to identify strategies for business recruitment and business retention. The County's Strategic Plan for boosting Economic Development in the County will target the growth and development of diverse new revenue streams, including the following industries:

1.Advanced Manufacturing (Food, Pharmaceuticals, Chemicals, Plastic/Polymers);
2.Security Services (IT, Finance, Insurance, Professional/Business Service);
3.Science and Research (Biotech, Nanotech, Solar, R & D, Emerging Industries, Energy, Medical Labs);
4.Transportation (Auto, Aerospace distribution); and,
5.Technology Zone/Park (Defense Contractors, R & D).

The County continues to devote substantial energy toward the attraction, retention, and expansion of Economic Development in the County and recently approved a series of land use decisions to permit up to 7.25 square feet of data center campuses. As part of the project, the decommissioned Birchwood coal-fired power plant will be repurposed into a data center campus.

The County has a diversified economy with strong military, services, manufacturing, retail trade and agricultural sectors. Naval Support Facility Dahlgren **("NSF Dahlgren")** primarily drives the economic growth in the County, and it is the largest Federal research and development employer in the Commonwealth of Virginia. Currently NSF Dahlgren employs more than 5,900 federal civilian personnel and nearly 400 military personnel. Over 4,000 defense contractor employees also work on the installation supporting various commands and programs. In fiscal year 2020 - from October 2019 through September 2020 - the base generated more than $1.1 billion funneled directly into local economies in the form of payroll dollars and defense contracts. In that accounting period, the combined payroll for federal civilian employees and military personnel alone totaled more than $700 million. An additional $444 million in defense contract spending was allocated to companies in the local region encompassing

Virginia's Planning District 16 - which includes Fredericksburg and Stafford, Spotsylvania, Caroline, and King George Counties - and southern Maryland. NSF Dahlgren has been instrumental in attracting a variety of high technology software engineering firms to the County.

NSF Dahlgren also has a throughput of over 1,000 military members assigned temporarily to the base for training at the SCSTC AEGIS Training and Readiness Center and Naval Surface and Mine Warfighting Development Center Detachment Dahlgren. Other commands include personnel from all branches of the service, including the 19th Space Defense Squadron (US Space Force), Joint Warfare Analysis Center, Sea Based Weapon Systems (part of the Missile Defense Agency), and Naval Surface Warfare Center Dahlgren Division, the base's biggest employer.

Of the more than 11000 employees that work at NSF Dahlgren, nearly 2,000 reside in the County.

In addition to NSF Dahlgren, other industries and institutions in the County include: light manufacturing, high technology, computer programming, retail, food service, education, and government. Agriculture also remains important in the County's economy. The County is currently seeing a significant amount of retail growth near Dahlgren as well.

The King George County Industrial Park is located 6 miles north of the County Courthouse and is within a day's drive time of 60% of the nation's population. It is centrally located on the eastern seaboard within 60 miles of two metropolitan statistical areas in Washington, D.C. and Richmond, Virginia and 3 international airports. The park is within 2 hours drive time of the Port of Baltimore and the Port of Norfolk which are two of the largest ports on the east coast. The existing park has reached capacity, and a second industrial park is in the early stages of development for a possible location near the intersection of Routes 3 and 301.

The Industrial Park is served by water, sewer, and rail. The County is continuing to attract and support new business expansions; in July of 2022, the Economic Development Authority sold their remaining parcels to Greenchip Inc, a Brooklyn-based E-waste recycler planning a $15 to $20 million warehouse expansion that would create approximately 20 to 30 jobs. Faddis Concrete, a concrete sound barrier manufacturer, began expanding into the adjacent property in the King George Industrial Park. The Board of Supervisors has begun planning a new light industrial business park along the 301 corridors to attract medium to large-scale economic development projects.

The Department of Economic Development and Tourism has added over 700 acres of additional land available for development on the Commonwealth state economic development website and Fredericksburg Regional Alliance (FRA) websites. These sites are visited by thousands of companies with plans to expand into the Commonwealth and the Fredericksburg Virginia Region - 260 acres near the Industrial Park, 108 acres in the Dahlgren District and 20 acres off the 301 Corridor.

The Department of Economic Development, working with the Economic Development Authority, is in the process of creating a more attentive Business Retention Program that will enable the department to meet the needs of existing businesses in the County. This program will focus on assessing the needs and barriers of existing businesses. Those needs and barriers will then be addressed to ensure business survival or growth. The program will monitor changing marketplace dynamics so that policymakers and community leaders can make decisions that can decrease threats or enhance opportunities and enhance community economic growth.

The Fredericksburg Regional Alliance **("FRA")** is a public/private economic development marketing partnership created to provide CEOs, presidents, corporate real estate executives, and site selection consultants with a single source for comprehensive demographic, economic, and commercial real estate information on the Fredericksburg, Virginia Region which includes King George County. FRA also provides a wide range of services designed to facilitate the creation of jobs and capital investment while diversifying the economy and increasing the tax base. The County and FRA work collaboratively to support the growing economic development initiatives in the County. The FRA is currently working on over 40 active projects,

Retail Development Services, LLC, the developer of the King George Gateway Shopping Center, has completed leasing all available square footage in Phase 1 of a four-phase development. All but one tenant is open and all tenants are showing very strong sales numbers. Retail Development Services has finalized leases for Phase II which consists of approximately 72,000 square feet of retail space and retailers including: Petco, T.J. Max, Rappahannock Goodwill Industries and Dollar Tree, and Famous Footwear.

The County is actively working with Birchwood to repurpose the decommissioned coal-fired power plant, and with the Greenchip announcement, the Board of Supervisors has begun planning a new light industrial business park along the 301 corridors to attract medium to large-scale economic development projects.

The University of Mary Washington **("UMW")** -Dahlgren Campus-Center for Education and Research**:** This facility opened in January 2012 and works in conjunction with engineering schools in Virginia including: Old Dominion University, Virginia Polytechnical Institute, Virginia Commonwealth University, University of Virginia, and George Mason University. This facility consists of a two-story 40,000 sq. ft. building located on 27 acres that includes 21 classrooms with seating for 12 to 40 or more, a research and computer lab, group study rooms, a 3,200 square foot multi-purpose room with a catering kitchen, and seating for more than 300. State of the art instructional technology and wireless access are available throughout the building and the building was designed to meet or exceed LEED Silver Certification requirements. The building provides a technology-rich venue for graduate-level science, technology, engineering, and mathematics programs to serve the needs of the military and the region's many defense-related contractors.

UMW, in conjunction with a myriad of state and local agencies, have also targeted the Dahlgren campus with expansion. In 2018, UMW gained funding and launched a Certified Information Systems Security Professional (CISSP) program to be housed on the UMW Dahlgren Campus. This is the first series of courses that the Dahlgren Campus has offered to meet the needs of the local workforce versus the demands of the naval facility. As this program is proofed, UMW is preparing to provide more programs to meet the needs of the County's non-military related citizens.

Dahlgren Commercial District: The Dahlgren commercial district continues to grow with the opening of a 20,000-square-foot TJ Maxx and Chipotle Mexican Grill. Bayside Auto is expected to complete its $10 million dealership expansion in the spring of 2023.

Finish Line Environmental a construction company that focuses on stream restoration, wetland mitigation, stormwater pond cleanup, and other measures that address water quality. It has purchased 5.28 acres in the King George Industrial Park and will invest up to $1.4 million in a new 15,000 square foot building that will serve as the company's new headquarters.

The County is poised to become the region's first location with a major investment in the generation of solar energy. Two firms have recently made plans to create solar farms in the County:

Port Conway Solar, LLC has submitted plans to the County's Office of Community Development, and a Notice of Intent to DEQ, to build a solar farm in the County. The solar farm will have a capacity of 20 megawatts of electricity. One megawatt can power 164 residences. The Port Conway project will be built on eight (8) tax parcels totaling 610 acres. The limits of development include approximately 333 acres of primarily agricultural fields with limited wooded areas. The Port Conway project will generate a new revenue stream over the useful life of the solar farm, i.e., 25 to 35 years.

The Coronal Group of Charlottesville intends to build a solar power generation plant on a portion of the King George Industrial Park and an adjacent, privately-owned tract. The King George EDA recently approved a contract to lease 49.2 acres of the industrial park to Coronal Group. An adjacent 69.2 acres are also expected make up the 118.4 acre solar farm that will have a constant generating capacity of 15-20 megawatts of electricity. Under the lease agreement with the EDA, Coronal's solar farm would also create a stream of revenues for the County over the next 25 to 35 years.

The King George County Landfill, managed by Waste Management, accepts household, commercial and non-hazardous industrial waste. A vertical expansion of the landfill was approved by the Virginia Department of Environmental Quality. The County received $3 million from Waste Management for agreeing to the vertical expansion via annual installments of $500,000 from 2018 – 2023. The County uses recurring Landfill Revenues, and the additional payments noted above, to fund the costs of much of the County's capital needs (pay-go cash and tax-supported debt service). The County's Landfill Contract is scheduled to expire in 2046. The County's share of gross landfill gas revenue will increase from ten percent to fifteen percent once disposal commences in the expansion area.

Total Housing Units in the County increased by 21.1% from 2010 to 2020, from 9,477 to 11,482. The County's 2020 Median Home Value is $308,691. At $334,950, the 2020 2nd Quarter Median Sale Price has increased 4% from one year ago, which is an approximately $14,000 gain. Prices in the County have been climbing for much of the past 2 years according to the Fredericksburg Area Association of Realtors.

Development is underway at five residential subdivisions:

- Oakwood Estates - The County's Board of Supervisors Approved the Oakwood Estates development in FY 2016. Upon completion, the development will consist of three sections with 122 lots total. Currently, 34 lots have been completed in Section 1, while 88 lots in Sections 2 and 3 are under construction. Median home value estimated at $500,000.

- Hopyard Farm - Preliminary projection of 898 new homes upon completion. Currently, construction has been completed on 600 homes. Median home value estimated at $300,000.

- Walnut Hill - 42 single-family residential lots are currently under construction. Median home value estimated at $340,000.

- Potomac Landing – 84 single-family residential lots are currently under construction.

- Eden View – 33 single-family residential lots are currently under construction.

Dominion Power Broadband Project:

Dominion Power Broadband Project - The lack of broadband access in a locality's rural areas remains an obstacle to economic development and educational opportunities in a community. To address this issue in the County, the governing body entered a partnership with its neighboring localities and two major utility companies. The $17 million project intends to leverage established utility right of way to expand the County's fiber infrastructure. By avoiding the need to bury fiber (the largest expense to expanding a broadband network), communities can grow their infrastructure quickly and cost effectively. This is an ongoing partnership.

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Industrial Employment Distribution

The average industrial distribution of employed workers in the County for the 1st quarter ending March 2023 was as follows:

Type of Industry	Number Employed
Agriculture, Forestry, Fishing & Hunting	69
Mining, Quarrying and Oil and Gas Extraction	*
Utilities	*
Construction	362
Manufacturing	145
Wholesale Trade	177
Retail Trade	1,025
Transportation and Warehousing	79
Information	90
Finance and Insurance	96
Real Estate and Rental and Leasing	48
Professional, Scientific and Technical Services	2,632
Management of Companies and Enterprises	*
Administrative and Support and Waste Management	234
Educational Services	*
Health Care and Social Assistance	444
Arts, Entertainment and Recreation	47
Accommodation and Food Services	500
Other Services (except public administration)	265
Federal Government	5,617
State Government	62
Local Government	1,183
Government Total	6,862
Unclassified	19
Total	**13,175**

Source: Virginia Employment Commission, Economic Information & Analytics Quarterly Census of Employment and Wages (QCEW), 1st quarter, 2023.
*non-disclosable data

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Top Employers within the County

Employer	Type of Business
U.S. Department of Defense	Military-Government
King George County Public School Board	Public School
Tatilek Training Services, Inc.	Staffing Solutions
County of King George	Local Government
South Eastern Computer Consultants (SCCI)	Computer Consultant
Walmart	Retail Corporation/Grocery Store
URS Federal Services	Engineering, Construction and Technical Services
Booz, Allen and Hamilton	Government and Military Contractor
Food Lion	Grocery Store
Harris It Services Corp.	Information Technology Services
Fresh Tulips USA LLC	Flower Retail
Technology Service Corporation	Technology Company
Lockheed Martin	Global Security and Aerospace Company
Heritage Hall	Skilled Nursing Home
Tech Wizards Inc.	Systems and Software Engineering Company
Basic Commerce & Industries Inc.	Engineering Services
YMCA	Health and Fitness Facility
LinTech Global, Inc.	IT Consulting
Anteon Corporation	Military Subcontractor-IT Solutions
Caci	IT Technology to Government Customers

Source: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 1st Quarter (January, February, March) 2023.

Unemployment Rates

	King George County	Virginia	United States
2012	6.4%	5.9%	8.1%
2013	5.7	5.6	7.4
2014	5.3	5.1	6.2
2015	4.7	4.4	5.3
2016	4.2	4.0	4.9
2017	3.7	3.7	4.4
2018	3.0	3.0	3.9
2019	2.6	2.8	3.7
2020	4.6	6.5	8.1
2021	2.9	3.9	5.3
2022	2.6	2.9	3.6
2023(1)	2.8	3.1	3.9

Source: Virginia Employment Commission.
(1) August 2023 Unemployment data.

SECTION FIVE: COUNTY FINANCE INFORMATION

Property Tax Rates [1]
Last Ten Fiscal Years

The property tax rates in the County over the last ten years are as follows:

Fiscal Year	Real Estate First Half	Real Estate Second Half	Personal Property	Machinery and Tools	Mobile Homes First Half	Mobile Homes Second Half
2013-14	$0.53	$0.59	$3.25	$2.50	$0.53	$0.59
2014-15	0.59	0.61	3.25	2.50	0.59	0.61
2015-16	0.61	0.68	3.50	2.50	0.61	0.68
2016-17	0.68	0.70	3.50	2.50	0.68	0.70
2017-18	0.70	0.70	3.50	2.50	0.70	0.70
2018-19	0.70	0.70	3.50	2.50	0.70	0.70
2019-20	0.70	0.70	3.50	2.50	0.70	0.70
2020-21	0.70	0.73	3.50	2.50	0.70	0.73
2021-22	0.73	0.64	3.25	2.50	0.73	0.64
2022-23	0.64	0.68	3.25	2.50	0.64	0.68

Source: County's Audited Financial Statements for the year ended June 30, 2022 and County Adopted FY 2023 and FY 2024 Budgets.
(1) Per $100 of assessed value

Comparison of 2023 Tax Rates for King George County and Surrounding Localities

	Real Estate Tax Rate	Personal Property Tax Rate
King George County	$0.68/$100	$3.25/$100
Caroline County	$0.77/$100	$3.50/$100
Essex County	$0.73/$100	$6.50/$100
Westmoreland County	$0.62/$100	$3.75/$100
Stafford County	$0.93/$100	$5.49/$100

Source: Commissioner of Revenue's office for each locality.

County of King George, Virginia
Fiscal Year 2022 Principal Property Taxpayers

Name	Taxes Paid	Assessed Valuation	% of Total Assessed Valuation
Virginia Electric & Power Company	502,891	71,841,562	1.82%
Birchwood Power Partners, LP	$358,741	$51,248,753	1.30
OMZ King George LLC	227,653	32,521,800	0.82
COPT Dahlgren LLC	162,189	23,169,900	0.59
Horti-Group USA LLC	107,603	15,371,800	0.39
Walmart Real Estate Trust	102,070	14,581,800	0.37
Hilliard & Bartko	75,867	10,838,200	0.27
Northern Neck Electric Cooperative	58,596	8,370,885	0.21
Verizon South, Inc.	57,385	8,197,869	0.21
King George Shopping Center	45,998	6,571,200	0.17
CC&F Dahlgren Associates	37,058	5,294,000	0.13
Total	**$1,736,052**	**$248,007,369**	**6.28%**

Source: County's Audited Financial Statements for the year ended June 30, 2022 - Commissioner of Revenue.

Assessed Value of Taxable Property (1)

The assessed value of taxable property in the County over the last ten years is as follows:

Fiscal Years	Real Estate	Personal Property	Machinery & Tools	Public Service	Total
2012-13	$2,598,409,312	$210,168,415	$6,376,115	$257,549,642	$3,072,503,484
2013-14	2,494,185,739	215,355,310	6,208,895	253,987,845	2,969,737,789
2014-15	2,536,514,617	223,726,535	5,545,500	252,479,431	3,018,266,083
2015-16	2,569,591,444	238,119,069	6,899,594	272,805,018	3,087,415,125
2016-17	2,592,895,544	246,780,705	6,992,384	255,808,982	3,102,477,615
2017-18	2,750,266,316	255,488,035	6,733,900	252,026,595	3,264,514,846
2018-19	2,756,847,208	272,998,357	7,324,571	271,163,900	3,308,334,036
2019-20	2,805,279,249	275,097,839	6,837,018	255,843,825	3,343,057,931
2020-21	2,876,432,530	296,208,650	6,580,153	151,462,936	3,330,684,269
2021-22	3,426,137,590	372,694,158	6,459,076	120,237,980	3,925,528,804

Sources: FY 2013-2022 data from the County's Audited Financial Statements for the year ended June 30, 2022.
(1) Real Estate is assessed at 100% of fair market value.

Property Tax Levies and Collections

Property tax levies and collections for the County over the last ten years are as follows:

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy [1]	Current Tax Collections [1][3]	Percentage of Levy Collected	Delinquent [1] Tax [2] Collections
2012-13	$21,785,485	$20,922,911	96.04%	$497,035
2013-14	22,553,220	21,703,489	96.23	524,303
2014-15	23,794,046	23,075,368	96.98	696,764
2015-16	26,004,019	24,897,420	95.74	578,497
2016-17	28,090,175	27,119,797	96.55	665,858
2017-18	29,430,339	28,020,776	95.21	732,413
2018-19	30,604,712	29,356,589	95.92	787,172
2019-20	31,248,023	30,021,901	96.08	569,024
2020-21	32,166,032	30,500,138	94.82	439,195
2021-22	36,782,490	33,755,937	91.77	-

Source: County's Audited Financial Statements for the year ended June 30, 2022
(1) Exclusive of penalties and interest.
(2) Does not include land redemptions.
(3) Includes revenue from the Commonwealth for Personal Property Tax Relief Act.

Sales Tax Revenue

FY	Sales Tax Revenue
2012	$1,909,760
2013	1,876,393
2014	2,059,339
2015	2,231,237
2016	2,334,684
2017	2,320,196
2018	2,425,177
2019	2,626,403
2020	3,191,385
2021	3,746,682
2022	3,946,055
10-Year CAGR	7.53%

Source: Director of Finance.

Other Local Taxes

	FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023 (Budget)**	**FY 2024 (Budget)**
Local sales and use taxes	$2,508,136	$2,707,072	$3,261,455	$ 3,832,058	$4,029,041	$3,248,272	$4,085,000
Consumers' utility taxes	265,170	256,543	249,808	264,848	282,375	260,000	300,000
Business license taxes	1,324,798	1,470,097	1,418,654	1,417,886	1,452,723	1,400,000	1,400,000
Motor vehicle licenses	615,229	676,208	668,937	657,032	624,187	650,000	700,000
Taxes on recordation and wills	380,387	372,490	534,521	796,516	807,429	680,000	680,000
Hotel and motel room taxes	103,800	99,347	112,683	111,324	166,226	100,000	125,000
Restaurant food taxes	1,300,514	1,347,408	1,257,238	1,397,328	1,570,408	1,300,000	1,500,000
Total	**$6,498,033**	**$6,929,165**	**$7,503,296**	**$8,476,992**	**$8,932,389**	**$7,638,272**	**$8,790,000**
Growth	N/A	7%	8%	12%	6%		

Sources: County's Audited Financial Statements for the year ended June 30, 2018, 2019, 2020, 2021 and 2022. FY 2023 and FY 2024 Adopted Budgets.

Fiscal Year 2022 Financial Results

At the close of Fiscal Year 2022, Total Governmental Fund revenues were $70.2 million compared to expenditures of $62.1 million. This resulted in an increase to Total Fund Balance in the amount of approximately $8.1 million from $81.6 to $89.7 million. Of the Total Fund Balance, $3.2 million is non-spendable or restricted. Approximately thirty-eight (38%) of this Total Fund Balance or $34.1 million is General Fund Unassigned Fund Balance and available for spending at the County's discretion. The County has a minimum fund balance policy, which requires the unassigned fund balance in the general fund be equal to a minimum of 15% of the total operating budget of the County. The County's net long-term obligations of governmental activities decreased by $9 million during the current fiscal year in comparison to the prior fiscal year, due primarily to a decrease in the net pension liability.

Preliminary Fiscal Year 2023 Financial Results (Unaudited)

Actual revenues are anticipated to be at budgeted levels. Actual expenditures are projected to be less than budgeted levels by approximately $4 million or approximately 6.5%. The County anticipates adding to Total Fund Balance in the range of roughly $4 million.

Five-Year Summary of General Fund Revenues, Expenditures and Changes in Fund Balance

The General Fund is maintained by the County to account for revenue derived from County-wide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from federal and State governments and interest earned on invested cash balances. General Fund expenditures and transfers include the costs of general County government, transfers to pay the local share of operating the County public schools, transfers for annual debt service costs and transfers to capital project funds to pay for certain capital improvement projects. Additional financial information with respect to the County and its accounting structure is contained in the audited financial statements of the County for the fiscal year ended June 30, 2022, attached hereto as Appendix B.

The following tables present a summary for the five fiscal years ended June 30, 2018, 2019, 2020, 2021 and 2022 of the County's revenues, expenditures and changes in fund balances accounted for in the County's General Fund. The summaries for fiscal years 2018 through 2022 have been compiled from the financial statements of the County and should be read in conjunction with the related financial statements and footnotes thereto appearing in Appendix B. There has been no material adverse change in the financial condition of the County since the audit for the fiscal year end June 30, 2022.

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County of King George, Virginia
General Fund Balances
Last Five Fiscal Years

Fiscal Year	**2018**	**2019**	**2020**	**2021**	**2022**
Revenues					
General Property Taxes	$ 26,892,812	$ 28,370,280	$ 29,167,313	$ 29,460,844	$ 32,782,125
Other Local Taxes	7,374,816	7,877,761	8,547,263	9,520,109	12,757,615
Permits, Fees and Regulatory Licenses	569,419	829,688	1,045,521	1,034,880	1,445,937
Fines and Forfeitures	218,030	206,225	193,780	165,651	256,366
Revenue from use of Money and Property	223,496	655,700	675,841	165,288	(255,504)
Charges for Services	585,480	622,342	502,924	204,450	647,909
Miscellaneous	380,245	313,770	357,247	347,806	231,607
Recovered Cost	-	-	-	-	-
Intergovernmental:					
Commonwealth	6,776,453	6,819,938	7,098,900	7,207,220	7,228,618
Federal	1,294,944	1,433,502	1,449,968	6,359,121	2,570,329
Total Revenues	$44,315,695	$47,129,206	$49,038,757	$54,465,369	$57,665,002
Expenditures					
Current:					
General Government Administration	$ 3,124,654	$ 3,323,115	$ 3,650,242	$ 4,427,951	$ 4,103,577
Judicial Administration	1,209,041	1,253,985	1,355,998	1,410,420	1,418,351
Public Safety	11,698,163	11,850,004	12,215,042	13,879,708	15,674,502
Public Works	2,230,920	2,497,844	2,742,367	2,842,949	3,388,763
Health and Welfare	4,876,535	5,077,754	5,364,905	5,650,445	5,337,414
Education	16,224,499	17,498,172	17,085,852	16,841,668	17,193,400
Parks, Recreation, and Cultural	1,353,986	1,369,639	1,385,639	1,257,427	1,488,527
Community Development	1,358,180	1,584,309	1,680,817	2,002,878	2,445,346
Debt Service:					
Principal retirement	3,098,875	3,356,661	3,466,036	3,866,024	4,399,226
Interest and other fiscal charges	2,743,334	3,399,406	2,830,863	2,427,358	3,091,639
Total expenditures	$47,918,187	$51,210,889	$51,777,761	$54,606,828	$58,540,745
Excess (deficiency) of revenues over expenditures	$ (3,602,492)	$ (4,081,683)	$ (2,739,004)	$ (141,459)	$ (875,743)
Other financing sources (uses)					
Transfers In	$3,541,843	$4,784,966	$6,441,977	$4,820,742	$6,895,039
Transfers Out	-	(34,780)	(82,118)	(60,660)	-
Premium on bonds issued	-	-	-	-	10,005
Total other financing sources (uses)	$ 3,541,843	$ (4,750,186)	$ 6,359,859	$ 4,760,082	$ 6,905,044
Net changes in fund balances	$ (60,649)	$ 668,503	$ 3,620,855	$ 4,618,623	$ 6,029,301

Sources: County's Audited Financial Statements for the years ended June 30, 2018, 2019, 2020, 2021 and 2022

Shown below are the County's budgeted revenues and expenditures for the fiscal year ending June 30, 2022. The County is not currently aware of any financial condition that would have a materially adverse effect upon the County's ability to meet the Budget for fiscal year ending June 30, 2023.

	Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
General Property Taxes	$31,027,833	$31,027,833	$32,782,125	$1,754,292
Other Local Taxes	12,346,425	12,346,425	12,757,615	411,190
Permits, privilege fees and regulatory licenses	1,158,915	1,158,915	1,445,937	287,022
Fines and Forfeitures	195,000	195.000	256,366	61,366
Revenue from Use of Money and Property	251,000	251,000	(255,504)	(506,504)
Charges for Services	557,240	557,240	647,909	90,669
Miscellaneous	417,799	417,799	231,607	(186,192)
Intergovernmental:				
Revenues from the Commonwealth	8,149,829	8,933,557	7,228,618	(1,704,939)
Revenues from the Federal Government	1,559,342	4,217,607	2,570,329	(1,647,278)
Total Revenues	**$55,663,383**	**$59,105,376**	**$57,665,002**	**$(1,440,374)**
Expenditures				
General government administration				
Legislative:				
Board of Supervisors	$138,071	$138,071	$133,989	$4,082
General and financial administration	3,703,996	4,827,105	3,707,923	1,119,182
General Administration	4,171,659	5,332,786	4,103,577	1,229,209
Judicial Administration	1,407,760	1,464,294	1,418,351	45,943
Public Safety	15,393,572	16,946,210	15,674,502	1,271,708
Public Works	3,345,412	4,125,326	3,388,763	736,563
Health & Welfare	6,694,554	6,694,554	5,337,414	1,357,140
Education	17,729,143	18,665,325	17,193,400	1,471,925
Parks, Recreation & Culture	1,548,357	1,846,753	1,488,527	358,226
Community Development	1,831,410	2,665,336	2,445,346	219,990
Debt Service Fund	7,465,787	7,488,606	7,490,865	(2,259)
Total Expenditures	**$ 59,587,654**	**$ 65,229,190**	**$ 58,540,745**	**$ 6,688,445**

Source: County's Audited Financial Statements for the year ended June 30, 2022

On June 20, 2023, the Board of Supervisors approved the fiscal year 2023-2024 budget, as well as the 2023 tax rates. The balanced budget for FY 23-24 is $115,383,854, with 54.59 percent of expenditures allocated to public schools and 45.41 percent allocated to general government. Revenues are budgeted to be received from local, state and federal sources, with 1.65 percent utilized from the fund balance.

This budget cycle includes funding for seven new positions across four departments—three positions in Fire, Rescue and Emergency Management, one in the Sheriff's Office, two in Parks and Recreation, and one in General Properties. The budget also includes competitive adjustments in salary for school employees and cost of living adjustments for county employees.

Capital Improvement Program – First Priority Projects

Section 15.2-2239 of the Code of Virginia assigns the responsibility for capital outlay programs to the local planning commissions. The Code states that the local commission may, and at the direction of the governing body, shall prepare and revise annually a capital improvement program based on the comprehensive plan of the County for a period not to exceed the ensuing five years. The County Capital Improvement Plan **("CIP")** includes major capital projects that are non-recurring, should have a useful life of five years or more; and the estimated cost of the expenditure must exceed $50,000 for a general government project and $100,000 for a school project. Expenditures above these amounts will be considered "capital", and those below them "operating." Each project is associated with a specific operating department and will include prior funding, estimated expenditures over the next five years and the total estimated cost of the project. Also included for each project is a complete description, justification, possible funding sources, impact on departmental operating budget and the project's relationship to the County's comprehensive plan.

The fiscal year 2024-2028 CIP was approved by the Board of Supervisors on July 11, 2023 in aggregate. The following is a summary of projects included in the CIP:

Uses of Funds by Department	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Total
Parks and Recreation						
Urgent Projects	$375,000	$2,100,000	$2,000,000	$ -	$ -	$4,475,000
Necessary Projects	125,000	800,000	-	100,000	10,000,000	11,025,000
Future Projects	250,000	250,000	1,700,000	250,000	250,000	2,700,000
Public Schools						
Urgent Projects	27,741,225	-	-	-	-	27,741,225
Necessary Projects	1,057,285	650,000	650,000	650,000	650,000	3,657,285
Future Projects	-	-	650,000	-	-	650,000
Solid Waste & Recycling						
Necessary Projects	76,000	-	-	-	-	76,000
Commissioner of Revenue						
Urgent Projects	75,000	-	-	-	-	75,000
Information Technology						
Urgent Projects	230,000	70,000	50,000	50,000	50,000	450,000
Necessary Projects	100,000	50,000	-	-	-	150,000
General Properties						
Necessary Projects	275,000	-	-	-	-	275,000
Engineering						
Urgent Projects	1,050,000	-	-	-	-	1,050,000
Sheriff's Office						
Necessary Projects	280,311	-	-	-	-	280,311
Fire and Rescue						
Urgent Projects	14,350,000	350,000	350,000	350,000	10,350,000	25,750,000
Necessary Projects	-	-	2,000,000	-	-	2,000,000
Total	**$45,984,821**	**$4,270,000**	**$7,400,000**	**$1,400,000**	**$21,300,000**	**$80,354,821**

Source: County Administrator

Cash and Investment Management

County staff generally provides a monthly financial report to the Board of Supervisors. While there is no formal adopted cash and investment policy, cash and investments are managed conservatively by the Treasurer in order to minimize the risk of loss of County funds and to allow liquidity to meet cash flow needs. Cash deposits are in compliance with the Virginia Security for Public Deposits Act. Investments follow the statutes of the Commonwealth of Virginia and are limited to 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, bankers acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Employee Retirement Plans

The County contributes to the Virginia Retirement System **("VRS")**, a Virginia executive branch agency multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth. Professional and nonprofessional employees of the School Board are also covered by VRS. All full time, salaried permanent employees are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Benefits are actuarially reduced for retirees to retire prior to becoming eligible for full retirement benefits. VRS also provides death and disability benefits. The benefit provisions and all other requirements are established by Virginia statute. VRS issues a publicly available comprehensive annual financial report that included financial statements and required supplementary information for the plans administered by VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as service credit in their plan.

VRS administers three defined benefit plans – Plan 1, Plan 2 and Hybrid:

- Members 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 members 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 members 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 members (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 members may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

- Members with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or members 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 members 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 and service equals 90. Non-hazardous duty members may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty members 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 members may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

- Non-hazardous duty members 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. Members 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 equal 90. Members 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.

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 creditable service. 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 creditable service 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 creditable service 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.

Contribution

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

The County's contractually required employer contribution rate for the year ended June 30, 2022 was 8.80% 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 $1,325,275 and $1,047,084 for the years ended June 30, 2022 and June 30, 2021, respectively.

The School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 8.40% 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 $223,347 and $211,138 for the years ended June 30, 2022 and June 30, 2021, respectively.

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For the year ended June 30, 2022, the County and Component Unit School Board (nonprofessional) recognized pension expense of $661,756 and $86,481, respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 460,972	$ 33,768	$ 11,598	$ 16,209
Change in assumptions	1,392,687	-	197,595	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	90,332	90,332	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,426,363	-	1,130,245
Employer contributions subsequent to the measurement date	1,325,275	-	223,347	-
Total	$3,269,266	$5,550,463	$432,540	$1,146,454

The report may be obtained from the VRS website http://www.varetire.org/Default.asp or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Additional information regarding the County and School Board employee retirement plans can be found in Note 14 of the County's basic financial statements for the year ended June 30, 2022, a copy of which is attached as Appendix B to this Official Statement.

Other Post-Employment Benefits (OPEB)

In addition to the pension benefits described above, the School Board provides post-retirement healthcare insurance benefits for employees who are eligible for retirement benefits. The School Board Post-Retirement Medical Plan (SBPRMP) is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. The plan is administered by the School Board. Retired employees, who have attained the age of 50, who were employed by King George County Public Schools with at least 10 years of service are eligible for retiree medical benefits. The SBPRMP has no separate financial report.

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Participating retirees pay 100% of the monthly premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School for OPEB as the benefits came due during the year ended June 30, 2022 was $59,269.

Additional information regarding the School Board OPEB plans can be found in Note 22 of the County's basic financial statements for the year ended June 30, 2022, a copy of which is attached as **Appendix B** to this Official Statement.

The County does not offer other postemployment benefits to its employees.

Property Damage and Liability Insurance

The County is a member of the Virginia Association of Counties Risk Pool Insurance Program with the following coverages:

Real Property Damage	$ 51,961,242 (value of County properties)
Personal Property Damage	3,000,000
General Liability	3,000,000
Auto Liability	3,000,000
Public Officials Liability	3,000,000
Workers Compensation	1,000,000 (statutory)

Law Enforcement Liability is covered by the Department of General Services, Virginia Local Government Risk Management Plan. Workers' compensation coverage is as stated by the Virginia Workers' Compensation Act.

SECTION SIX: DEBT ADMINISTRATION

Debt Structure

Pursuant to the Virginia Public Finance Act, a county is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of principal and interest on such bonds the governing body is authorized and required to levy on all taxable property within the County such ad valorem taxes as may be necessary. Although the issuance of bonds by Virginia counties is not subject to any limitation on amount, counties are generally prohibited from issuing general obligation bonds unless (1) the issuance of such debt has been approved by public referendum, (2) such debt is for public school purposes and is sold to the Literary Fund or Virginia Public School Authority, or (3) such indebtedness is issued in anticipation of the collection of the current year's taxes and other revenues.

Information on the County's long-term obligations is summarized, as of June 30, 2022 unless otherwise noted, in the tables that follow in this section. Additional information is provided in the County's basic financial statements for the year ended June 30, 2022, a copy of which is attached as Appendix B to this Official Statement.

Annual requirements to amortize long-term obligations and related interest for fiscal years 2023-2046 are as follows:

	Governmental Activities							
	Direct Borrowings and Direct Placements							
	General Obligation and Revenue Bonds[1]		General Obligation		Lease Liabilities		Equipment Financing Notes	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$3,787,431	$2,305,503	$580,000	$655,588	$158,705	$1,632	$368,105	$60,485
2024	3,913,354	2,647,177	615,000	626,588	135,938	1,007	242,000	51,678
2025	4,917,681	2,490,718	660,000	595,838	101,769	479	256,000	46,748
2026	5,049,623	2,321,491	700,000	562,838	45,939	77	271,000	41,531
2027	4,815,672	2,165,167	1,025,000	527,838	-	-	286,000	36,016
2028	4,949,160	2,011,156	1,070,000	476,588	-	-	301,000	30,205
2029	4,706,000	1,860,261	1,405,000	455,188	-	-	318,000	24,077
2030	4,816,000	1,713,458	1,435,000	423,575	-	-	335,000	17,612
2031	4,947,000	1,461,386	1,475,000	380,525	-	-	352,000	10,811
2032	5,033,000	1,211,926	1,515,000	336,275	-	-	370,000	3,662
2033	5,396,000	1,058,773	1,565,000	290,825	-	-	-	-
2034	5,549,000	898,996	1,605,000	243,875	-	-	-	-
2035	3,699,000	763,584	1,660,000	195,725	-	-	-	-
2036	2,955,000	661,411	1,700,000	149,925	-	-	-	-
2037	3,045,000	569,132	1,380,000	90,675	-	-	-	-
2038	3,134,000	473,107	1,410,000	45,825	-	-	-	-
2039	2,104,000	393,426	-	-	-	-	-	-
2040	2,161,000	330,661	-	-	-	-	-	-
2041	2,225,000	265,191	-	-	-	-	-	-
2042	2,285,000	197,687	-	-	-	-	-	-
2043	2,352,000	128,089	-		-	-	-	-
2044	1,275,000	77,603	-	-	-	-	-	-
2045	1,300,000	47,025	-	-	-	-	-	-
2046	1,330,000	15,794	-	-	-	-	-	-
TOTAL	**$85,744,921**	**$26,068,722**	**$19,800,000**	**$6,053,686**	**$442,351**	**$3,195**	**$3,099,105**	**$322,825**

Note: Totals may not foot due to rounding.
(1) The schedule above has been modified to reflect the addition of two additional obligations of the County dated 10/31/2022 – Equipment Lease Purchase Agreement, Series 2022 in the amount of $12,150,000 and Public Facility Lease Revenue Bond, Series 2022 in the amount of $12,150,000.

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2022:

	Balance as of July 1, 2021	Increases	Decreases	Balance as of June 30, 2022	Amounts Due Within One Year
Governmental Activities					
General Obligation Bonds	$20,115,000	$ -	$315,000	$19,800,000	$580,000
Direct borrowings and direct placements:					
General Obligation Bonds	7,256,094	-	1,181,173	6,074,921	1,547,431
Revenue Bonds	57,845,000	-	2,475,000	55,370,000	2,240,000
Premiums on bonds	3,765,895	-	237,511	3,528,384	237,511
Other Liabilities:					
Equipment Financing Notes	3,504,672	-	405,567	3,099,105	368,105
Lease liabilities	589,913(1)	10,005	157,567	442,351	158,705
Compensated Absences	1,162,441	252,347	116,244	1,298,544	129,854
Net OPEB Liability	928,837	232,552	494,375	667,014	-
Net Pension Liability	4,677,388	6,265,274	10,942,662	-	-
Total	$99,845,240	$6,760,178	$16,325,099	$90,280,319	$5,261,606

Source: County's Audited Financial Statements for the year ended June 30, 2022.
Note: The figures above do not reflect the two additional obligations of the County dated 10/31/2022 – Equipment Lease Purchase Agreement, Series 2022 in the amount of $12,150,000 and Public Facility Lease Revenue Bond, Series 2022 in the amount of $12,150,000.
(1) GASB 87 Implementation reflects a $589,913 increase in Lease Liabilities.

The general fund revenues are used to liquidate compensated absences, pension liabilities and OPEB liabilities.

Changes in Long-Term Obligations

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

	Balance as of July 1, 2021	Increases	Decreases	Balance as of June 30, 2022	Amounts Due Within One Year
Lease Liabilities	$172,896[(1)]	$ -	$58,002	$114,894	$58,162
Net OPEB Liability	7,702,853	1,353,326	2,241,454	6,814,725	-
Net Pension Liability	42,345,825	8,851,418	29,795,936	21,401,307	-
Compensated Absences payable	930,052	93,005	331,259	691,798	69,180
Total	$51,151,626	$10,297,749	$32,426,651	$29,022,724	$127,342

Source: County's Audited Financial Statements for the year ended June 30, 2022.
(1) GASB 87 Implementation reflects a $172,896 increase in Lease Liabilities.

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Outstanding Service Authority Debt

Year Ending June 30	Line of Credit Revenue Note Principal	Line of Credit Revenue Note Interest	Direct Borrowings and Direct Placements: Public Facility Lease Revenue Refunding Bonds Principal	Public Facility Lease Revenue Refunding Bonds Interest	VRA Water and Sewer Revenue Bonds Principal	VRA Water and Sewer Revenue Bonds Interest	Note Payable Principal	Note Payable Interest
2023	$ -	$2,386	$40,000	$69,650	$206,853	$27,351	$16,667	-
2024	-	2,386	40,000	68,450	209,031	25,173	16,667	-
2025	99,450	2,386	40,000	67,250	211,231	22,972	16,667	-
2026	-	-	320,000	61,850	213,455	20,749	16,667	-
2027	-	-	315,000	52,325	215,702	18,501	16,667	-
2028	-	-	315,000	42,875	217,972	16,230	16,667	-
2029	-	-	320,000	33,350	220,268	13,936	16,667	-
2030	-	-	325,000	23,675	222,587	11,617	16,667	-
2031	-	-	315,000	15,650	224,929	9,274	16,667	-
2032	-	-	315,000	9,350	227,298	6,906	16,667	-
2033	-	-	150,000	4,700	229,691	4,513	16,667	-
2034	-	-	160,000	1,600	186,721	2,095	16,667	-
2035	-	-	-	-	70,657	537	16,667	-
2036	-	-	-	-	-	-	16,667	-
TOTAL	$99,450	$7,158	$2,655,000	$450,725	$2,656,395	$179,854	$233,329	$-

Year Ending June 30	Direct Borrowings and Placements: Water and Sewer Refunding Bonds Principal	Water and Sewer Refunding Bonds Interest	VRA Infrastructure Revenue Bonds Principal	VRA Infrastructure Revenue Bonds Interest	Lease Liabilities Principal	Lease Liabilities Interest
2023	$365,000	$439,332	$265,000	$34,722	$72,069	$1,223
2024	380,000	431,153	270,000	21,013	66,694	848
2025	820,000	417,423	275,000	7,047	64,039	487
2026	1,210,000	393,269	-	-	51,437	137
2027	1,260,000	362,749	-	-	-	-
2028	1,290,000	329,970	-	-	-	-
2029	1,330,000	295,312	-	-	-	-
2030	1,375,000	258,510	-	-	-	-
2031	1,425,000	220,331	-	-	-	-
2032	1,470,000	180,836	-	-	-	-
2033	1,700,000	135,078	-	-	-	-
2034	1,735,000	84,785	-	-	-	-
2035	2,030,000	29,942	-	-	-	-
2036	-	-	-	-	-	-
TOTAL	$16,390,000	$3,578,690	$810,000	$62,782	$254,239	$2,695

Note: Totals may not foot due to rounding

Additional Debt Information

Information concerning the County's net tax-supported debt is presented in the following tables. The tables reflect the ratio of net general bonded debt to assessed value and net general obligation bonded debt to per capita for the last ten years.

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Less: Amounts Reserved for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita(1)
2012-13	23,945	$3,072,503,484	$15,822,865	$1,149,880	$14,672,985	0.48%	613
2013-14	24,926	2,969,737,789	14,951,366	1,149,880	13,801,486	0.46%	554
2014-15	25,371	3,018,266,083	14,067,259	1,149,880	12,917,379	0.43%	509
2015-16	25,515	3,087,415,125	13,169,364	1,149,880	12,019,484	0.39%	471
2016-17	25,515	3,102,477,615	11,867,220	1,149,880	10,717,340	0.35%	420
2017-18	25,515	3,264,514,846	31,520,344	1,149,880	30,370,464	0.93%	1,190
2018-19	25,863	3,308,334,036	30,173,227	1,149,880	29,023,347	0.88%	1,122
2019-20	26,016	3,343,057,931	31,513,341	1,149,880	30,363,461	0.91%	1,167
2020-21	26,723	3,330,684,269	29,165,057	1,449,800	28,015,177	0.84%	1,048
2021-22	27,489	3,925,528,804	27,539,664	1,449,800	26,389,784	0.67%	960

Source: County's Audited Financial Statements for tax year ended June 30, 2022.
(1) Population data can be found in the Schedule of Demographic and Economic Statistics-Table 13.
(2) See the Schedule of Assessed Value and Estimated Value of Taxable Property-Table 5.
(3) Includes all long-term general obligation bonded debt, Literary Fund Loans, and excludes revenue bonds, capital leases and compensated absence

OUTSTANDING DEBT BY TYPE

	Governmental Activities						Business-Type Activities				
Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Bond Premium	State Literary Loans	Lease Liabilities	Equipment Financing Notes	Revenue Bonds	Lease Liabilities	Bond Premium	Notes Payable	Total Primary Government
2012-13	$14,322,865	$51,485,174	$5,341,867	$1,500,000	$ -	$ -	$25,798,086	$	$1,703,910	$411,481	$100,563,383
2013-14	13,701,366	49,509,370	5,102,258	1,250,000	-	-	27,647,500	-	1,614,934	366,664	99,192,092
2014-15	13,067,259	47,315,900	7,354,418	1,000,000	-	-	29,754,714	-	1,796,599	349,997	100,638,887
2015-16	12,419,364	45,110,000	6,979,019	750,000	-	-	28,844,857	-	1,696,332	333,330	96,132,902
2016-17	11,367,220	43,455,000	6,603,620	500,000	-	4,151,956	25,969,253	-	1,596,065	316,664	93,959,778
2017-18	31,270,344	41,735,000	6,966,725	250,000	-	4,616,387	24,745,665	-	1,495,798	299,997	111,379,916
2018-19	30,173,227	37,260,000	6,143,920	-	-	4,263,150	23,423,639	-	1,395,531	283,330	102,942,797
2019-20	28,800,331	37,230.000	3,336,904	-	-	3,892,632	23,795,051	-	489,587	366,113	97,910,618
2020-21	27,371,094	57,845,000	3,765,895	-	-	3,504,672	23,361,092	-	312,034	249,996	116,409,783
2021-22	25,874,921	55,370,000	3,528,384	-	442,351	3,099,105	22,511,395	254,239	288,031	233,329	111,601,755

Source: County's Audited Financial Statements for tax year ended June 30, 2022.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF

KING GEORGE COUNTY, VIRGINIA

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Independent Auditors' Report

To the Honorable Members of the Board of Supervisors
County of King George, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County of King George, Virginia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2022, the County adopted new accounting guidance, GASB Statement Nos. 87, *Leases* 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of King George, Virginia's basic financial statements. The accompanying combining and individual fund financial statements and schedules, supporting schedule 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, supporting schedule and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of County of King George, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of King George, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of King George, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Fredericksburg, Virginia
January 30, 2023

To the Honorable Members of the Board of Supervisors
To the Citizens of King George County

As management of the County of King George, Virginia (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. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, financial statements and accompanying notes.

Financial Highlights

- The assets and deferred outflows of resources of the governmental activities of the County exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by $87.8 million (net position). This represents an increase of $11.9 million compared to the prior fiscal year.

- Of the total net position, $3.5 million is restricted.

- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $89.7 million, an increase of $8.1 million over the previous fiscal year.

- Approximately thirty-eight (38%) of this total amount or $34.1 million is General Fund unassigned fund balance and available for spending at the County's discretion. The County has a minimum fund balance policy, which requires the unassigned fund balance in the general fund be equal to a minimum of 15% of the total operating budget of the County.

- The County's net long–term obligations of governmental activities decreased by $9 million during the current fiscal year in comparison to the prior fiscal year, due primarily to a decrease in the net pension liability.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the County's basic financial statements. The 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.

A. Government-wide financial statements - The Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

   1. Statement of Net Position - Presents information on all County assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Refer to Exhibit 1 for Statement of Net Position.

   2. 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 that causes the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the 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). Refer to Exhibit 2 for Statement of Activities.

Overview of the Financial Statements: (Continued)

A. Government-wide financial statements: (Continued)

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, sheriff, volunteer fire protection, sanitation, social services, education, cultural events, and recreation. The business-type activities of the County encompass water and sewer operations.

The government-wide financial statements include not only the County government (known as the primary government), but also a legally separate School Board for which the County is financially accountable. The Economic Development Authority is also presented as a component unit. Financial information for these component units is reported separately from the financial information presented for the primary government.

B. 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 of King George, like other 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.

1. Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's ability to satisfy 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 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 four 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, Capital Projects Fund and the Permanent Fund.

   The County adopts an annual appropriated budget for the General Fund and Capital Projects Fund, both of which are considered to be major funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budgetary controls.

2. Proprietary funds - The County maintains one enterprise fund. Enterprise funds are used to account for the delivery of goods and services to the general public. Proprietary funds use the accrual basis of accounting, similar to the private sector business.

   The King George Service Authority is a component unit of the County of King George. The Authority provides water and sewer services to County residents.

Overview of the Financial Statements: (Continued)

3. Fiduciary funds – Fiduciary funds account for assets held by the government as a trustee or custodian for another organization or individuals. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds are not reflected in the government-wide financial statement because the funds are not available to support the County's own activities. The County does not have any fiduciary funds for fiscal year 2022.

C. 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.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of a County's financial position. In the case of King George County, governmental fund assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $87.8 million at the close of fiscal year 2022.

The County's net investment in capital assets such as land, buildings and equipment totals $34.2 million at June 30, 2022, an increase of $.6 million from the prior year. The County uses these capital assets to provide services to citizens; and consequently, these assets are not available for future spending. Although capital assets are 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. Refer to table below.

County of King George, Virginia
Schedule of Net Position
Governmental and Business-Type Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 117,275,300	$ 104,258,373	$ 10,167,797	$ 7,646,258	$ 127,443,097	$ 111,904,631
Capital assets	84,243,658	86,593,941	36,753,874	37,387,711	120,997,532	123,981,652
Total assets	$ 201,518,958	$ 190,852,314	$ 46,921,671	$ 45,033,969	$ 248,440,629	$ 235,886,283
Deferred outflows of resources	$ 6,158,692	$ 6,351,871	$ 1,372,624	$ 1,541,943	$ 7,531,316	$ 7,893,814
Long-term liabilities outstanding	$ 85,018,713	$ 94,524,832	$ 22,517,346	$ 23,577,915	$ 107,536,059	$ 118,102,747
Current liabilities	16,684,465	15,903,823	2,643,851	2,328,250	19,328,316	18,232,073
Total liabilities	$ 101,703,178	$ 110,428,655	$ 25,161,197	$ 25,906,165	$ 126,864,375	$ 136,334,820
Deferred inflows of resources	$ 18,198,362	$ 10,926,331	$ 307,871	$ 8,425	$ 18,506,233	$ 10,934,756
Net position:						
Net investment in capital assets	$ 19,642,781	$ 19,046,508	$ 14,602,194	$ 14,698,014	$ 34,244,975	$ 33,744,522
Restricted	3,495,600	2,096,338	42,493	-	3,538,093	2,096,338
Unrestricted	64,637,729	54,706,353	8,180,540	5,963,308	72,818,269	60,669,661
Total net position	$ 87,776,110	$ 75,849,199	$ 22,825,227	$ 20,661,322	$ 110,601,337	$ 96,510,521

Restricted net position represents resources that are subject to external restrictions on how they may be used. These assets are restricted for debt service, library, net pension asset, natatorium donation and for other purposes. The County's restricted net position amounts to $3.5 million or two percent (4%) of total net position.

Government-wide Financial Analysis: (Continued)

Governmental and business-type activities reflect changes in net position of an increase of $11.9 million and $2.2 million respectively.

Key elements of the changes in net position are seen in the table below:

County of King George, Virginia
Changes in Net Position
Governmental and Business-Type Activities
For theYears Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 14,287,636	$ 9,550,103	$ 7,989,085	$ 7,322,683	$ 22,276,721	$ 16,872,786
Operating grants and contributions	7,190,065	11,138,096	143,661	164,322	7,333,726	11,302,418
Capital grants and contributions	1,235,742	647,725	611,281	-	1,847,023	647,725
General revenues:						
General property taxes	33,764,644	29,510,557	-	-	33,764,644	29,510,557
Other local taxes	12,757,615	9,520,109	-	-	12,757,615	9,520,109
Use of money and property	(875,610)	168,138	-	-	-875,610	168,138
C/VA non-categorical aid	2,497,378	2,537,835	-	-	2,497,378	2,537,835
Other general revenues	639,946	356,402	308,601	164,001	948,547	520,403
Total revenues	$ 71,497,416	$ 63,428,965	$ 9,052,628	$ 7,651,006	$ 80,550,044	$ 71,079,971
Expenses:						
General government administration	$ 4,759,677	$ 5,068,362	$ -	$ -	$ 4,759,677	$ 5,068,362
Judicial administration	1,426,713	1,795,323	-	-	1,426,713	1,795,323
Public safety	15,108,219	15,706,507	-	-	15,108,219	15,706,507
Public works	4,510,675	3,008,558	-	-	4,510,675	3,008,558
Health and welfare	5,402,417	5,720,441	-	-	5,402,417	5,720,441
Education	21,251,344	21,573,028	-	-	21,251,344	21,573,028
Parks, recreation, and cultural	1,800,844	1,587,782	-	-	1,800,844	1,587,782
Community development	2,456,053	2,039,224	-	-	2,456,053	2,039,224
Interest and other fiscal charges	2,769,525	3,722,592	-	-	2,769,525	3,722,592
Water and sewer	-	-	6,973,761	7,025,103	6,973,761	7,025,103
Total expenses	$ 59,485,467	$ 60,221,817	$ 6,973,761	$ 7,025,103	$ 66,459,228	$ 67,246,920
Increase (decrease) in net position before transfers	$ 12,011,949	$ 3,207,148	$ 2,078,867	$ 625,903	$ 14,090,816	$ 3,833,051
Transfers	(85,038)	(145,698)	85,038	145,698	-	-
Change in net position	$ 11,926,911	$ 3,061,450	$ 2,163,905	$ 771,601	$ 14,090,816	$ 3,833,051
Net position, July 1	75,849,199	72,787,749	20,661,322	19,889,721	96,510,521	92,677,470
Net position, June 30	$ 87,776,110	$ 75,849,199	$ 22,825,227	$ 20,661,322	$ 110,601,337	$ 96,510,521

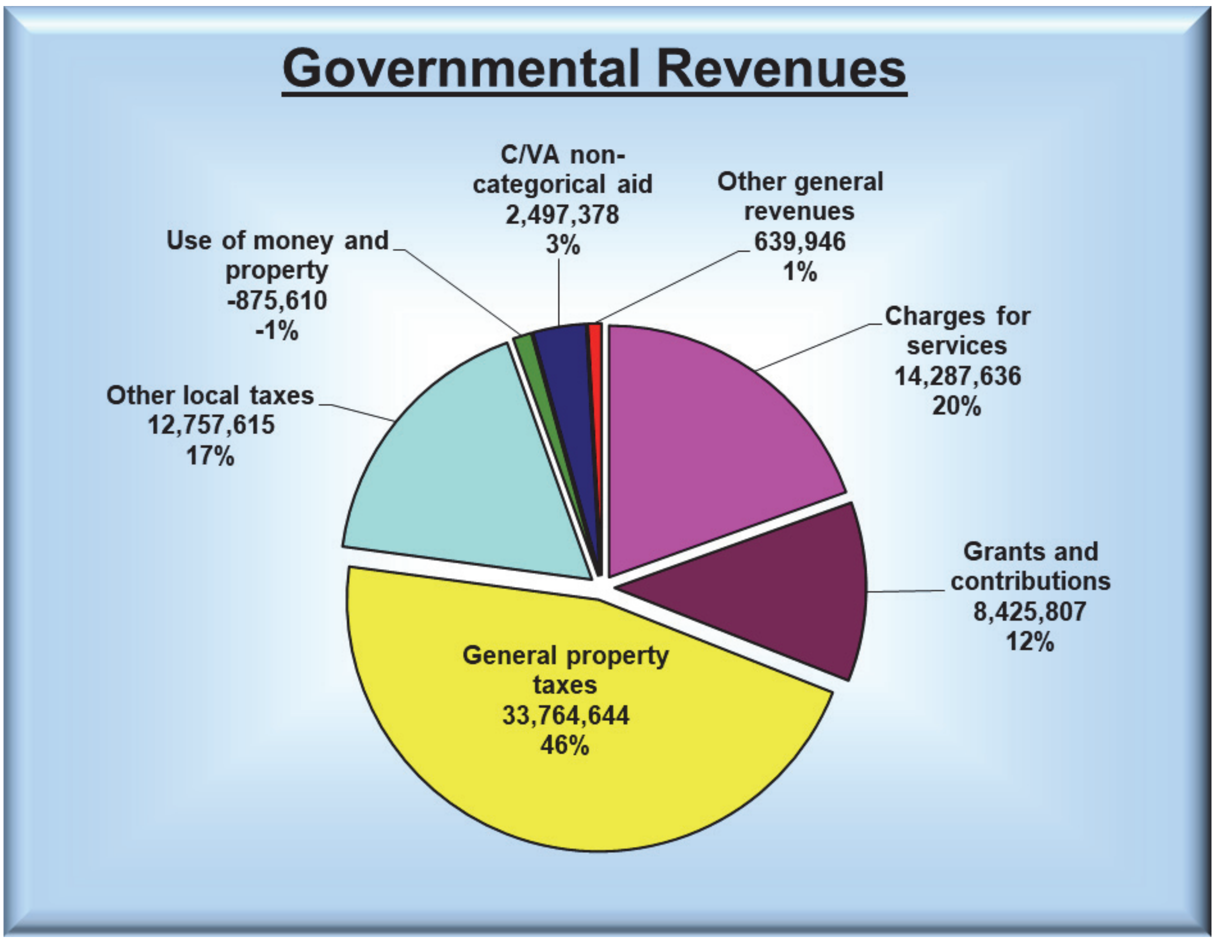
Government-wide Financial Analysis: (Continued)

Governmental Activities – Program and general revenues for governmental activities totaled $71.5 million for the fiscal year.

Major sources were as follows:

- General property taxes totaled $33.8 million
- Charges for services totaled $14.3 million (This includes $11.9 million of landfill revenues)
- Other local taxes totaled $12.8 million.
- Operating grants and contributions totaled $7.2 million

The pie chart below provides an overview of revenues by program source.

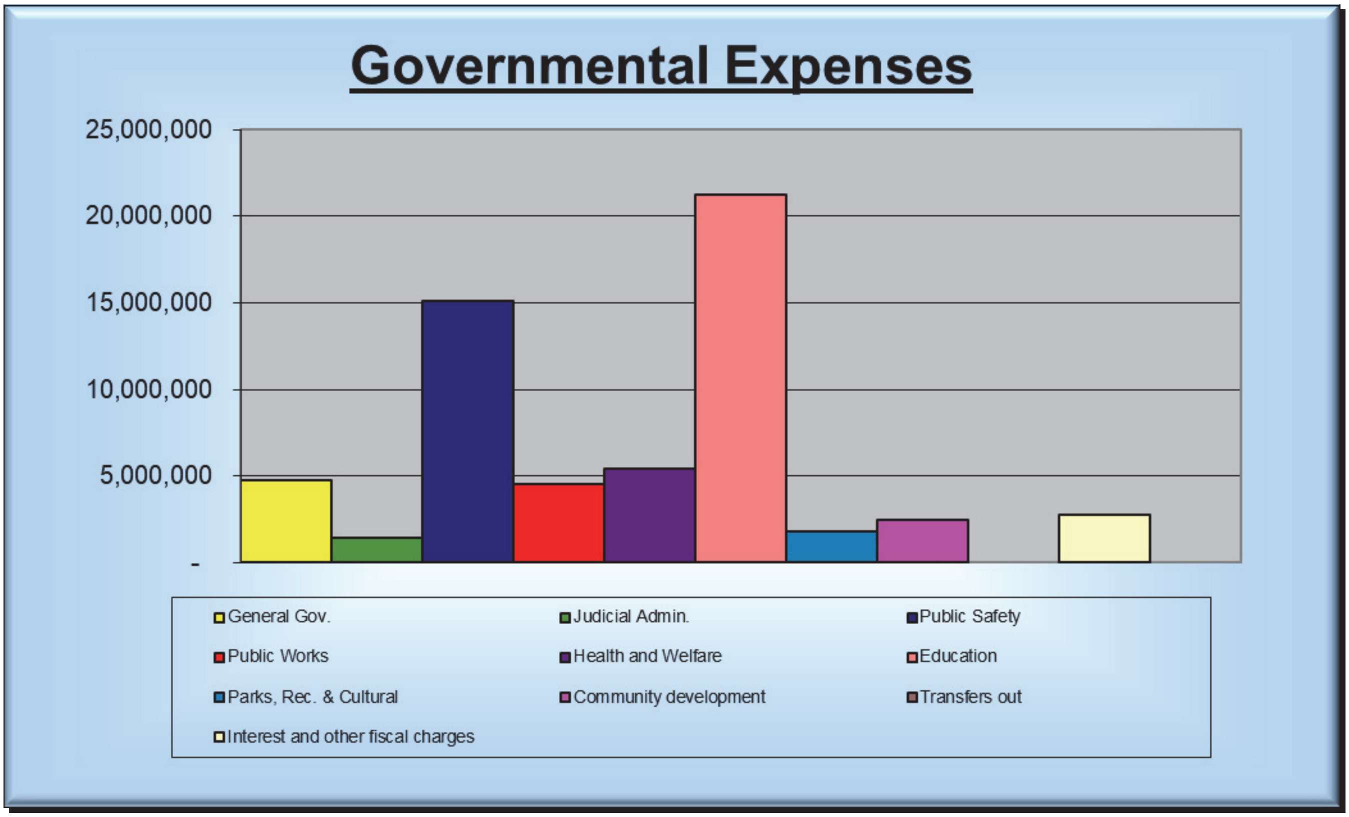


Government-wide Financial Analysis: (Continued)

Expenses for governmental activities totaled $59.5 million for the fiscal year. Major categories were as follows:

- Education totaled $21.3 million
- Public Safety totaled $15.1 million
- Health and Welfare totaled $5.4 million
- Public Works totaled $4.5 million

The graph below denotes expenses by major categories.



Significant changes noted in revenues and expenses were:

- Operating grants and contributions decreased $3.9 million compared to the prior year, primarily due to more Coronavirus Relief Funds expended in FY21 compared to FY22.

- Other local taxes increased by $3.2 million compared to the prior year. The main factor in this increase was a new cigarette tax which provided additional revenue of $2.3 million in FY22.

- Charges for services revenues increased by $4.7 million compared to the prior year due primarily to an increase in landfill revenues.

- Public works expenses had an increase of $1.5 million in comparison to the prior fiscal year.

- Interest and other fiscal charges expenses decreased by $1 million in comparison to the prior fiscal year.

Government-wide Financial Analysis: (Continued)

Business-type activities - Business-type activities net position increased by $2.2 million in the current year.

Major reasons are as follows:

- Revenues increased by $1.4 million during the year. This is mainly due to an increase in charges for services.

- Expenses decreased during the year by $51,342.

- Operating income in FY22 was positive; this increase is a favorable pattern for the Authority.

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 financial resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a County'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 $89.7 million. Approximately thirty-eight percent (38%) of this amount $34.1 million constitutes unassigned fund balance, which is all in the General fund. These funds are available for spending at the County's discretion. The County has a minimum fund balance policy, which requires the unassigned fund balance in the general fund be equal to a minimum of 15% of the total operating budget of the County. In accordance with GASB 54, there are no other unassigned funds available.

The remainder of fund balance is non-spendable ($1.4 million), restricted by an outside sources ($1.8 million), committed ($37.5 million) and not available for spending and assigned ($14.9 million) for specific projects. See Note 1 – S for details.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was $34.1 million, while the total fund balance was $41.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents fifty-eight percent (58%) of total general fund expenditures, while total general fund balance represents seventy-one percent (71%) of that same amount.

General Fund: The fund balance of the County's general fund increased by $6 million during the current fiscal year. The final amended budget included use of General Fund Balance in the amount of $1.2 million, and those funds were not needed during the fiscal year. Some factors which are significant contributors to the increase in fund balance are as follows:

- General property taxes were in excess of budget by $1.8 million dollars due to increases in the assessed value of property.

- The County implemented a cigarette tax which yielded $2.3 million in revenue.

- The total General Fund expenditures were under budget by $6.7 million dollars.

Financial Analysis of the County's Funds: (Continued)

Capital Projects Fund: At the end of the current fiscal year the fund balance for the County's capital projects fund was $47.1 million of which $694,963 is nonspendable, $61,848 is restricted, $31.5 million is committed and $14.9 million is assigned. See Note 1-S for details. The fund balance of the County's capital projects fund increased from the previous fiscal year by $2.2 million, the factors that contributed to this are as follows:

- Landfill fees collected in fiscal year 2022 totaling $11.9 million were used to fund debt service. The amount of landfill revenue collected did exceed the budget by $4.5 million.

Permanent Fund: At the end of the current fiscal year, the fund balance for the County's permanent fund was $787,750 of which $700,000 is non-spendable and $87,750 is restricted for library operations. The fund balance of the County's permanent fund decreased by $96,860.

Proprietary funds: The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the King George County Service Authority finances have already been addressed in the discussion of the County's business type activities. Refer to Exhibits 6 – 8.

General Fund Budgetary Highlights

Differences between the original expenditures budget and the final amended budget were $5.6 million dollars or a nine percent (9%) increase in appropriations. Significant budget variances are summarized as follows:

- Budget for the County's contribution to the School Board increased by $751,182. The budget for Public Safety was increased by $1.5 million during the year.

- A large portion of the budget amendments came from grants from Federal government that were carried over from prior year's projects.

Actual revenues were less than the amended budget by $1.4 million reference Exhibit 9.

Actual expenditures were $6.7 million less than the amended budget. Major contributors were as follows:

- Education expenditures were less than the amended budget by $1.4 million due to School Board expenditures being kept under budget at June 30, 2022, a portion of these funds will be carried over into FY23 for prior year encumbrances that were obligated at June 30, 2022 but not yet spent.

- Public safety also had a favorable expenditure variance of $1.3 million of which a key component was favorable variances related to fire and rescue services which had a favorable budgetary variance of $1.2 million.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental activities as of June 30, 2022 totaled $84.2 million (net of accumulated depreciation.

Business Type Capital Assets - The Authority's investment in capital assets as of June 30, 2022 totaled $36.8 million (net of accumulated depreciation). Investment in capital assets decreased in the amount of $633,837 This decrease is due to the excess of depreciation expense over capital outlays.

Details supporting changes in capital asset activity including construction in progress can be found in Note 7 of the financial statements.

Long-term obligations - At the end of the current fiscal year, the County's governmental activities has total long-term obligations outstanding of $90.3 million and the King George Service Authority has outstanding obligations of $23.5 million.

Of the County's debt, $25.9 million comprises debt backed by the full faith and credit of the County and $55.4 million represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

The County's net long–term obligations of governmental activities decreased by $9 million during the current fiscal year in comparison to the prior fiscal year, due primarily to a decrease in the net pension liability.

The King George Service Authority decreased its long-term obligations by $967,464 during the year. This was due to repayment of principal thru debt service payments and a decrease in the net pension liability.

The County maintains to AA+ credit rating from Standard and Poor's, an AA from Fitch as well as Aa2 from Moody's during fiscal year 2022.

More detailed information of the County's long-term obligations can be found in Note 10 of these financial statements.

Economic Factors and Next Year's Budgets and Rates

Based on available economic data, trends for the local economy have continued to show strength relative to the state and national economies. The local unemployment rate was 2.4% at June 30, 2022. The local unemployment rate compares favorably to the June 30, 2022 national rate of 3.8%. The County's favorable employment conditions are supported by the growth of jobs over the last ten years. In summary, local business indicators are continuing to indicate a steady local economy compared to surrounding areas in Virginia.

The total operating budget for FY23 is $108,357,939.

Requests for Information

This financial report is designed to provide a general overview of the County of King George, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 10459 Courthouse Drive, Suite 201, King George, Virginia 22485.

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BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position
At June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
ASSETS					
Current Assets					
Cash and cash equivalents	$ 73,243,225	$ 8,910,549	$ 82,153,774	$ 2,637,356	$ 947,358
Receivables (net of allowance for uncollectibles):					
Property taxes	31,532,838	-	31,532,838	-	-
Accounts receivable	3,649,157	1,183,943	4,833,100	6,190	-
Notes receivable	1,233,329	-	1,233,329	-	-
Due from other governments	3,522,218	-	3,522,218	2,153,423	-
Leases receivable	217,388	30,812	248,200	-	-
Inventory	-	-	-	1,600	2,282,231
Prepaid items	739,769	-	739,769	-	-
Restricted cash	1,999,478	-	1,999,478	15,765	-
Due from primary government	-	-	-	1,267,692	-
Total Current Assets	$ 116,137,402	$ 10,125,304	$ 126,262,706	$ 6,082,026	$ 3,229,589
Noncurrent Assets:					
Capital assets (net of accumulated depreciation):					
Land	$ 6,050,806	$ 2,262,354	$ 8,313,160	$ 173,134	$ -
Infrastructure	-	34,076,425	34,076,425	-	-
Buildings and improvements	27,646,182	-	27,646,182	7,000,416	-
Lease buildings and improvements	298,019	-	298,019	-	-
Equipment	3,108,632	149,904	3,258,536	2,853,315	-
Lease equipment	143,122	253,660	396,782	115,782	-
Jointly owned assets	43,194,570	-	43,194,570	27,289,675	-
Construction in progress	3,802,327	11,531	3,813,858	-	-
Total capital assets	$ 84,243,658	$ 36,753,874	$ 120,997,532	$ 37,432,322	$ -
Net pension asset	$ 1,137,898	$ 42,493	$ 1,180,391	$ 208,896	$ -
Total Noncurrent Assets	$ 85,381,556	$ 36,796,367	$ 122,177,923	$ 37,641,218	$ -
Total Assets	$ 201,518,958	$ 46,921,671	$ 248,440,629	$ 43,723,244	$ 3,229,589
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	$ 3,144,499	$ 124,767	$ 3,269,266	$ 8,768,605	$ -
OPEB related items	236,207	13,093	249,300	1,199,450	-
Deferred charge on refunding	2,777,986	1,234,764	4,012,750	-	-
Total deferred outflows of resources	$ 6,158,692	$ 1,372,624	$ 7,531,316	$ 9,968,055	$ -
LIABILITIES					
Current Liabilities					
Accounts payable	$ 955,200	$ 146,575	$ 1,101,775	$ 812,542	$ 175
Retainage payable	84,393	-	84,393	-	-
Deposits	4,209,406	476,808	4,686,214	-	-
Accrued liabilities	-	-	-	2,267,269	-
Due to component unit - School Board	1,267,692	-	1,267,692	-	-
Unearned revenue	4,125,616	883,271	5,008,887	73,752	-
Accrued interest payable	780,552	138,964	919,516	-	-
Long-term obligations -current portion	5,261,606	998,233	6,259,839	127,342	1,000,000
Total Current Liabilities	$ 16,684,465	$ 2,643,851	$ 19,328,316	$ 3,280,905	$ 1,000,175
Noncurrent Liabilities					
Long-term obligations - noncurrent portion	85,018,713	22,517,346	107,536,059	28,895,382	-
Total Liabilities	$ 101,703,178	$ 25,161,197	$ 126,864,375	$ 32,176,287	$ 1,000,175
DEFERRED INFLOWS OF RESOURCES					
Pension related items	$ 5,289,632	$ 260,831	$ 5,550,463	$ 17,402,511	$ -
Leases related	213,027	30,670	243,697	-	-
OPEB related items	255,546	16,370	271,916	1,367,435	-
Deferred revenue - property taxes	12,440,157	-	12,440,157	-	-
Total deferred inflows of resources	$ 18,198,362	$ 307,871	$ 18,506,233	$ 18,769,946	$ -
NET POSITION					
Net investment in capital assets	$ 19,642,781	$ 14,602,194	$ 34,244,975	$ 37,317,428	$ -
Restricted:					
Debt service	1,149,880	-	1,149,880	-	-
Smoot library:					
Nonexpendable	700,000	-	700,000	-	-
Expendable	87,750	-	87,750	-	-
Net pension asset	1,137,898	42,493	1,180,391	208,896	
Natatorium	61,848	-	61,848	-	-
Other	358,224	-	358,224	-	-
Unrestricted assets	64,637,729	8,180,540	72,818,269	(34,781,258)	2,229,414
Total Net Position	$ 87,776,110	$ 22,825,227	$ 110,601,337	$ 2,745,066	$ 2,229,414

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

COUNTY OF KING GEORGE, VIRGINIA

Statement of Activities
Year Ended June 30, 2022

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT:				
Governmental activities:				
General government administration	$ 4,759,677	$ 85,407	$ 327,714	$ -
Judicial administration	1,426,713	311,923	634,931	-
Public safety	15,108,219	127,335	1,670,829	-
Public works	4,510,675	13,077,659	310,653	1,124,238
Health and welfare	5,402,417	-	3,395,012	-
Education	21,251,344	-	109,778	-
Parks, recreation, and cultural	1,800,844	468,087	187,308	-
Community development	2,456,053	217,225	553,840	111,504
Interest on long-term debt	2,769,525	-	-	-
Total governmental activities	$ 59,485,467	$ 14,287,636	$ 7,190,065	$ 1,235,742
Business-type activities:				
Water and sewer	$ 6,973,761	$ 7,989,085	$ 143,661	$ 611,281
Total primary government	$ 66,459,228	$ 22,276,721	$ 7,333,726	$ 1,847,023
COMPONENT UNITS:				
School Board	$ 52,328,644	$ 20,999	$ 37,251,697	$ -
Economic Development Authority	130,854	-	-	-
Total component units	$ 52,459,498	$ 20,999	$ 37,251,697	$ -

General revenues:
- General property taxes
- Local sales and use taxes
- Consumer utility taxes
- Business license taxes
- Motor vehicle licenses
- Recordation taxes
- Meals tax
- Ambulance fees
- Cigarette tax
- Other local taxes
- Grants and contributions not restricted to specific programs
- Unrestricted revenues from use of money
- County contribution to Component Unit
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	School Board	Economic Development Authority
$ (4,346,556)	$ -	$ (4,346,556)	$ -	$ -
(479,859)	-	(479,859)	-	-
(13,310,055)	-	(13,310,055)	-	-
10,001,875	-	10,001,875	-	-
(2,007,405)	-	(2,007,405)	-	-
(21,141,566)	-	(21,141,566)	-	-
(1,145,449)	-	(1,145,449)	-	-
(1,573,484)	-	(1,573,484)	-	-
(2,769,525)	-	(2,769,525)	-	-
$ (36,772,024)	$ -	$ (36,772,024)	$ -	$ -
$ -	$ 1,770,266	$ 1,770,266	$ -	$ -
$ (36,772,024)	$ 1,770,266	$ (35,001,758)	$ -	$ -
			$ (15,055,948)	$ -
			-	(130,854)
			$ (15,055,948)	$ (130,854)
$ 33,764,644	$ -	$ 33,764,644	$ -	$ -
3,946,055	-	3,946,055	-	-
282,375	-	282,375	-	-
1,452,723	-	1,452,723	-	-
624,187	-	624,187	-	-
660,016	-	660,016	-	-
1,570,408	-	1,570,408	-	-
1,024,621	-	1,024,621	-	-
2,339,267	-	2,339,267	-	-
857,963	-	857,963	-	-
2,497,378	-	2,497,378	-	-
(875,610)	-	(875,610)	51,246	76
-	-	-	19,852,429	-
639,946	308,601	948,547	903,285	-
(85,038)	85,038	-	-	-
$ 48,698,935	$ 393,639	$ 49,092,574	$ 20,806,960	$ 76
$ 11,926,911	$ 2,163,905	$ 14,090,816	$ 5,751,012	$ (130,778)
75,849,199	20,661,322	96,510,521	(3,005,946)	2,360,192
$ 87,776,110	$ 22,825,227	$ 110,601,337	$ 2,745,066	$ 2,229,414

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Fund Financial Statements

Balance Sheet - Governmental Funds
At June 30, 2022

	Governmental Funds			
	General	Capital Projects	Permanent Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 31,289,805	$ 41,953,420	$ -	$ 73,243,225
Receivables (Net of allowance for uncollectibles):				
Taxes, including penalties	31,532,838	-	-	31,532,838
Accounts	1,163,394	2,485,763	-	3,649,157
Note receivable	1,233,329	-	-	1,233,329
Leases receivable	217,388	-	-	217,388
Restricted cash	1,149,880	61,848	787,750	1,999,478
Due from other governmental units	1,439,051	2,083,167	-	3,522,218
Prepaid items	44,806	694,963	-	739,769
Total assets	$ 68,070,491	$ 47,279,161	$ 787,750	$ 116,137,402
LIABILITIES				
Accounts payable	$ 895,234	$ 59,966	$ -	$ 955,200
Retainage payable	-	84,393	-	84,393
Unearned revenue	4,125,616	-	-	4,125,616
Deposits	4,209,406	-	-	4,209,406
Due to component unit - School Board	1,267,692	-	-	1,267,692
Total liabilities	$ 10,497,948	$ 144,359	$ -	$ 10,642,307
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	$ 15,204,011	$ -	$ -	$ 15,204,011
Leases related	213,027	-	-	213,027
Unavailable revenue - opioid settlement	345,781	-	-	345,781
Total deferred inflows of resources	$ 15,762,819	$ -	$ -	$ 15,762,819
FUND BALANCES				
Nonspendable	$ 49,167	$ 694,963	$ 700,000	$ 1,444,130
Restricted	1,638,997	61,848	87,750	1,788,595
Committed	6,046,273	31,486,958	-	37,533,231
Assigned	-	14,891,033	-	14,891,033
Unassigned	34,075,287	-	-	34,075,287
Total fund balances	$ 41,809,724	$ 47,134,802	$ 787,750	$ 89,732,276
Total liabilities, deferred inflows of resources and fund balances	$ 68,070,491	$ 47,279,161	$ 787,750	$ 116,137,402

Detailed explanation of adjustments from fund statements to government-wide statement of net position:

Total fund balances, balance sheet, governmental funds	$ 89,732,276
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	84,243,658
Other long-term assets are not available to pay for current period expenditures, and therefore, are deferred in the funds.	1,137,898
Some of the County's property, other taxes and revenues will be collected after year-end, but are not available soon enough to pay for the current year's expenditures and, therefore, are reported as deferred revenue in the funds.	3,109,635
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	6,158,692
Deferred inflows of resources are not due and payable in the current-period and, therefore, are not reported in the funds.	(5,545,178)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(780,552)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(90,280,319)
Net position of governmental activities	$ 87,776,110

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

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

	Governmental Funds			
	General	Capital Projects	Permanent Fund	Total Governmental Funds
Revenues:				
General property taxes	$ 32,782,125	$ -	$ -	$ 32,782,125
Other local taxes	12,757,615	-	-	12,757,615
Permits, privilege fees and regulatory licenses	1,445,937	11,852,017	-	13,297,954
Fines and forfeitures	256,366	-	-	256,366
Revenue from use of money and property	(255,504)	(437,839)	(96,860)	(790,203)
Charges for services	647,909	-	-	647,909
Miscellaneous	231,607	62,558	-	294,165
Intergovernmental:				
Commonwealth	7,228,618	265,103	-	7,493,721
Federal	2,570,329	859,135	-	3,429,464
Total revenues	$ 57,665,002	$ 12,600,974	$ (96,860)	$ 70,169,116
Expenditures:				
Current:				
General government administration	$ 4,103,577	$ 521,120	$ -	$ 4,624,697
Judicial administration	1,418,351	715,846	-	2,134,197
Public safety	15,674,502	-	-	15,674,502
Public works	3,388,763	1,247,362	-	4,636,125
Health and welfare	5,337,414	-	-	5,337,414
Education	17,193,400	792,455	-	17,985,855
Parks, recreation, and cultural	1,488,527	4,515	-	1,493,042
Community development	2,445,346	-	-	2,445,346
Debt service:				
Principal retirement	4,399,226	135,081	-	4,534,307
Interest and other fiscal charges	3,091,639	8,169	-	3,099,808
Bond issuance costs	-	-	-	-
Total expenditures	$ 58,540,745	$ 3,424,548	$ -	$ 61,965,293
Excess (deficiency) of revenues over (under) expenditures	$ (875,743)	$ 9,176,426	$ (96,860)	$ 8,203,823
Other financing sources (uses):				
Transfers in	$ 6,895,039	$ -	$ -	$ 6,895,039
Transfers out	-	(6,980,077)	-	(6,980,077)
Lease proceeds	10,005	-	-	10,005
Total other financing sources (uses)	$ 6,905,044	$ (6,980,077)	$ -	$ (75,033)
Net changes in fund balances	$ 6,029,301	$ 2,196,349	$ (96,860)	$ 8,128,790
Fund balances at beginning of year	35,780,423	44,938,453	884,610	81,603,486
Fund balances at end of year	$ 41,809,724	$ 47,134,802	$ 787,750	$ 89,732,276

The accompanying notes to 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
Year Ended June 30, 2022

			Primary Government Governmental Funds
Amounts reported for governmental activities in the statement of activities are different because:			
Net changes in fund balances - total governmental funds			$ 8,128,790
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period. The following details support this adjustment:			
Capital outlay	$	2,397,464	
Depreciation expense		(3,353,919)	(956,455)
Transfer of joint tenancy assets from Primary Government to the Component Unit School Board			(1,983,741)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Property taxes		982,519	
Other		345,781	1,328,300
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. A summary of items supporting this adjustment is as follows:			
Proceeds from issuance of leases	$	(10,005)	
Amortization of bond premium		237,511	
Amortization of deferred amount on refunding		(227,485)	
Principal retired on general obligation and lease revenue bonds		3,971,173	
Principal retired on leases		157,567	
Principal retired on equipment financing notes		405,567	4,534,328
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. The following is a summary of items supporting this adjustment:			
Change in compensated absences	$	(136,103)	
Pension expense		659,452	
OPEB expense		32,083	
Change in accrued interest payable		320,257	875,689
Change in net position of governmental activities			$ 11,926,911

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

Statement of Net Position - Proprietary Fund
At June 30, 2022

		Enterprise Fund Water and Sewer Fund
ASSETS		
Current Assets		
Cash and cash equivalents	$	8,910,549
Receivables (net of allowance for uncollectibles):		
Accounts receivable		1,183,943
Leases receivable		11,884
Total Current Assets	$	10,106,376
Noncurrent Assets		
Capital assets:		
Land	$	2,262,354
Infrastructure		60,086,417
Equipment		1,098,216
Lease equipment		327,047
Construction in progress		11,531
Accumulated depreciation		(27,031,691)
Total Capital Assets	$	36,753,874
Net pension asset	$	42,493
Leases receivable		18,928
Total Noncurrent Assets	$	36,815,295
Total Assets	$	46,921,671
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related items	$	124,767
OPEB related items		13,093
Deferred charge on refunding		1,234,764
Total deferred outflows of resources	$	1,372,624
LIABILITIES		
Current Liabilities		
Accounts payable	$	146,575
Customer deposits		476,808
Unearned revenue		883,271
Accrued interest payable		138,964
Long-term obligations - current portion		998,233
Total Current Liabilities	$	2,643,851
Noncurrent Liabilities		
Long-term obligations - noncurrent portion		22,517,346
Total Liabilities	$	25,161,197
DEFERRED INFLOWS OF RESOURCES		
Pension related items	$	260,831
Leases related		30,670
OPEB related items		16,370
Total deferred inflows of resources	$	307,871
NET POSITION		
Net Investment in capital assets	$	14,602,194
Restricted - net pension asset		42,493
Unrestricted assets		8,180,540
Total Net Position	$	22,825,227

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

Statement of Revenues, Expenses and Change in Net Position -
Proprietary Fund
Year Ended June 30, 2022

		Enterprise Fund Water and Sewer Fund
Operating revenues:		
Water revenues	$	1,569,727
Sewer revenues		2,091,777
Availability fees		1,127,052
Debt fees		3,200,529
Other revenues		308,601
Total operating revenues	$	8,297,686
Operating expenses:		
Personnel services	$	1,254,458
Fringe benefits		433,129
Contractual services		1,318,541
Depreciation		1,589,093
Other operating expenses		1,557,188
Total operating expenses	$	6,152,409
Net income (loss) from operations	$	2,145,277
Nonoperating revenues (expenses):		
Federal grant funds	$	143,661
Utility relief program		(143,661)
Interest expense		(677,691)
Total nonoperating revenues (expenses)	$	(677,691)
Net income (loss) before capital contributions	$	1,467,586
Capital contributions and transfers:		
Capital contributions - developer		611,281
Transfers - County of King George, Virginia (net)	$	85,038
Total capital contributions and transfers	$	696,319
Change in net position	$	2,163,905
Net position, beginning of year		20,661,322
Net position, end of year	$	22,825,227

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

Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2022

		Enterprise Fund Water and Sewer Fund
Cash flows from operating activities:		
Receipts from customers and users	$	8,621,482
Payments to employees (including fringe benefits)		(1,721,432)
Payments for operating activities		(2,857,650)
Net cash provided by operating activities	$	4,042,400
Cash flows from noncapital financing activities:		
Transfers	$	85,038
Net cash provided by noncapital financing activities	$	85,038
Cash flows from capital and related financing activities:		
Construction and acquisition of capital assets	$	(16,928)
Retirement of indebtedness		(939,172)
Interest expense		(611,069)
Net cash provided by (used for) capital and related financing activities	$	(1,567,169)
Net increase (decrease) in cash and cash equivalents	$	2,560,269
Cash and cash equivalents at beginning of year		6,350,280
Cash and cash equivalents at end of year	$	8,910,549
Reconciliation of operating income to net cash provided by (used for) operating activities:		
Cash flows from operations:		
Income (loss) from operations	$	2,145,277
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,589,093
Changes in operating activities:		
(Increase) decrease in accounts receivable		112,035
(Increase) decrease in leases receivable		11,846
(Increase) decrease in net pension asset		42,493
(Increase) decrease in deferred outflows - pension related items		68,492
(Increase) decrease in deferred outflows - OPEB related items		2,716
Increase (decrease) in accounts payable		18,079
Increase (decrease) in unearned revenue		130,844
Increase (decrease) in customer deposits		81,059
Increase (decrease) in net pension liability		(384,602)
Increase (decrease) in net OPEB liability		(19,725)
Increase (decrease) in deferred inflows - lease related		(11,988)
Increase (decrease) in deferred inflows - pension related items		254,271
Increase (decrease) in deferred inflows - OPEB related items		14,505
Increase (decrease) in compensated absences		(11,995)
Net cash provided by operating activities	$	4,042,400
Noncash investing and financing activities:		
Noncash capital contributions	$	611,281

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

Note 1–Summary of Significant Accounting Policies:

The County of King George, Virginia is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include sheriff and volunteer fire protection, sanitation services, recreational activities, cultural events, education and social services.

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

Financial Statement Presentation

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; however, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

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

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

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

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

A. Financial Reporting Entity:

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for 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 King George, Virginia (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 combined financial statements to emphasize it is both legally and substantively separate from the government.

B. Individual Component Unit Disclosures:

Blended Component Units - The King George County Service Authority is reported as a blended component unit of the County of King George, Virginia. The Authority is governed by a board comprised of the government's elected supervisors. There is a financial burden/benefit relationship between the Authority and the County. The Authority is reported as an Enterprise Fund.

Complete financial statements of the Authority can be obtained from the administrative offices located at 10459 Courthouse Drive, King George, Virginia 22845.

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

B. Individual Component Unit Disclosures: (Continued)

Discretely Presented Component Units

School Board

The School Board members are elected and are responsible for the operations of the County's School System. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements.

Economic Development Authority of King George

The Economic Development Authority of King George was created by the Board of Supervisors ordinance to state statute and it is legally separate from the County. The Board of Supervisors appoints seven (7) board members; however, the County cannot impose its will on the Authority since it does not have the ability to modify or approve the budget or overrule or modify the decisions of the board members. There is no financial benefit or burden relationship with the County. The Authority performs economic development services exclusively to the County as an administrative entity for the County through the authorization of industrial development revenue bonds and recruitment of potential businesses for location in the County. The Authority does not provide specific benefits for other governments or others that are not part of the reporting entity. Accordingly, the Authority is reported as a discretely presented component unit of the County because of the nature and significance of its relationship with the Primary Government.

A copy of the Authority's financial statements may be obtained from the County of King George, Virginia Department of Finance, 10459 Courthouse Drive Suite 201, King George, Virginia 22485.

Other Related Organizations

Included in the County's Comprehensive Annual Financial Report

None

C. 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.

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

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

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 and proprietary 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. Major sources of revenue susceptible to accrual include but are not limited to state and local sales tax, PPTRA, and other local taxes. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. 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.

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.

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

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

1. Governmental Funds

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

   a. General Fund

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

   b. Capital Projects Fund

      The Capital Projects Fund accounts for and reports financial resources that are restricted or 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.

   c. Permanent Fund

      The Permanent Fund accounts for and reports resources that are restricted such that only earnings may be used for purposes that support the reporting government's programs (i.e., for the benefit of the government or its citizens). The Permanent Fund accounts for operations of the Smoot Library Endowment Fund.

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

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

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

Enterprise Funds

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major enterprise fund:

Water and Sewer Fund - This fund is used to account for water and sewer services of the King George County Service Authority.

D. Budgets and Budgetary Accounting:

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

1. Prior to March 30, the County Administrator submits to the Board of Supervisors a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.

4. The Appropriations Resolution places legal restrictions on expenditures at the department level. The appropriation for each department or category can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however the School Board is authorized to transfer budgeted amounts within the school system's categories.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, School Operating Fund, and the Capital Projects Fund.

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

D. Budgets and Budgetary Accounting: (Continued)

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 year and at year-end.

8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

E. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit that portion of the applicable appropriations, is utilized as part of the County's accounting system. Encumbrances totaled $1,171,886 in the General Fund at June 30, 2022.

F. Cash and Cash Equivalents:

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

G. Investments:

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

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 portion of interfund loans). All other outstanding balances between funds are reported as “advances to/from other funds.”

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

H. Receivables and Payables: (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $731,532 at June 30, 2022 and is comprised of the following:

Property taxes	$ 526,231
Water & sewer accounts	205,301
Total	$ 731,532

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on June 20th and December 5th. The County bills and collects its own property taxes.

I. Capital Assets:

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the County and School Board as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. For infrastructure asset the same estimated minimum useful life is used (in excess of two years).

As the County and School Board constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets (lease assets), the measurement of which is discussed in more detail below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increases its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant equipment, lease assets, and infrastructure of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Lease buildings and imrpovements	5
Building improvements	20-40
Vehicles	5
Office and computer equipment	5
Lease equipment	3-5
Buses	12

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

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a report 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 items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Another item is comprised of certain items related to pension and OPEB. For more detailed information on these items, reference the related notes.

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

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 receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement.

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

K. Compensated Absences: (Continued)

Upon retirement, County employees are reimbursed for accumulated vacation days and accumulated sick leave. A liability for these amounts is reported in governmental funds if they have matured, for example, as a result of employee resignations and retirements.

For County Governmental Funds, the cost of accumulated vacation and sick leave expected to be paid in the next 12 months is recorded as a fund liability and amounts expected to be paid after 12 months are recorded in the entity-wide statements. For County Proprietary Funds, the cost of vacation and sick leave is recorded as a liability when earned.

L. Pensions:

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

M. Long-term Obligations:

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

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

N. Retirement Plan:

Retirement plan contributions are actuarially determined and consist of current services costs and amortization of prior service cost over a 30-year period. The County's policy is to fund pension costs as it accrues.

O. 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)

P. Prepaid Connection Fees:

Prepaid connection fees are non-refundable deposits received in advance for water and/or sewer connection fees. The amounts are recorded as revenue when the connection is made.

Q. Net Position

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/ 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.

R. Component Unit-School Board Capital Asset and Debt Presentation

By law, the School Board does not have taxing authority and, therefore, it cannot incur debt through general obligation bonds to fund the acquisition, construction or improvement of its capital assets. That responsibility lies with the County who issues the debt on behalf of the School Board. However, the Code of Virginia requires the School Board to hold title to the capital assets (buildings and equipment) due to their responsibility for maintaining the asset.

In the Statement of Net Position, this scenario presents a unique situation for the County. Debt issued on behalf of the School Board is reported as a liability of the primary government, thereby reducing the net position of the County. The corresponding capital assets are reported as assets of the Component Unit-School Board (title holder), thereby increasing its net position.

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

R. Component Unit-School Board Capital Asset and Debt Presentation: (Continued)

The Virginia General Assembly amended the Code of Virginia to allow a tenancy in common with the School Board whenever the locality incurs a financial obligation which is payable over more than one fiscal year for any school property. The tenancy in common terminates when the associated debt has been paid in full. For financial reporting purposes, the legislation permits the locality to report the portion of the school property related to any outstanding financial obligation, thus eliminating a potential deficit from financing capital assets with debt.

S. Fund Equity

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

- Nonspendable fund balance – amounts that either are not in spendable form (such as inventory and prepaids) or are legally or contractually required to be maintained intact (corpus of a permanent fund);

- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

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

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

S. Fund Equity: (Continued)

The Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is a designation or commitment of the fund (such as for special incentives), this category also includes contractual obligations. As authorized in the County's fund balance policy, assigned fund balance is established by the Board of Supervisors or Finance Director as amounts intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

The County has as policy to maintain an unassigned fund balance in the General Fund equal to 15% of the total operating budget of the County.

The details of governmental fund balances, as presented on Exhibit 3, are as follows:

	General Fund	Capital Projects	Permanent Fund	Total
Fund Balances:				
Nonspendable:				
Permanent fund corpus	$ -	$ -	$ 700,000	$ 700,000
Leases	4,361	-	-	4,361
Prepaids	44,806	694,963	-	739,769
Total Nonspendable	$ 49,167	$ 694,963	$ 700,000	$ 1,444,130
Restricted:				
Debt service	$ 1,149,880	$ -	$ -	$ 1,149,880
Natatorium	-	61,848	-	61,848
Opioid settlement	12,443	-	-	12,443
Library	51,422	-	87,750	139,172
Grants and donations	425,252	-	-	425,252
Total Restricted	$ 1,638,997	$ 61,848	$ 87,750	$ 1,788,595
Committed:				
Education	$ 731,441	$ -	$ -	$ 731,441
Stabilization funds	3,249,824	-	-	3,249,824
Subsequent year expenditures	440,445	-	-	440,445
Capital projects	-	31,486,958	-	31,486,958
Tourism	713,466	-	-	713,466
Recreation	448,591	-	-	448,591
Debt mitigation	380,000	-	-	380,000
Other purposes	82,506	-	-	82,506
Total Committed	$ 6,046,273	$ 31,486,958	$ -	$ 37,533,231
Assigned:				
Turf resurfacing	$ -	$ 400,000	$ -	$ 400,000
Capital projects	-	14,491,033	-	14,491,033
Total Assigned	$ -	$ 14,891,033	$ -	$ 14,891,033
Unassigned	$ 34,075,287	$ -	$ -	$ 34,075,287
Total Fund Balances	$ 41,809,724	$ 47,134,802	$ 787,750	$ 89,732,276

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

S. Fund Equity: (Continued)

The County maintains a Revenue Stabilization Fund that is designed to provide funding for unplanned cash-flow fluctuations or financial emergencies. In the event of an unplanned cash-flow fluctuation (i.e. revenue shortfall, expenditure increase) or financial emergency, the County intends to utilize the Revenue Stabilization Fund as the primary source of funding from reserves versus the unassigned fund balance.

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

U. Leases

The County and School Board lease 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 and School Board recognize lease liabilities and intangible right-to-use lease assets (lease assets) 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)

U. 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 and School Board use the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the County and School Board use their 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 and School Board monitor changes in circumstances that would require a remeasurement or modification of its leases. The County and School Board 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.

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

V. Adoption of Accounting Principles

The County implemented provisions of Governmental Accounting Standards Board Statement Nos. 87, *Leases* and 92, *Omnibus 2020* during the fiscal 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 of resources or outflows of resources based on the payment provisions of the contract. Statement No. 92, *Omnibus 2020* addresses a variety of topics, including leases. No restatement of beginning net position was required as a result of this implementation. Using the facts and circumstances that existed at the beginning of the year of implementation, the following balances were recognized as of July 1, 2021 related to the leases:

	Governmental Activities	General Fund	Component Unit School Board
Lessee activity:			
Lease assets	$ 589,913	$ -	$ 172,896
Lease liabilities	$ 589,913	$ -	$ 172,896
Lessor activity:			
Leases receivable	$ 227,308	$ 227,308	$ -
Deferred inflows of resources - leases	$ 227,308	$ 227,308	$ -

	Business-type Activities	Water and Sewer Fund
Lessee activity:		
Lease assets	$ 327,047	$ 327,047
Lease liabilities	$ 327,047	$ 327,047
Lessor activity:		
Leases receivable	$ 42,658	$ 42,658
Deferred inflows of resources - leases	$ 42,658	$ 42,658

Note 2–Deposits and Investments:

Deposits

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

Investments

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

Credit Risk of Debt Securities

The County does not have a policy related to credit risk of debt securities.

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

County's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings				
	AAAm	AAA	AA+	AA	AA-
U.S. Agencies	$ -	$ -	$ 5,122,473	$ -	$ -
Local Government Investment Pool	6,296,025	-	-	-	-
State Non-Arbitrage Pool	21,925,018	-	-	-	-
Municipal Bonds	-	116,683	-	-	-
Supranational Bonds	-	2,041,490	-	-	-
Corporate Notes	-	239,105	334,299	290,521	137,813
Total	$ 28,221,043	$ 2,397,278	$ 5,456,772	$ 290,521	$ 137,813

Note 2–Deposits and Investments: (Continued)

Interest Rate Risk

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

Investment Maturities (in years)				
Investment Type	Fair Value	Less Than 1 Year	1-5 Years	5-9 Years
Corporate Notes	$ 1,001,738	$ 420,221	$ 581,517	$ -
U.S. Agencies	5,122,473	1,541,876	3,488,745	91,852
Supranational Bonds	2,041,490	603,952	1,437,538	-
Municipal Bonds	116,683	-	116,683	-
U.S. Treasuries	11,794,688	701,125	11,093,563	-
Total	$ 20,077,072	$ 3,267,174	$ 16,718,046	$ 91,852

External Investment Pools

The fair 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 and SNAP are not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury. LGIP and SNAP are amortized cost basis portfolios. There are no withdrawal limitations or restrictions imposed on participants.

Note 3–Fair Value Measurements:

Fair value 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The County maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date

- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices

- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or liability

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

Note 3–Fair Value Measurements: (Continued)

The County has the following recurring fair value measurements as of June 30, 2022:

Investment		June 30, 2022		Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Corporate Notes	$	1,001,738	$	1,001,738
U.S. Agencies		5,122,473		5,122,473
Municipal Bonds		116,683		116,683
Supranational Bonds		2,041,490		2,041,490
U.S. Treasuries		11,794,688		11,794,688
Total	$	20,077,072	$	20,077,072

Note 4–Due From Other Governments:

At June 30, 2022, the County and School Board had receivables from other governments as follows:

		Primary Government		Discretely Presented Component Unit School Board
Commonwealth of Virginia:				
State sales taxes	$	-	$	1,071,540
PPTRA		1,088,066		-
Local sales taxes		641,468		-
Communications tax		44,230		-
Public assistance		58,229		-
Shared expenses		161,868		-
VDEM		346,351		-
CSA		303,247		-
Other		33,329		-
Federal Government:				
School funds		-		1,081,883
FEMA		736,816		-
Public assistance		108,614		-
Totals	$	3,522,218	$	2,153,423

Note 5–Due To/From Primary Government/Component Units:

Fund	Due to Component Unit	Due From Primary Government
General	$ 1,267,692	$ -
School Board	-	1,267,692
Totals	$ 1,267,692	$ 1,267,692

The purpose of the interfund obligations is to report the balance of local appropriations unspent at year-end due back to the respective funds.

Note 6–Interfund Transfers:

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

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 6,895,039	$ -
Service Authority	85,038	-
Capital Improvements Fund	-	6,980,077
Total	$ 6,980,077	$ 6,980,077

The transfers from the capital projects fund to the general fund are to fund debt service payments. Transfers from the capital projects fund and general fund to the Service Authority are to fund various Service Authority expenses.

Note 7–Capital Assets:

The following is a summary of capital asset activity for the year ended June 30, 2022:

Primary Government:

	Beginning Balance July 1, 2021	GASB 87 Implementation	Additions	Deletions	Ending Balance June 30, 2022
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 6,050,806	$ -	$ -	$ -	$ 6,050,806
Construction in progress	1,839,119	-	1,963,208	-	3,802,327
Total capital assets not being depreciated	$ 7,889,925	$ -	$ 1,963,208	$ -	$ 9,853,133
Capital assets being depreciated:					
Buildings and improvements	$ 40,792,924	$ -	$ -	$ -	$ 40,792,924
Lease buildings and improvements	-	396,636	-	-	396,636
Lease equipment	-	193,277	10,005	-	203,282
Equipment	15,231,596	-	424,251	-	15,655,847
Jointly owned assets	54,186,094	-	-	2,916,173	51,269,921
Total capital assets being depreciated	$ 110,210,614	$ 589,913	$ 434,256	$ 2,916,173	$ 108,318,610
Accumulated depreciation:					
Buildings and improvements	$ 12,141,207	$ -	$ 1,005,535	$ -	$ 13,146,742
Lease buildings and improvements	-	-	98,617	-	98,617
Lease equipment	-	-	60,160	-	60,160
Equipment	11,639,356	-	907,859	-	12,547,215
Jointly owned assets	7,726,035	-	1,281,748	932,432	8,075,351
Total accumulated depreciation	$ 31,506,598	$ -	$ 3,353,919	$ 932,432	$ 33,928,085
Total capital assets being depreciated, net	$ 78,704,016	$ 589,913	$ (2,919,663)	$ 1,983,741	$ 74,390,525
Governmental activities capital assets, net	$ 86,593,941	$ 589,913	$ (956,455)	$ 1,983,741	$ 84,243,658

Note 7–Capital Assets: (Continued)

Primary Government: (Continued)

	Beginning Balance July 1, 2021	GASB 87 Implementation	Additions	Deletions	Ending Balance June 30, 2022
Business-type activities-KGSA:					
Capital assets not being depreciated:					
Land	$ 2,262,354	$ -	$ -	$ -	$ 2,262,354
Construction in progress	-	-	11,531	-	11,531
Total capital assets not being depreciated	$ 2,262,354	$ -	$ 11,531	$ -	$ 2,273,885
Capital assets being depreciated:					
Infrastructure	$ 59,475,136	$ -	$ 611,281	$ -	$ 60,086,417
Lease equipment	-	327,047	-	-	327,047
Equipment	1,092,819	-	5,397	-	1,098,216
Total capital assets being depreciated	$ 60,567,955	$ 327,047	$ 616,678	$ -	$ 61,511,680
Accumulated depreciation:					
Infrastructure	$ 24,520,016	$ -	$ 1,489,976	$ -	$ 26,009,992
Lease equipment	-	-	73,387	-	73,387
Equipment	922,582	-	25,730	-	948,312
Total accumulated depreciation	$ 25,442,598	$ -	$ 1,589,093	$ -	$ 27,031,691
Total capital assets being depreciated, net	$ 35,125,357	$ 327,047	$ (972,415)	$ -	$ 34,479,989
Business-type activities capital assets, net	$ 37,387,711	$ 327,047	$ (960,884)	$ -	$ 36,753,874

Note 7–Capital Assets: (Continued)

Discretely Presented Component Unit–School Board:

	Beginning Balance July 1, 2021	GASB 87 Implementation	Additions	Deletions	Ending Balance June 30, 2022
Capital assets not being depreciated:					
Land	$ 173,134	$ -	$ -	$ -	$ 173,134
Construction in progress	4,694	-	790,955	795,649	-
Total capital assets not being depreciated	$ 177,828	$ -	$ 790,955	$ 795,649	$ 173,134
Capital assets, being depreciated:					
Buildings and improvements	$ 30,772,448	$ -	$ 795,649	$ -	$ 31,568,097
Lease equipment	-	172,896	-	-	172,896
Equipment	9,869,830	-	49,822	-	9,919,652
Jointly owned assets	35,146,696	-	2,916,173	-	38,062,869
Total capital assets being depreciated	$ 75,788,974	$ 172,896	$ 3,761,644	$ -	$ 79,723,514
Accumulated depreciation:					
Buildings and improvements	$ 22,879,732	$ -	$ 1,687,949	$ -	$ 24,567,681
Lease equipment	-	-	57,114	-	57,114
Equipment	6,524,196	-	542,141	-	7,066,337
Jointly owned assets	9,840,762	-	932,432	-	10,773,194
Total accumulated depreciation	$ 39,244,690	$ -	$ 3,219,636	$ -	$ 42,464,326
Total capital assets being depreciated, net	$ 36,544,284	$ 172,896	$ 542,008	$ -	$ 37,259,188
School Board capital assets, net	$ 36,722,112	$ 172,896	$ 1,332,963	$ 795,649	$ 37,432,322

Note 7–Capital Assets: (Continued)

Depreciation expense was charged to functions/programs of the primary government and component unit as follows:

Governmental activities:		
General government	$	197,167
Judicial administration		45,956
Public safety		1,251,322
Public works		167,963
Health and Welfare		76,377
Education		1,281,748
Parks, recreation and cultural		304,852
Community development		28,534
Total	$	3,353,919
Component Unit-School Board	$	2,287,204 (1)
King George Service Authority	$	1,589,093
(1) Depreciation expense	$	2,287,204
Accumulated depreciation on Joint tenancy asset transfer		932,432
Total increase in accumulated depreciation, page 53	$	3,219,636

Note 8–Restricted Assets:

Restricted assets at June 30, 2022 consist of the following:

	Governmental Activities	Component Unit School Board
Smoot library	$ 787,750	$ -
Natatorium donation	61,848	-
School activity fund restricted items	-	15,765
Cash reserves for debt service	1,149,880	-
Total	$ 1,999,478	$ 15,765

Note 9–Other Assets:

Notes Receivable:

$500,000 note dated September 20, 2005 payable in annual principal installments of $16,667, interest at 0%	$	233,329
$1,000,000 note receivable from the EDA of King George County upon sale of property in the Industrial Park, interest at 0%		1,000,000
Total notes receivable	$	1,233,329

Note 10–Long-Term Obligations:

Governmental Activities:

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

	Balance July 1, 2021	GASB 87 Implementation	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities						
General Obligation Bonds	$ 20,115,000	$ -	$ -	$ 315,000	$ 19,800,000	$ 580,000
Direct borrowings and direct Placements:						
General Obligation Bonds	7,256,094	-	-	1,181,173	6,074,921	1,547,431
Revenue Bonds	57,845,000	-	-	2,475,000	55,370,000	2,240,000
Premium on bonds	3,765,895	-	-	237,511	3,528,384	237,511
Other Liabilities:						
Equipment Financing Notes	3,504,672	-	-	405,567	3,099,105	368,105
Lease liabilities	-	589,913	10,005	157,567	442,351	158,705
Compensated Absences	1,162,441	-	252,347	116,244	1,298,544	129,854
Net OPEB liability	928,837	-	232,552	494,375	667,014	-
Net Pension Liability	4,677,388	-	6,265,274	10,942,662	-	-
Total	$ 99,255,327	$ 589,913	$ 6,760,178	$ 16,325,099	$ 90,280,319	$ 5,261,606

The general fund revenues are used to liquidate compensated absences, pension liabilities and OPEB liabilities.

Note 10–Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

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

	Governmental Activities							
	Direct Borrowings and Direct Placements							
Year Ending June 30,	General Obligation and Revenue Bonds		General Obligation		Lease Liabilities		Equipment Financing Notes	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 3,787,431	$ 1,890,074	$ 580,000	$ 655,588	$ 158,705	$ 1,632	$ 368,105	$ 60,485
2024	3,913,354	1,740,787	615,000	626,588	135,938	1,007	242,000	51,678
2025	4,005,681	1,601,024	660,000	595,838	101,769	479	256,000	46,748
2026	4,103,623	1,465,810	700,000	562,838	45,939	77	271,000	41,531
2027	3,833,672	1,344,783	1,025,000	527,838	-	-	286,000	36,016
2028	3,931,160	1,227,390	1,070,000	476,588	-	-	301,000	30,205
2029	3,650,000	1,114,468	1,405,000	455,188	-	-	318,000	24,077
2030	3,720,000	1,007,067	1,435,000	423,575	-	-	335,000	17,612
2031	3,810,000	795,882	1,475,000	380,525	-	-	352,000	10,811
2032	3,855,000	588,812	1,515,000	336,275	-	-	370,000	3,662
2033	3,745,000	487,908	1,565,000	290,825	-	-	-	-
2034	3,835,000	390,659	1,605,000	243,875	-	-	-	-
2035	1,920,000	320,152	1,660,000	195,725	-	-	-	-
2036	1,110,000	285,332	1,700,000	145,925	-	-	-	-
2037	1,130,000	262,932	1,380,000	90,675	-	-	-	-
2038	1,145,000	239,466	1,410,000	45,820	-	-	-	-
2039	1,165,000	214,922	-	-	-	-	-	-
2040	1,185,000	189,213	-	-	-	-	-	-
2041	1,210,000	162,269	-	-	-	-	-	-
2042	1,230,000	134,819	-	-	-	-	-	-
2043	1,255,000	106,863	-	-	-	-	-	-
2044	1,275,000	77,603	-	-	-	-	-	-
2045	1,300,000	47,025	-	-	-	-	-	-
2046	1,330,000	15,781	-	-	-	-	-	-
Total	$ 61,444,921	$ 15,711,041	$ 19,800,000	$ 6,053,686	$ 442,351	$ 3,195	$ 3,099,105	$ 322,825

Note 10–Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

Details of Long-Term Obligations are as follows:

	Amount Outstanding	Due Within One Year
Revenue Bonds:		
(1) $11,600,000 Public Facility Lease Revenue Refunding Bonds Series 2020B, payable in various annual installments through October 15, 2033, interest payable semiannually at rates ranging from 2.00% to 3.00%.	$ 11,455,000	$ 150,000
(1) $21,465,000 Public Facility Lease Revenue Bonds Series 2020A, payable in various annual installments through October 15, 2045, interest payable semiannually at rates ranging from 2.00% to 5.00%.	21,385,000	335,000
(1) $28,645,000 VRA Lease Revenue Bonds Series 2012 payable in various installments beginning October 1, 2012 through October 1, 2034, interest payable semiannually at rates ranging from 2.125% to 5.125%	1,170,000	1,170,000
(1) $15,605,000 VRA Lease Revenue Bonds Series 2014C payable in various installments beginning October 1, 2015 through October 1, 2033, interest payable semiannually at rates ranging from 3.299% to 5.000%	2,815,000	900,000
(1) $19,060,000 VRA Lease Revenue Bonds Series 2019 payable in various installments beginning October 1, 2020 through October 1, 2034, interest payable semiannually at rates ranging from 1.952% to 3.097%	18,545,000	265,000
Total Revenue Bonds	$ 55,370,000	$ 2,820,000
General Obligation Bonds:		
(1) $5,000,000, VPSA School Bonds, Series 2011 issued December 15, 2011 due in various annual installments through December 1, 2030, interest payable semiannually at 4.25%	$ 2,500,000	$ 275,000
(1) $6,411,957 VPSA Subsidy Bonds, payable in various installments through July 15, 2025, interest payable semiannually at rates ranging from 4.6% to 5.1%.	1,451,869	353,930
(1) $6,364,713 VPSA Subsidy Bonds, payable in various installments through July 15, 2027, interest payable semiannually at rates ranging from 4.1% to 5.1%	2,123,052	338,501
$20,840,000 General Obligation Bonds, payable in various installments through February 1, 2038, interest payable semiannually at rates ranging from 2.0% to 5.0%	19,800,000	580,000
Total General Obligation Bonds	$ 25,874,921	$ 1,547,431
Total Lease Revenue and General Obligation Bonds	$ 81,244,921	$ 4,367,431

(1) Direct borrowings and direct placements

Note 10–Long-Term Obligations: (Continued)

Governmental Activities: (Continued)

Details of Long-Term Obligations: (Continued)

	Amount Outstanding	Due Within One Year
Equipment Financing Notes:		
$3,896,000 obligation due in various annual installments through September 1, 2031, interest payable annually at 1.98%, secured by energy performance improvements	$ 2,960,000	$ 229,000
$656,431 obligation due in various annual installments through November 1, 2022, interest payable annually at 2.979%, secured by communications equipment.	139,105	139,105
Total Equipment Financing Notes	$ 3,099,105	$ 368,105
Lease Liabilities:		
Various leases secured by buildings and equipment payable through 2026 at discount rates ranging from .218% to .577%.	$ 442,351	$ 158,705
Other Liabilities:		
Compensated Absences	$ 1,298,544	$ 129,854
Premium on bonds	$ 3,528,384	$ 237,511
Net OPEB Liability	$ 667,014	$ -
Total long-term obligations	$ 90,280,319	$ 5,261,606

Note 10–Long-Term Obligations: (Continued)

King George County Service Authority:

The following is a summary of changes in long-term obligation of the King George County Service Authority for the year ended June 30, 2022:

Proprietary Funds	Balance July 1, 2021	GASB 87 Implementation	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2022	Due Within One Year
Direct Borrowings and Direct Placements:						
Note Payable	$ 249,996	$ -	$ -	$ 16,667	$ 233,329	$ 16,667
VRA Water and Sewer Revenue Bonds	2,861,092	-	-	204,697	2,656,395	206,853
VRA Infrastructure Revenue Bonds	1,070,000	-	-	260,000	810,000	265,000
Public Facility Lease Revenue Refunding Bonds	2,690,000	-	-	35,000	2,655,000	40,000
Water and Sewer Refunding Bonds	16,740,000	-	-	350,000	16,390,000	365,000
Line of Credit Revenue Note	99,450	-	-	-	99,450	-
Premium on bonds	312,034	-	-	24,003	288,031	24,003
Lease liabilities	-	327,047	-	72,808	254,239	72,069
Other Liabilities:						
Compensated absences	98,404	-	2,766	14,761	86,409	8,641
Net OPEB liability	62,451	-	14,719	34,444	42,726	-
Net pension liability	299,616	-	229,476	529,092	-	-
Total	$ 24,483,043	$ 327,047	$ 246,961	$ 1,541,472	$ 23,515,579	$ 998,233

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

	Direct Borrowings and Direct Placements					
Year Ending June 30,	Line of Credit Revenue Note		Public Facility Lease Revenue Refunding Bonds		VRA Water and Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ -	$ 2,386	$ 40,000	$ 69,650	$ 206,853	$ 27,351
2024	-	2,386	40,000	68,450	209,031	25,173
2025	99,450	2,386	40,000	67,250	211,231	22,972
2026	-	-	320,000	61,850	213,455	20,749
2027	-	-	315,000	52,325	215,702	18,501
2028	-	-	315,000	42,875	217,972	16,230
2029	-	-	320,000	33,350	220,268	13,936
2030	-	-	325,000	23,675	222,587	11,617
2031	-	-	315,000	15,650	224,929	9,274
2032	-	-	315,000	9,350	227,298	6,906
2033	-	-	150,000	4,700	229,691	4,513
2034	-	-	160,000	1,600	186,721	2,095
2035	-	-	-	-	70,657	537
Total	$ 99,450	$ 7,158	$ 2,655,000	$ 450,725	$ 2,656,395	$ 179,854

Note 10–Long-Term Obligations: (Continued)

King George County Service Authority: (Continued)

Year Ending June 30,	Direct Borrowings and Direct Placements						Lease Liabilities	
	Note Payable		Water and Sewer Refunding Bonds		VRA Infrastructure Revenue Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 16,667	$ -	$ 365,000	$ 439,332	$ 265,000	$ 34,722	$ 72,069	$ 1,223
2024	16,667	-	380,000	431,153	270,000	21,013	66,694	848
2025	16,667	-	820,000	417,423	275,000	7,047	64,039	487
2026	16,667	-	1,210,000	393,269	-	-	51,437	137
2027	16,667	-	1,260,000	362,749	-	-	-	-
2028	16,667	-	1,290,000	329,970	-	-	-	-
2029	16,667	-	1,330,000	295,312	-	-	-	-
2030	16,667	-	1,375,000	258,510	-	-	-	-
2031	16,667	-	1,425,000	220,331	-	-	-	-
2032	16,667	-	1,470,000	180,836	-	-	-	-
2033	16,667	-	1,700,000	135,078	-	-	-	-
2034	16,667	-	1,735,000	84,785	-	-	-	-
2035	16,667	-	2,030,000	29,942	-	-	-	-
2036	16,658	-	-	-	-	-	-	-
Total	$ 233,329	$ -	$ 16,390,000	$ 3,578,690	$ 810,000	$ 62,782	$ 254,239	$ 2,695

Details of long-term obligations are as follows:

	Amount Outstanding	Due Within One Year
Direct Borrowings and Direct Placements:		
$500,000 note payable issued September 20, 2005 payable in annual installments of $16,677 through July 1, 2035, interest at 0%	$ 233,329	$ 16,667
$16,790,000, Water and Sewer Revenue Refunding Bond, payable in various principal annual installments through October 1, 2034, interest payable semiannually at rates ranging from 2.104% to 2.950%	16,110,000	365,000
$280,000 Virginia Resources Authority Refunding bond issued May 11, 2016 payable in one principal annual installment on October 1, 2032 interest payable semiannually at 3.839%	280,000	-
$3,980,000 VRA Revenue Bonds Series 2014C payable in various installments beginning October 1, 2015 through October 1, 2033, interest payable semiannually at rates ranging from 3.299% to 5.000%	810,000	265,000

Note 10–Long-Term Obligations: (Continued)

King George County Service Authority: (Continued)

Details of long-term obligations are as follows:

	Amount Outstanding	Due Within One Year
Up to $15,000,000, Water and Sewer System Line of Credit Revenue Note, Series 2019B payable June 25, 2025, interest payable monthly at 2.399%	$ 99,450	$ -
$2,500,000 VRA Revenue Bonds Series 2014, payable in various annual installments through December 1, 2034, interest payable semiannually at 2.46%.	1,706,115	137,699
$1,340,270 VRA Revenue Bonds Series 2014, payable in various annual installments through March 1, 2035, interest payable semiannually at 2.25%.	950,280	69,154
$2,690,000 Public Facility Lease Revenue Refunding Bonds Series 2020B, payable in various annual installments through October 15, 2033, interest payable semiannually at rates ranging from 2.00% to 3.00%.	2,655,000	40,000
Total direct borrowings and direct public placements	$ 22,844,174	$ 893,520
Various leases secured by equipment payable through 2026 at discount rates ranging from .185% to .577%.	$ 254,239	$ 72,069
Other Liabilities:		
Compensated absences	$ 86,409	$ 8,641
Premium on bonds	$ 288,031	$ 24,003
Net OPEB Liability	$ 42,726	$ -
Total long-term obligations	$ 23,515,579	$ 998,233

Component Unit School Board:

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

	Balance July 1, 2021	GASB 87 Implementation	Increases	Decreases	Balance June 30, 2022	Amounts Due Within One Year
Lease liabilities	$ -	$ 172,896	$ -	$ 58,002	$ 114,894	$ 58,162
Net OPEB liabilities	7,702,853	-	1,353,326	2,241,454	6,814,725	-
Net pension liability	42,345,825	-	8,851,418	29,795,936	21,401,307	-
Compensated absences payable	930,052	-	93,005	331,259	691,798	69,180
Total	$ 50,978,730	$ 172,896	$ 10,297,749	$ 32,426,651	$ 29,022,724	$ 127,342

Note 10–Long-Term Obligations: (Continued)

Component Unit School Board: (Continued)

Details of long-term obligations are as follows:

	Amount Outstanding	Due Within One Year
Lease Liabilities:		
Various leases secured by equipment payable through 2024 at discount rates of .315%.	$ 114,894	$ 58,162
Compensated Absences	$ 691,798	$ 69,180
Net OPEB liability	$ 6,814,725	$ -
Net Pension Liability	$ 21,401,307	$ -
Total	$ 29,022,724	$ 127,342

Details of long-term obligations are as follows:

Year Ending June 30,	Lease Liabilities Principal	Lease Liabilities Interest
2023	$ 58,162	$ 279
2024	56,732	96
Total	$ 114,894	$ 375

Note 11–Compensated Absences:

The County has accrued the liability arising from outstanding claims and judgments and compensated absences.

County employees earn vacation and sick leave at various rates. No benefits or pay is received for unused sick leave upon termination. The County had outstanding accrued vacation pay as follows:

Primary Government	$ 1,298,544
King George Service Authority	$ 86,409
Component Unit School Board	$ 691,798

Note 12–Deferred/Unavailable//Unearned Revenue:

Deferred/unavailable/unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Deferred/unavailable/unearned is comprised of the following:

	Government-wide Statements	
	Governmental Activities	**Business-type Activities**
Deferred revenue - property tax revenue:		
Deferred revenue representing uncollected property tax which has not been billed but for which an enforceable lien is in effect.	$ 12,254,668	$ -
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	185,489	-
Unearned revenue - federal grant funds not yet expended	4,125,616	-
Unearned revenue - prepaid connections	-	883,271
Total	$ 16,565,773	$ 883,271

	Balance Sheet
	Governmental Funds
Unavailable revenue - property tax revenue:	
Unavailable revenue representing uncollected property tax billings for which revenue recognition criteria has not been met. The uncollected tax billings are not available for the funding of current expenditures.	$ 15,018,522
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year.	185,489
Unavailable revenue - opioid settlement	345,781
Unearned revenue - federal grant funds not yet expended	4,125,616
Total	$ 19,675,408

Note 13–Litigation:

The County had no pending litigation at June 30, 2022.

Note 14–Pension Plan:

Plan Description

All full-time, salaried permanent employees of the County and (nonprofessional) employees of the public school divisions are automatically covered by the 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. However, several entities whose financial information is not included in the primary government report participate in the VRS plan through County of King George, Virginia and the participating entities report their proportionate information 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 and service equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equal 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 creditable service. 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 creditable service 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 creditable service 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	126	56
Inactive members:		
Vested inactive members	41	14
Non-vested inactive members	92	29
Inactive members active elsewhere in VRS	89	18
Total inactive members	222	61
Active members	235	97
Total covered employees	583	214

Note 14–Pension Plan: (Continued)

Contributions

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

The County's contractually required contribution rate for the year ended June 30, 2022 was 8.80% 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 $1,325,275 and $1,047,084 for the years ended June 30, 2022 and June 30, 2021, respectively.

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2022 was 8.40% 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 $223,347 and $211,138 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net Pension Liability (Asset)

The net pension liability (asset) (NPA) is calculated separately for each employer and represents that particular employer's total pension liability (asset) determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position.

The County's and Component Unit School Board's (nonprofessional) net pension liabilities (assets) were measured as of June 30, 2021. The total pension liabilities used to calculate the net pension liabilities (assets) were determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021.

Note 14–Pension Plan: (Continued)

Actuarial Assumptions – General Employees

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

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

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

Note 14–Pension Plan: (Continued)

Actuarial Assumptions – General Employees: (Continued)

Mortality rates: (Continued)

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

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

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

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

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

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

Note 14–Pension Plan: (Continued)

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

Mortality rates: (Continued)

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

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

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

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

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

All Others (Non 10 Largest) – Non-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

Note 14–Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

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

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

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

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

Note 14–Pension Plan: (Continued)

Discount Rate: (Continued)

with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. Through the fiscal year ended June 30, 2021, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	$ 44,562,571	$ 39,585,567	$ 4,977,004
Changes for the year:			
Service cost	$ 1,381,634	$ -	$ 1,381,634
Interest	2,942,136	-	2,942,136
Changes of assumptions	1,701,999	-	1,701,999
Differences between expected and actual experience	321,940	-	321,940
Contributions - employer	-	1,062,363	(1,062,363)
Contributions - employee	-	600,236	(600,236)
Net investment income	-	10,868,074	(10,868,074)
Benefit payments, including refunds of employee contributions	(1,950,744)	(1,950,744)	-
Administrative expenses	-	(26,598)	26,598
Other changes	-	1,029	(1,029)
Net changes	$ 4,396,965	$ 10,554,360	$ (6,157,395)
Balances at June 30, 2021	$ 48,959,536	$ 50,139,927	$ (1,180,391)

Note 14–Pension Plan: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional) Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 9,608,417	$ 8,370,851	$ 1,237,566
Changes for the year:			
Service cost	$ 251,836	$ -	$ 251,836
Interest	632,782	-	632,782
Changes of assumptions	299,448	-	299,448
Differences between expected and actual experience	(24,564)	-	(24,564)
Contributions - employer	-	208,820	(208,820)
Contributions - employee	-	127,086	(127,086)
Net investment income	-	2,275,465	(2,275,465)
Benefit payments, including refunds of employee contributions	(467,744)	(467,744)	-
Administrative expenses	-	(5,623)	5,623
Other changes	-	216	(216)
Net changes	$ 691,758	$ 2,138,220	$ (1,446,462)
Balances at June 30, 2021	$ 10,300,175	$ 10,509,071	$ (208,896)

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

The following presents the net pension liability (asset) of the County and Component Unit School Board (nonprofessional) using the discount rate of 6.75%, as well as what the County's and Component Unit School Board's (nonprofessional) net pension liability (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		
	(5.75%)	(6.75%)	(7.75%)
County Net Pension Liability (Asset)	$ 5,713,793	$ (1,180,391)	$ (6,819,163)
Component Unit School Board (nonprofessional) Net Pension Liability (Asset)	$ 994,016	$ (208,896)	$ (1,217,037)

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 County and Component Unit School Board (nonprofessional) recognized pension expense of $661,756 and $86,481, respectively. At June 30, 2022, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 460,972	$ 33,768	$ 11,598	$ 16,209
Change in assumptions	1,392,687	-	197,595	-
Changes in proportion and differences between employer contribuions and proprotionate share of contributions	90,332	90,332	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,426,363	-	1,130,245
Employer contributions subsequent to the measurement date	1,325,275	-	223,347	-
Total	$ 3,269,266	$ 5,550,463	$ 432,540	$ 1,146,454

$1,325,275 and $223,347 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	Primary Government	Component Unit School Board (nonprofessional)
2023	$ (403,003)	$ (160,074)
2024	(591,178)	(171,123)
2025	(970,963)	(263,051)
2026	(1,641,328)	(343,013)

Note 14–Pension Plan: (Continued)

Pension Plan Data

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

Component Unit School Board (professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the school division were $4,104,125 and $3,900,160 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 $21,401,307 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the school division's proportion was .27568% as compared to .28250% at June 30, 2020.

Note 14–Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

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

For the year ended June 30, 2022, the school division recognized pension expense of $653,198. 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,822,833
Change in assumptions	3,749,453	-
Changes in proportion and differences between employer contribuions and proprotionate share of contributions	482,487	946,693
Net difference between projected and actual earnings on pension plan investments	-	13,486,531
Employer contributions subsequent to the measurement date	4,104,125	-
Total	$ 8,336,065	$ 16,256,057

$4,104,125 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 year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30	
2023	$ (2,654,338)
2024	(2,581,947)
2025	(2,829,407)
2026	(3,960,290)
2027	1,865

Note 14–Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

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

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

Mortality rates:

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

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

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

Beneficiaries 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

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 is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	$ 53,381,141
Plan Fiduciary Net Position	45,617,878
Employers' Net Pension Liability (Asset)	$ 7,763,263
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.

Note 14–Pension Plan: (Continued)

Component Unit School Board (professional) (Continued)

Net Pension Liability: (Continued)

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

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

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

	Rate		
	(5.75%)	(6.75%)	(7.75%)
School division's proportinate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	$ 41,303,363	$ 21,401,307	$ 5,029,207

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/2021annual-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

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	$ 3,269,266	$ 5,550,463	$ (1,180,391)	$ 661,756	$ -	$ -	$ -	$ -
School Board Nonprofessional	-	-	-	-	432,540	1,146,454	(208,896)	86,481
School Board Professional	-	-	-	-	8,336,065	16,256,057	21,401,307	653,198
Totals	$ 3,269,266	$ 5,550,463	$ (1,180,391)	$ 661,756	$ 8,768,605	$ 17,402,511	$ 21,192,411	$ 739,679

Note 15–Risk Management:

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

The County is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

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

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

Note 16–Landfill Closure and Postclosure Care Cost:

The County maintains a contract with an independent contractor for operations of the landfills. The County collects tipping fees based upon the source of the waste. The contractor is responsible for any landfill closure and postclosure costs. At June 30, 2022 the County has set aside escrow funds in the amount of $4,209,406 to cover potential liabilities related to any landfill closure and postclosure costs which may result from the contractors ineligibility to cover such costs. After the landfill has been closed for 15 years 50% of the fund and interest earned thereon may be paid to the contractor provided there has not been a material claim against the County. All unexpended funds will be paid to the Contractor 30 years after the final closure of the facility.

Note 17–Commitments and Contingencies:

Federal programs in which the County and its component units participate were audited in accordance with the provisions of Title 2, Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards*. 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 disallowances of current grant program expenditures, if any, would be immaterial.

Note 18–Expenditures Over Appropriations:

At June 30, 2022 expenditures exceeded appropriations as follows:

Fund	Appropriations	Actual	Variance
General Fund:			
Combined courts	$ 17,633	$ 19,690	$ (2,057)
Magistrates	1,103	3,704	(2,601)
Regional jail	770,998	885,123	(114,125)
Tourism	125,626	175,066	(49,440)
Interest and fiscal charges	3,025,689	3,091,639	(65,950)

Note 19–Surety Bond:

	Amount
Fidelity and Deposit Company of Maryland - Surety	
Charles V. Mason, Clerk of the Circuit Court	$ 25,000
Randy R. Jones, Treasurer	400,000
Judy Hart, Commissioner of the Revenue	3,000
Chris Giles, Sheriff	30,000
All County Employees	250,000
Nationwide Insurance	
All school personnel handling money - blanket bond	25,000

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Plan Description: (Continued)

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

Eligible Employees

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

Benefit Amounts

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

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 Group Life Insurance 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 GLI Plan from the County were $79,147 and $67,969 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to School Professional Plan were $140,414 and $133,322 for the years ended June 30, 2022 and June 30, 2021, respectively. Contributions to the School Nonprofessional Plan were $15,585 and $14,605 for the years ended June 30, 2022 and June 30, 2021, respectively.

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2022, the County, School Board (Professional) and School Board (Nonprofessional) reported a liabilities of $709,740, $1,392,235, and $152,519, for their proportionate share of the Net GLI OPEB Liability, respectively. 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, County, School Board (Professional) and School Board (Nonprofessional)'s proportion were .06100%, .11960% and .01310% respectively, as compared to .05940%, .12197% and .01350% at June 30, 2020.

For the year ended June 30, 2022, the County, School Board (Professional) and School Board (Nonprofessional) recognized GLI OPEB expense of $44,740, $74,935, and $9,504 respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

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:

	Primary Government		School Professional		School Nonprofessional	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 80,948	$ 5,408	$ 158,789	$ 10,608	$ 17,395	$ 1,162
Net difference between projected and actual earnings on GLI OPEB program investments	-	169,400	-	332,297	-	36,403
Change in assumptions	39,128	97,108	76,754	190,488	8,408	20,868
Changes in proportionate share	50,077	-	53,439	47,123	9,176	7,901
Employer contributions subsequent to the measurement date	79,147	-	140,414	-	15,585	-
Total	$ 249,300	$ 271,916	$ 429,396	$ 580,516	$ 50,564	$ 66,334

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

$79,147, $140,414, and $15,585 reported as deferred outflows of resources related to the GLI OPEB resulting from the respective County, School Board (Professional) and School Board (Nonprofessional)'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:

Year Ended June 30	Primary Government	School Professional	School Nonprofessional
2023	$ (19,301)	$ (50,689)	$ (4,258)
2024	(13,155)	(50,814)	(5,160)
2025	(16,986)	(58,257)	(6,635)
2026	(46,427)	(106,742)	(12,133)
2027	(5,894)	(25,032)	(3,169)
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 increase and mortality rates included here are relevant for employer groups. Information for other groups can be referred 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

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates – Teachers: (Continued)

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

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

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

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Update to Pub-2010 public sector mortality tables. 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

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 is as follows (amounts expressed in thousands):

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability: (Continued)

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:

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

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

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

Note 20–Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy and at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year 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%)
Proportionate share of the GLI Plan Net OPEB Liability:			
Primary Government	$ 1,036,955	$ 709,740	$ 445,498
School Professional	2,034,107	1,392,235	873,895
School Nonprofessional	222,836	152,519	95,735

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.

Note 21–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 set out 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.

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.

Note 21–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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 Health Insurance Credit 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 $313,891 and $298,556 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 $3,581,030 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2021 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan 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 Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan 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 .27899% as compared to .28580% at June 30, 2020.

For the year ended June 30, 2022, the school division recognized VRS Teacher Employee Health Insurance Credit Plan OPEB expense of $308,573. 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.

Note 21–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 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 62,489
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	-	47,173
Change in assumptions	96,802	14,392
Change in proportionate share	126,694	110,209
Employer contributions subsequent to the measurement date	313,891	-
Total	$ 537,387	$ 234,263

$313,891 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:

Year Ended June 30	
2023	$ 12,546
2024	12,010
2025	(492)
2026	(18,493)
2027	(4,099)
Thereafter	(12,239)

Note 21–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 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

Note 21–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 Health Insurance Credit Plan is as follows (amounts expressed in thousands):

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

Note 21–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 expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%.

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

Note 21–Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

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

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

		Rate	
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan Net HIC OPEB Liability	$ 4,031,247	$ 3,581,030	$ 3,200,039

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 2020 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.

Note 22–Health Insurance – Pay-as-you-Go (OPEB Plan) – School Board:

Plan Description

In addition to the pension benefits described in Note 14, the School Board administers a single-employer defined benefit healthcare plan, The School Board Post-Retirement Medical Plan (SBPRMP). The plan is a single-employer defined benefit healthcare plan which offers health insurance for retired employees. The plan is administered by the School Board. Retired employees, who have attained the age of 50, who were employed by King George County Public Schools with at least 10 years of service are eligible for retiree medical benefits. In addition, participants must be eligible to receive immediate pension benefits from the Virginia Retirement System (VRS). The SBPRMP has no separate financial report.

Benefits Provided

The School Board establishes employer contribution rates for plan participants as part of the budgetary process each year. The School Board also determines how the plan will be funded each year, whether it will partially fund the plan or fully fund the plan. Again, this is determined annually as part of the budgetary process. Participating retirees pay 100% of the monthly premiums. Coverage ceases when retirees reach the age of 65. Surviving spouses are not allowed access to the plan.

Plan Membership

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

Active	$	596
Retirees and spouses of retirees		8
Total	$	604

Contributions

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board. The amount paid by the School for OPEB as the benefits came due during the year ended June 30, 2022 was $59,269.

Total OPEB Liability

The School Board's total OPEB liability was measured as of June 30, 2022.

Note 22–Health Insurance – Pay-as-you-Go (OPEB Plan) – School Board: (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	Dependent on years of service
Discount Rate	3.54%

Mortality Rates:

- Pre-Retirement: RP-2014 Employee Mortality Tables using Scale BB with Males set back 1 year and Females set back 1 year.
- Post-Retirement: RP-2014 Combined Healthy Mortality tables using Scale BB with Males set back 1 year and Females set back 1 year.
- Post-Disablement: RP-2014 Disabled Life mortality tables using Scale BB.

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

Discount Rate

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index. The final equivalent single discount rate used for this year's valuation is 3.54% as of the end of the fiscal year with the expectation that the School Board will continue paying the pay-go cost.

Changes in Total OPEB Liability

Changes in Net OPEB Liability - School Board

		Total OPEB Liability
Balances at June 30, 2021	$	1,524,309
Changes for the year:		
Service cost		142,823
Interest		35,373
Changes in assumptions		(148,153)
Benefit payments		(59,269)
Net changes		(29,226)
Balances at June 30, 2022	$	1,495,083

Note 22–Health Insurance – Pay-as-you-Go (OPEB Plan) – School Board: (Continued)

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

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

	Rate	
1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
$ 1,601,529	$ 1,495,083	$ 1,394,161

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

The following presents the total OPEB liability of the School Board, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.60% decreasing to an ultimate rate of 3.00%) or one percentage point higher (5.60% decreasing to an ultimate rate of 5.00%) than the current healthcare cost trend rates:

	Rates	
1% Decrease (3.60% increasing to 3.00%)	Healthcare Cost Trend (4.60% decreasing to 4.00%)	1% Increase (5.60% decreasing to 5.00%)
$ 1,311,196	$ 1,495,083	$ 1,713,226

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

For the year ended June 30, 2022, the School Board recognized OPEB expense in the amount of $84,906. At June 30, 2022, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resouces	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 205,403
Changes in assumptions	157,829	279,617
Total	$ 157,829	$ 485,020

Note 22–Health Insurance – Pay-as-you-Go (OPEB Plan) – School Board: (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 will be recognized in OPEB expense in future reporting periods as follows:

Year Ended June 30		
2023	$	(85,746)
2024		(85,746)
2025		(73,433)
2026		(24,197)
2027		(24,197)
Thereafter		(33,872)

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

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Benefit Amounts

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

HIC Plan Notes

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

Employees Covered by Benefit Terms

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

	Number
Inactive members or their beneficiaries currently receiving benefits	30
Inactive members:	
Vested inactive members	-
Non-vested inactive members	-
Inactive members active elsewhere in VRS	-
Total inactive members	-
Active members	97
Total covered employees	127

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 King George County School Boards contractually required employer contribution rate for the year ended June 30, 2022 was .64% 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 King George County School Board to the HIC Plan were $18,422 and $17,309 for the years ended June 30, 2022 and June 30, 2021, respectively.

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions: (Continued)

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

Actuarial Assumptions

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

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

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

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 Investement Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.39%

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

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

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

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

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2020	$ 189,782	$ -	$ 189,782
Changes for the year:			
Service cost	$ 3,343	$ -	$ 3,343
Interest	12,811	-	12,811
Benefit changes	-	-	-
Differences between expected and actual experience	-	-	-
Assumption changes	7,364	-	7,364
Contributions - employer	-	17,308	(17,308)
Net investment income	-	2,210	(2,210)
Benefit payments	-	-	-
Administrative expenses	-	(76)	76
Other changes	-	-	-
Net changes	$ 23,518	$ 19,442	$ 4,076
Balances at June 30, 2021	$ 213,300	$ 19,442.00	$ 193,858

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the King George County School Boards HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the King George County School Boards HIC Plan net HIC OPEB liability using the discount rate of 6.75%, as well as what the King George County School Boards 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 Nonprofessional's Net HIC OPEB Liability	$ 215,128	$ 193,858	$ 175,618

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 King George County School Board recognized HIC Plan OPEB expense of $16,234. At June 30, 2022, the King George County School Board reported deferred outflows of resources and deferred inflows of resources related to the King George County School Boards HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on HIC OPEB plan investments	$ -	$ 1,302
Change in assumptions	5,852	-
Employer contributions subsequent to the measurement date	18,422	-
Total	$ 24,274	$ 1,302

Note 23–Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

$18,422 reported as deferred outflows of resources related to the HIC OPEB resulting from the King George County School Boards 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:

Year Ended June 30		
2023	$	1,186
2024		1,186
2025		1,186
2026		992
2027		-
Thereafter		-

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2021 Annual Comprehensive Financial Report (Annual Report). A copy of the 2021 VRS Annual Report may be downloaded from the VRS website at 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.

Note 24–*Summary of Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:*

	Net OPEB Liability	Deferred Outflows	Deferred Inflows	OPEB Expense
Primary Government				
Group Life County - (Note 20)	$ 709,740	$ 249,300	$ 271,916	$ 44,740
Total	$ 709,740	$ 249,300	$ 271,916	$ 44,740
Component Unit School Board				
School Pay-as-you-go (Note 22)	$ 1,495,083	$ 157,829	$ 485,020	$ 84,906
Group Life - School Professional (Note 20)	1,392,235	429,396	580,516	74,935
Group Life - School Nonprofessional (Note 20)	152,519	50,564	66,334	9,504
HIC Program - School Nonprofessional (Note 23)	193,858	24,274	1,302	16,834
Teacher HIC Program (Note 21)	3,581,030	537,387	234,263	308,573
Total	$ 6,814,725	$ 1,199,450	$ 1,367,435	$ 494,752

Note 25–Lease Receivable:

The County leases property to third parties. The following summarizes the balances related to these leases for the year ended June 30, 2022:

	Governmental Activities			
Lease Description	**Discount Rate**	**Lease Ends**	**Lease Receivable June 30, 2022**	**Deferred Inflow of Resources June 30, 2022**
Land	1.394%	2037	$ 217,388	$ 213,027

	Business-type Activities			
Lease Description	**Discount Rate**	**Lease Ends**	**Lease Receivable June 30, 2022**	**Deferred Inflow of Resources June 30, 2022**
Towers	0.457%	2025	$ 30,812	$ 30,670

Lease revenue totaled $14,281 and $11,988 for the Governmental and Business-type Activities respectively for the year ended June 30, 2022. Lease interest revenue totaled $2,480 and $154 for the Governmental and Business-type Activities respectively for the year ended June 30, 2022.

Note 26–New Accounting Standards:

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

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

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

Note 26–New Accounting Standards: (Continued)

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

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

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

Note 27–COVID-19:

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 June 2021, the County received its share of the first half of the CSLFRF funds and a second tranche was received in FY2022. 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. Unspent funds in the amount of $4,116,424 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

The CARES Act also established the Education Stabilization Fund (ESF) and allocated $30.75 billion to the U.S. Department of Education. The ESF is composed of three primary emergency relief funds: (1) a Governor's Emergency Education Relief (GEER) Fund, (2) an Elementary and Secondary School Emergency Relief (ESSER) Fund, and (3) a Higher Education Emergency Relief (HEER) Fund. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act) was signed into law on December 27, 2020 and added $81.9 billion to the ESF. In March 2021, the American Rescue Plan Act (ARP Act), in support of ongoing state and institutional COVID-19 recovery efforts, added more than $170 billion to the ESF. The School Board is receiving this funding from the Virginia Department of Education on a reimbursement basis.

Note 28–Subsequent Events:

On October 31, 2022 the County entered into a Equipment Lease Purchase Agreement in the principal amount of $12,150,000 for the purchase of public safety communications equipment.

On October 31, 2022 the County (through the EDA) issued Public Facility Lease Revenue Bonds, Series 2022 in the par amount of $12,150,000.

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.

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

Fund, Function, Activity, Element	General Fund Original Budget	Final Budget	Actual	Variance From Final Budget Positive (Negative)
Revenues:				
General property taxes	$ 31,027,833	$ 31,027,833	$ 32,782,125	$ 1,754,292
Other local taxes	12,346,425	12,346,425	12,757,615	411,190
Permits, privilege fees and regulatory licenses	1,158,915	1,158,915	1,445,937	287,022
Fines and forfeitures	195,000	195,000	256,366	61,366
Revenue from use of money and property	251,000	251,000	(255,504)	(506,504)
Charges for services	557,240	557,240	647,909	90,669
Miscellaneous	417,799	417,799	231,607	(186,192)
Intergovernmental:				
Commonwealth	8,149,829	8,933,557	7,228,618	(1,704,939)
Federal	1,559,342	4,217,607	2,570,329	(1,647,278)
Total revenues	$ 55,663,383	$ 59,105,376	$ 57,665,002	$ (1,440,374)
Expenditures:				
General government administration:				
Legislative:				
Board of supervisors	$ 138,071	$ 138,071	$ 133,989	$ 4,082
General and financial administration:				
County administration	$ 422,828	$ 470,912	$ 431,471	$ 39,441
Legal services	365,482	419,176	325,201	93,975
Human resources	276,777	288,863	266,937	21,926
Commissioner of the Revenue	573,593	590,453	551,985	38,468
Reassessment	-	43,023	43,023	-
Treasurer	387,017	434,947	410,605	24,342
Information technology	870,430	911,739	834,206	77,533
Department of finance	807,869	832,862	802,365	30,497
Other general and financial administration	-	835,130	42,130	793,000
Total general and financial administration	$ 3,703,996	$ 4,827,105	$ 3,707,923	$ 1,119,182
Board of Elections:				
Electoral board and officials	$ 87,289	$ 87,289	$ 46,362	$ 40,927
Registrar	242,303	280,321	215,303	65,018
Total board of elections	$ 329,592	$ 367,610	$ 261,665	$ 105,945
Total general government administration	$ 4,171,659	$ 5,332,786	$ 4,103,577	$ 1,229,209

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2022 (Continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Final Budget**	**Actual**	**Variance From Final Budget Positive (Negative)**
Expenditures: (continued)				
Judicial administration:				
Courts:				
Circuit court	$ 100,638	$ 104,378	$ 84,567	$ 19,811
Combined courts	17,633	17,633	19,690	(2,057)
Magistrates	1,103	1,103	3,704	(2,601)
Clerk of the circuit court	567,026	589,177	560,934	28,243
Victim assistance program	89,270	93,298	90,852	2,446
Total courts	$ 775,670	$ 805,589	$ 759,747	$ 45,842
Commonwealth's attorney:				
Commonwealth's attorney	$ 632,090	$ 658,705	$ 658,604	$ 101
Total judicial administration	$ 1,407,760	$ 1,464,294	$ 1,418,351	$ 45,943
Public safety:				
Law enforcement and traffic control:				
Sheriff	$ 5,162,388	$ 5,381,953	$ 5,299,476	$ 82,477
VJCCCA / CHINS	85,133	85,133	49,918	35,215
E-911	986,450	1,092,808	1,092,808	-
Other law enforcement	43,465	43,660	19,327	24,333
Public safety grants	36,101	36,621	19,404	17,217
Total law enforcement and traffic control	$ 6,313,537	$ 6,640,175	$ 6,480,933	$ 159,242
Fire and rescue services:				
Emergency services	$ 6,827,477	$ 6,936,423	$ 6,767,956	$ 168,467
Ambulance services	50,000	51,921	51,920	1
Fire and rescue grants	235,820	1,230,780	208,111	1,022,669
King George fire and rescue	523,605	552,334	521,567	30,767
Total fire and rescue services	$ 7,636,902	$ 8,771,458	$ 7,549,554	$ 1,221,904
Correction and detention:				
Juvenile detention	$ 290,201	$ 377,597	$ 377,596	$ 1
Regional jail	770,998	770,998	885,123	(114,125)
Total correction and detention	$ 1,061,199	$ 1,148,595	$ 1,262,719	$ (114,124)

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2022 (Continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Final Budget**	**Actual**	**Variance From Final Budget Positive (Negative)**
Expenditures: (continued)				
Public safety: (continued)				
Other protection:				
Animal control	$ 381,934	$ 385,982	$ 381,296	$ 4,686
Total other protection	$ 381,934	$ 385,982	$ 381,296	$ 4,686
Total public safety	$ 15,393,572	$ 16,946,210	$ 15,674,502	$ 1,271,708
Public works:				
Maintenance of highways, streets, bridges and sidewalks:				
Engineering	$ 267,861	$ 327,477	$ 248,159	$ 79,318
Sanitation and waste removal:				
Landfill	$ 340,472	$ 403,370	$ 364,567	$ 38,803
Convenience center	298,044	684,952	684,951	1
Total sanitation and waste removal	$ 638,516	$ 1,088,322	$ 1,049,518	$ 38,804
Maintenance of general buildings and grounds:				
General properties	$ 1,938,335	$ 2,026,226	$ 1,897,593	$ 128,633
Miscellaneous	453,810	597,610	107,803	489,807
Citizen's center	46,890	85,691	85,690	1
Total maintenance of general buildings and grounds	$ 2,439,035	$ 2,709,527	$ 2,091,086	$ 618,441
Total public works	$ 3,345,412	$ 4,125,326	$ 3,388,763	$ 736,563
Health and welfare:				
Health:				
Local health department	$ 317,667	$ 317,667	$ 317,667	$ -
Mental health and mental retardation:				
Community services board	$ 126,186	$ 126,186	$ 126,186	$ -
Welfare:				
Administration and public assistance	$ 2,542,823	$ 2,542,823	$ 2,279,311	$ 263,512
Childrens services	3,707,878	3,707,878	2,614,250	1,093,628
Total welfare	$ 6,250,701	$ 6,250,701	$ 4,893,561	$ 1,357,140
Total health and welfare	$ 6,694,554	$ 6,694,554	$ 5,337,414	$ 1,357,140

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2022 (Continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Final Budget**	**Actual**	**Variance From Final Budget Positive (Negative)**
Expenditures: (continued)				
Education:				
Contributions to community colleges	$ 5,889	$ 5,889	$ 5,889	$ -
Education - American Rescue Plan	-	185,000	109,778	75,222
Contribution to Component Unit School Board	17,723,254	18,474,436	17,077,733	1,396,703
Total education	$ 17,729,143	$ 18,665,325	$ 17,193,400	$ 1,471,925
Parks, recreation and cultural:				
Parks and recreation:				
Parks and recreation administration	$ 421,416	$ 435,231	$ 377,029	$ 58,202
Recreation programs and events	465,395	470,095	402,045	68,050
Other parks and recreation	-	250,000	30,216	219,784
Total parks and recreation	$ 886,811	$ 1,155,326	$ 809,290	$ 346,036
Library:				
Library	$ 661,546	$ 691,427	$ 679,237	$ 12,190
Total parks, recreation and cultural	$ 1,548,357	$ 1,846,753	$ 1,488,527	$ 358,226
Community development:				
Planning and community development:				
Community development	$ 1,194,734	$ 1,459,289	$ 1,237,611	$ 221,678
Economic development	185,085	191,001	179,672	11,329
Tourism	92,000	125,626	175,066	(49,440)
Planning / community zoning boards	27,135	32,135	20,441	11,694
Broadband	-	500,000	500,000	-
Community organizations	135,258	157,549	157,547	2
Total planning and community development	$ 1,634,212	$ 2,465,600	$ 2,270,337	$ 195,263
Environmental management:				
Litter control	$ 4,350	$ 6,888	$ 6,375	$ 513
Soil and water conservation district	53,050	53,050	53,050	-
Total environmental management	$ 57,400	$ 59,938	$ 59,425	$ 513

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
Year Ended June 30, 2022 (Continued)

	General Fund			
Fund, Function, Activity, Element	**Original Budget**	**Final Budget**	**Actual**	**Variance From Final Budget Positive (Negative)**
Expenditures: (continued)				
Community development: (continued)				
Cooperative extension program:				
VPI extension	$ 139,798	$ 139,798	$ 115,584	$ 24,214
Total community development	$ 1,831,410	$ 2,665,336	$ 2,445,346	$ 219,990
Debt service:				
Principal retirement	$ 4,458,273	$ 4,462,917	$ 4,399,226	$ 63,691
Interest and fiscal charges	3,007,514	3,025,689	3,091,639	(65,950)
Total debt service	$ 7,465,787	$ 7,488,606	$ 7,490,865	$ (2,259)
Total expenditures	$ 59,587,654	$ 65,229,190	$ 58,540,745	$ 6,688,445
Excess (deficiency) of revenues over (under) expenditures	$ (3,924,271)	$ (6,123,814)	$ (875,743)	$ 5,248,071
Other financing sources (uses):				
Lease proceeds	$ -	$ -	$ 10,005	$ 10,005
Operating transfers in	$ 4,963,806	$ 4,909,986	$ 6,895,039	$ 1,985,053
Total other financing sources (uses)	$ 4,963,806	$ 4,909,986	$ 6,905,044	$ 1,995,058
Net changes in fund balance	$ 1,039,535	$ (1,213,828)	$ 6,029,301	$ 7,243,129
Fund balance at beginning of year	(1,039,535)	1,213,828	35,780,423	34,566,595
Fund balance at end of year	$ -	$ -	$ 41,809,724	$ 41,809,724

COUNTY OF KING GEORGE, VIRGINIA

Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
Pension Plans
For the Measurement Dates of June 30, 2014 through June 30, 2021

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 1,381,634	$ 1,334,181	$ 1,195,868	$ 1,140,468
Interest	2,942,136	2,747,940	2,614,147	2,412,100
Differences between expected and actual experience	321,940	536,385	(244,827)	683,930
Changes in assumptions	1,701,999	-	1,273,021	-
Benefit payments	(1,950,744)	(1,532,323)	(1,413,558)	(1,286,663)
Net change in total pension liability	$ 4,396,965	$ 3,086,183	$ 3,424,651	$ 2,949,835
Total pension liability - beginning	44,562,571	41,476,388	38,051,737	35,101,902
Total pension liability - ending (a)	$ 48,959,536	$ 44,562,571	$ 41,476,388	$ 38,051,737
Plan fiduciary net position				
Contributions - employer	$ 1,062,363	$ 905,948	$ 869,007	$ 780,005
Contributions - employee	600,236	593,476	562,898	548,155
Net investment income	10,868,074	742,452	2,454,993	2,517,531
Benefit payments	(1,950,744)	(1,532,323)	(1,413,558)	(1,286,663)
Administrator charges	(26,598)	(24,938)	(23,554)	(21,281)
Other	1,029	(892)	(1,553)	(2,262)
Net change in plan fiduciary net position	$ 10,554,360	$ 683,723	$ 2,448,233	$ 2,535,485
Plan fiduciary net position - beginning	39,585,567	38,901,844	36,453,611	33,918,126
Plan fiduciary net position - ending (b)	$ 50,139,927	$ 39,585,567	$ 38,901,844	$ 36,453,611
County's net pension liability - ending (a) - (b)	$ (1,180,391)	$ 4,977,004	$ 2,574,544	$ 1,598,126
Plan fiduciary net position as a percentage of the total pension liability	102.41%	88.83%	93.79%	95.80%
Covered payroll	$ 12,586,909	$ 12,218,849	$ 11,572,430	$ 10,937,899
County's net pension liability as a percentage of covered payroll	-9.38%	40.73%	22.25%	14.61%

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

Exhibit 10

2017	2016	2015	2014
$ 1,137,044	$ 1,106,197	$ 1,070,656	$ 1,024,811
2,245,492	2,117,704	1,976,220	1,828,464
629,950	(365,071)	(184,301)	-
(424,738)	-	-	-
(1,128,596)	(937,995)	(744,759)	(740,189)
$ 2,459,152	$ 1,920,835	$ 2,117,816	$ 2,113,086
32,642,750	30,721,915	28,604,099	26,491,013
$ 35,101,902	$ 32,642,750	$ 30,721,915	$ 28,604,099
$ 747,883	$ 888,014	$ 851,848	$ 906,696
517,641	489,931	502,982	444,462
3,699,701	532,416	1,276,766	3,694,695
(1,128,596)	(937,995)	(744,759)	(740,189)
(20,821)	(17,722)	(16,602)	(19,201)
(3,315)	(220)	(272)	195
$ 3,812,493	$ 954,424	$ 1,869,963	$ 4,286,658
30,105,633	29,151,209	27,281,246	22,994,588
$ 33,918,126	$ 30,105,633	$ 29,151,209	$ 27,281,246
$ 1,183,776	$ 2,537,117	$ 1,570,706	$ 1,322,853
96.63%	92.23%	94.89%	95.38%
$ 10,315,794	$ 9,807,506	$ 9,358,646	$ 8,879,202
11.48%	25.87%	16.78%	14.90%

COUNTY OF KING GEORGE, VIRGINIA

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

	2021	2020	2019	2018
Total pension liability				
Service cost	$ 251,836	$ 232,997	$ 226,372	$ 222,853
Interest	632,782	601,489	565,512	498,908
Differences between expected and actual experience	(24,564)	49,622	141,731	545,296
Changes in assumptions	299,448	-	244,535	-
Benefit payments	(467,744)	(373,276)	(318,602)	(312,554)
Net change in total pension liability	$ 691,758	$ 510,832	$ 859,548	$ 954,503
Total pension liability - beginning	9,608,417	9,097,585	8,238,037	7,283,534
Total pension liability - ending (a)	$ 10,300,175	$ 9,608,417	$ 9,097,585	$ 8,238,037
Plan fiduciary net position				
Contributions - employer	$ 208,820	$ 184,869	$ 180,562	$ 130,217
Contributions - employee	127,086	130,964	126,759	121,033
Net investment income	2,275,465	156,762	523,168	539,297
Benefit payments	(467,744)	(373,276)	(318,602)	(312,554)
Administrator charges	(5,623)	(5,335)	(5,044)	(4,622)
Other	216	(189)	(330)	(482)
Net change in plan fiduciary net position	$ 2,138,220	$ 93,795	$ 506,513	$ 472,889
Plan fiduciary net position - beginning	8,370,851	8,277,056	7,770,543	7,297,654
Plan fiduciary net position - ending (b)	$ 10,509,071	$ 8,370,851	$ 8,277,056	$ 7,770,543
School Division's net pension liability (asset) - ending (a) - (b)	$ (208,896)	$ 1,237,566	$ 820,529	$ 467,494
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.03%	87.12%	90.98%	94.33%
Covered payroll	$ 2,704,539	$ 2,782,155	$ 2,658,667	$ 2,517,680
School Division's net pension liability (asset) as a percentage of covered payroll	-7.72%	44.48%	30.86%	18.57%

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

Exhibit 11

	2017	2016	2015	2014
	$ 214,430	$ 228,856	$ 253,174	$ 259,885
	466,048	446,299	429,269	397,313
	90,055	(102,196)	(186,758)	-
	(8,319)	-	-	-
	(273,029)	(308,619)	(196,170)	(205,213)
	$ 489,185	$ 264,340	$ 299,515	$ 451,985
	6,794,349	6,530,009	6,230,494	5,778,509
	$ 7,283,534	$ 6,794,349	$ 6,530,009	$ 6,230,494
	$ 132,035	$ 171,888	$ 174,305	$ 196,649
	122,274	104,663	106,877	111,465
	799,422	113,998	282,184	823,538
	(273,029)	(308,619)	(196,170)	(205,213)
	(4,549)	(3,960)	(3,726)	(4,309)
	(713)	(48)	(63)	44
	$ 775,440	$ 77,922	$ 363,407	$ 922,174
	6,522,214	6,444,292	6,080,885	5,158,711
	$ 7,297,654	$ 6,522,214	$ 6,444,292	$ 6,080,885
	$ (14,120)	$ 272,135	$ 85,717	$ 149,609
	100.19%	95.99%	98.69%	97.60%
	$ 2,506,598	$ 2,147,788	$ 2,154,275	$ 2,229,985
	-0.56%	12.67%	3.98%	6.71%

COUNTY OF KING GEORGE, VIRGINIA

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

	2021	2020	2019	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.27568%	0.28250%	0.28089%	0.27971%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 21,401,307	$ 41,108,259	$ 36,966,721	$ 32,893,000
Employer's Covered Payroll	24,674,027	25,050,718	23,855,376	22,830,526
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	86.74%	164.10%	154.96%	144.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.46%	71.47%	73.51%	74.81%

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

Exhibit 12

	2017	2016	2015	2014
	0.28566%	0.26576%	0.25907%	0.25779%
	$ 35,131,000	$ 37,244,000	$ 32,608,000	$ 31,153,000
	22,732,862	20,262,800	19,261,608	18,739,825
	154.54%	183.80%	169.29%	166.24%
	72.92%	68.28%	70.68%	70.88%

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

Date	Contractually Required Contribution (1)*	Contributions in Relation to Contractually Required Contribution (2)*	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	$ 1,325,275	$ 1,325,275	$ -	$ 14,656,899	9.04%
2021	1,047,084	1,047,084	-	12,586,909	8.32%
2020	905,947	905,947	-	12,218,849	7.41%
2019	867,437	867,437	-	11,572,430	7.50%
2018	779,719	779,719	-	10,937,899	7.13%
2017	762,337	762,337	-	10,315,794	7.39%
2016	895,425	895,425	-	9,807,506	9.13%
2015	854,444	854,444	-	9,358,646	9.13%
2014	905,679	905,679	-	8,879,202	10.20%
2013	866,536	866,536	-	8,495,455	10.20%
Component Unit School Board (nonprofessional)					
2022	$ 223,347	$ 223,347	$ -	$ 2,878,382	7.76%
2021	211,138	211,138	-	2,704,539	7.81%
2020	185,744	185,744	-	2,782,155	6.68%
2019	180,561	180,561	-	2,658,667	6.79%
2018	130,215	130,215	-	2,517,680	5.17%
2017	135,858	135,858	-	2,506,598	5.42%
2016	174,615	174,615	-	2,147,788	8.13%
2015	175,143	175,143	-	2,154,275	8.13%
2014	196,685	196,685	-	2,229,985	8.82%
2013	198,960	198,960	-	2,255,782	8.82%
Component Unit School Board (professional) (A)					
2022	$ 4,104,125	$ 4,104,125	$ -	$ 25,941,397	15.82%
2021	3,900,160	3,900,160	-	24,674,027	15.81%
2020	3,753,673	3,753,673	-	25,050,718	14.98%
2019	3,600,039	3,600,039	-	23,855,376	15.09%
2018	3,621,511	3,621,511	-	22,830,526	15.86%
2017	3,329,306	3,329,306	-	22,732,862	14.65%
2016	3,179,807	3,179,807	-	20,262,800	15.69%
2015	2,848,557	2,848,557	-	19,261,608	14.79%

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

(A) Schedule is intended to show information for 10 years. Information prior to the 2015 valuation is not available. However, additional years will be included as they become available.

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

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

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

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

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

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

Component Unit School Board - Professional Employees:

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

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

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
Primary Government					
2021	0.06100%	$ 709,740	$ 12,586,909	5.64%	67.45%
2020	0.05940%	991,288	12,225,237	8.11%	52.64%
2019	0.05918%	963,016	11,572,430	8.32%	52.00%
2018	0.05757%	874,000	10,946,038	7.98%	51.22%
2017	0.05593%	842,000	10,315,794	8.16%	48.86%
Component Unit School Board (nonprofessional)					
2021	0.01310%	$ 152,519	$ 2,704,539	5.64%	67.45%
2020	0.01350%	225,626	2,782,155	8.11%	52.64%
2019	0.01357%	220,820	2,658,667	8.31%	52.00%
2018	0.01329%	202,000	2,527,604	7.99%	51.22%
2017	0.01359%	205,000	2,506,598	8.18%	48.86%
Component Unit School Board (professional)					
2021	0.11960%	$ 1,392,235	$ 24,689,319	5.64%	67.45%
2020	0.12197%	2,035,480	25,102,584	8.11%	52.64%
2019	0.12182%	1,982,335	23,855,376	8.31%	52.00%
2018	0.12052%	1,830,000	22,916,796	7.99%	51.22%
2017	0.12337%	1,856,000	22,756,784	8.16%	48.86%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
Primary Government					
2022	$ 79,147	$ 79,147	$ -	$ 14,656,899	0.54%
2021	67,969	67,969	-	12,586,909	0.54%
2020	63,571	63,571	-	12,225,237	0.52%
2019	60,324	60,324	-	11,572,430	0.52%
2018	56,919	56,919	-	10,946,038	0.52%
2017	53,642	53,642	-	10,315,794	0.52%
2016	47,274	47,274	-	9,848,777	0.48%
2015	45,134	45,134	-	9,400,792	0.48%
2014	42,637	42,637	-	8,882,714	0.48%
2013	40,800	40,800	-	8,500,087	0.48%
Component Unit School Board (nonprofessional)					
2022	$ 15,585	$ 15,585	$ -	$ 2,886,082	0.54%
2021	14,605	14,605	-	2,704,539	0.54%
2020	14,467	14,467	-	2,782,155	0.52%
2019	13,835	13,835	-	2,658,667	0.52%
2018	13,144	13,144	-	2,527,604	0.52%
2017	13,034	13,034	-	2,506,598	0.52%
2016	10,309	10,309	-	2,147,788	0.48%
2015	10,412	10,412	-	2,169,259	0.48%
2014	10,724	10,724	-	2,234,072	0.48%
2013	10,828	10,828	-	2,255,782	0.48%
Component Unit School Board (professional)					
2022	$ 140,414	$ 140,414	$ -	$ 26,002,605	0.54%
2021	133,322	133,322	-	24,689,319	0.54%
2020	130,533	130,533	-	25,102,584	0.52%
2019	124,177	124,177	-	23,855,376	0.52%
2018	119,167	119,167	-	22,916,796	0.52%
2017	118,335	118,335	-	22,756,784	0.52%
2016	97,351	97,351	-	20,281,429	0.48%
2015	92,565	92,565	-	19,284,466	0.48%
2014	90,634	90,634	-	18,882,144	0.48%
2013	88,723	88,723	-	18,483,942	0.48%

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

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2021	0.27899%	$ 3,581,030	$ 24,674,027	14.51%	13.15%
2020	0.28580%	3,727,656	25,050,718	14.88%	9.95%
2019	0.28424%	3,720,978	23,855,376	15.60%	8.97%
2018	0.28230%	3,584,000	22,830,526	15.70%	8.08%
2017	0.28805%	3,654,000	22,732,862	16.07%	7.04%

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

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

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 313,891	$ 313,891	$ -	$ 25,941,397	1.21%
2021	298,556	298,556	-	24,674,027	1.21%
2020	300,609	300,609	-	25,050,718	1.20%
2019	286,090	286,090	-	23,855,376	1.20%
2018	280,815	280,815	-	22,830,526	1.23%
2017	252,335	252,335	-	22,732,862	1.11%
2016	214,786	214,786	-	20,262,800	1.06%
2015	204,173	204,173	-	19,261,608	1.06%
2014	209,262	209,262	-	18,852,417	1.11%
2013	201,718	201,718	-	18,172,779	1.11%

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

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

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

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit School Board Pay-As-You Go OPEB Plan
For the Measurement Dates of June 30, 2018 through June 30, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	$ 142,823	$ 150,700	$ 125,510	$ 136,836	$ 142,484
Interest	35,373	34,303	46,461	60,225	56,198
Changes in assumptions	(148,153)	155,661	81,263	(367,897)	(45,256)
Differences between expected and actual experience	-	(190,738)	-	(145,907)	-
Benefit payments	(59,269)	(53,960)	(53,338)	(39,771)	(62,723)
Net change in total OPEB liability	$ (29,226)	$ 95,966	$ 199,896	$ (356,514)	$ 90,703
Total OPEB liability - beginning	1,524,309	1,428,343	1,228,447	1,584,961	1,494,258
Total OPEB liability - ending	$ 1,495,083	$ 1,524,309	$ 1,428,343	$ 1,228,447	$ 1,584,961
Covered-employee payroll	$ 26,599,645	$ 26,599,645	$ 26,517,923	$ 26,517,923	$ 25,156,700
School Board's total OPEB liability (asset) as a percentage of covered-employee payroll	5.62%	5.73%	5.39%	4.63%	6.30%

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

Notes to Required Supplementary Information - Component Unit School Board Pay-As-You Go OPEB Plan
For the Year Ended June 30, 2022

Valuation Date: 1/1/2021
Measurement Date: 6/30/2022

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	3.54%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 4.60% and gradually decreases to 4.00% over 52 years
Salary Increase Rates	Dependent on years of service
Retirement Age	50 years old with 10 years of service
Mortality Rates	The mortality rates are based on the RP-2014 Employee Mortality Tables.

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

	2021	2020
Total HIC OPEB Liability		
Service cost	$ 3,343	$ -
Interest	12,811	-
Changes in benefit terms		189,782
Differences between expected and actual experience	-	-
Changes of assumptions	7,364	-
Benefit payments	-	-
Net change in total HIC OPEB liability	$ 23,518	$ 189,782
Total HIC OPEB Liability - beginning	189,782	-
Total HIC OPEB Liability - ending (a)	$ 213,300	$ 189,782
Plan fiduciary net position		
Contributions - employer	$ 17,308	$ -
Net investment income	2,210	-
Benefit payments	-	-
Administrator charges	(76)	-
Other	-	-
Net change in plan fiduciary net position	$ 19,442	$ -
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	$ 19,442	$ -
School Division's net HIC OPEB liability - ending (a) - (b)	$ 193,858	$ 189,782
Plan fiduciary net position as a percentage of the total HIC OPEB liability	9.11%	0.00%
Covered employee payroll	$ 2,704,539	$ 2,782,155
School Division's net HIC OPEB liability as a percentage of covered employee payroll	7.17%	6.82%

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

Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2020 through June 30, 2022

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Employee Payroll (4)	Contributions as a % of Covered Payroll (5)
2022	$ 18,422	$ 18,422	$ -	$ 2,878,382	0.64%
2021	17,309	17,309	-	2,704,539	0.64%
2020	-	-	-	2,782,155	0.00%

Schedule is intended to show information for 10 years. The locality started participating in the plan in 2020. However, additional years will be included as they become available.

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 though 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

APPENDIX C

DEFINITIONS AND SUMMARY OF THE FINANCING DOCUMENTS

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APPENDIX C

DEFINITIONS AND SUMMARY OF THE FINANCING DOCUMENTS

The following is a summary of certain provisions of the Indenture and the Financing Agreement. This summary does not purport to be comprehensive or definitive and is qualified by references to such documents in their entirety, copies of which may be obtained at the office of the County Administrator. All capitalized terms have the meanings set forth in the Indenture or the Financing Agreement. The definitions of certain key terms used in the Indenture and the Financing Agreement are also set forth below.

Definitions

The terms set forth below have the following meanings in this Official Statement unless the context clearly requires otherwise:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended and in force from time to time.

"Additional Bonds" mean any bonds issued to refund any of the Bonds or Additional Bonds pursuant to the terms of an Indenture in accordance with the Indenture.

"Additional Payments" means the Additional Payments that are payable pursuant to the Financing Agreement.

"Authority" means the Economic Development Authority of King George County, Virginia, a political subdivision of the Commonwealth, its successors and assigns.

"Authority Representative" means the Chairman or any other person or persons designated to act on behalf of the Authority by a certificate duly executed by the Chairman and filed with the Trustee.

"Basic Documents" means the Indenture and the Financing Agreement.

"Basic Payments" shall mean the payments payable by the County under the Financing Agreement which is equal to the amount of principal and interest due on the Bonds on the principal and interest payment dates.

"Board" or **"Board of Supervisors"** means the Board of Supervisors of the County.

"Bond" or "Bonds" shall mean any bond or all of the bonds, as the case may be, issued pursuant to the Indenture (not including any Additional Bonds), but does not include any bonds, note, or other evidence of indebtedness of the Authority issued from time to time under any other indenture, trust agreement, resolution or similar instrument.

"Bond Counsel" means Sands Anderson PC, or an attorney or other firm of attorneys (designated by the County and acceptable to the Trustee and the Authority) of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Fund" means the Bond Fund established by the Indenture.

"Bondholder" or "Bond Owner" or "Owner" means the registered Owner of any Bond.

"Business Day" means any day other than (1) a Saturday or Sunday, (2) a day on which commercial banks in the Commonwealth, or the city in which the principal corporate trust office of the Trustee is located, are authorized by law to close, (3) a day on which the New York Stock Exchange is closed, or (4) such other days as may be specified in an Indenture.

"Chairman" means the Chairman or Vice Chairman of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings, and any successor codification.

"Commonwealth" means the Commonwealth of Virginia.

"Cost of Issuance" means the costs incurred with respect to the issuance of the Bonds, including without limitation, the Trustee's initial fees and expenses, rating agency fees, if any, bond insurance and surety premiums and related fees and expenses, if any, fees and expenses of consultants and attorneys, financial advisors, underwriters, printing costs and expenses, and fees and expenses of the Authority and the County incurred in connection with the issuance and sale of the Bonds.

"Cost" or **"Cost of the Project** means the cost of design, construction, renovation, equipping and improvement of the Project or any portion thereof, the cost of acquisition of rights-of-way, franchises, easements and other property rights and interests, the cost of demolishing, removing or relocating any buildings or structures on land acquired, the cost of all labor, materials, machinery and equipment, financing charges, the Cost of Issuance, interest on all Bonds prior to and during construction and, if deemed advisable by the County, for a period not exceeding one year after completion of such construction, plans, specifications, studies, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expenses, reserves for interest and for extensions, enlargements, additions and improvements, the cost of acquisition and installation of furnishings and equipment, such other expenses as may be necessary or incident to the design, construction, renovation and equipping of the Project, the financing of such design, construction, renovation and equipping and the placing of the Project in operation and such other costs as may be permitted by the Act.

"Counsel" means any attorney or firm of attorneys designated by the County and acceptable to the Authority and the Trustee duly admitted to practice law before the highest court of any state of the United States of America, who may be a full-time employee, director or officer of the Authority, the County or the Trustee.

"County" means the County of King George, Virginia, a political subdivision of the Commonwealth.

"County Representative" means the Chairman or Vice Chairman of the Board, the County Administrator or other County official designated by the Board in writing to the Trustee.

"Event of Default" means any Event of Default specified in the Indenture.

"Financing Agreement" shall mean the Financing Agreement, dated as of November 1, 2023 between the Authority and the County, as it may be amended, changed or modified from time to time.

"Fiscal Year" means the twelve-month period commencing July 1 through the following June 30, or such other twelve-month period established by the County as its annual accounting period.

"Government Certificates" mean certificates representing ownership of United States Treasury bond principal at maturity or coupons for accrued periods of interest, which bonds or coupons are held in the capacity of a custodian and independent of the seller of such certificates by a bank or trust company that meets the requirements for a Successor Trustee set forth in the Indenture.

"Government Obligations" mean bonds, notes and other obligations of the United States of America and securities unconditionally guaranteed as to payment by the United States of America.

"Indenture" shall mean the Indenture of Trust, dated as of November 1, 2023, between the Authority and the Trustee, relating to the Bonds, as it may be modified, altered, amended and supplemented from time to time in accordance with its terms.

"Interest Payment Date" means the semiannual dates on which payments of interest under the Bonds are due, commencing April 15, 2024 and continuing on each April 15 and October 15 thereafter until maturity.

"Opinion of Counsel" means a written opinion of any Counsel in form and substance acceptable to the Trustee.

"Outstanding" means, at any date, the aggregate of all Bonds and any Additional Bonds authorized, issued, authenticated and delivered under the Indenture, except:

1. The Bonds and any Additional Bonds cancelled or surrendered to the Trustee for cancellation;

2. The Bonds and any Additional Bonds deemed to have been paid as provided in the Indenture; and

3. The Bonds and any Additional Bonds in lieu of or in substitution for which other Bonds and any Additional Bonds have been authenticated and delivered pursuant to the Indenture unless proof satisfactory to the Trustee is presented that any such Bond or Additional Bond is held by a bona fide Owner.

The Bonds or any Additional Bonds which are owned by the Authority or the County will be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that for the purpose of determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only the Bonds and any Additional Bonds which the Trustee knows to be so owned will be so disregarded.

"Owner" means the Person in whose name a particular Bond is registered on the records of the Trustee.

"Person" means an individual, a corporation, a partnership, a general partner of a partnership, an association, a joint stock company, a trust, any unincorporated organization, or a governmental unit or its political subdivision.

"Project Fund" means the Project Fund established by the Indenture.

"Record Date" means the 15th day of the month immediately prior to an Interest Payment Date.

"Revenues" means all revenues, rents and other amounts received by, or on behalf of, the Authority, from or in connection with the Financing Agreement, including without limitation (i) all revenues received by the Authority under the Financing Agreement (except payments of the expenses of the Trustee) and (ii) any other amounts pledged to the payment of the Bonds under the terms of the Indenture, including the proceeds of any long-term financing intended to redeem all or any portion of the Bonds.

"Secretary" means the Secretary or Assistant Secretary of the Authority.

"Series" or **"Series of Bonds"** means the Bonds or any separate series of Additional Bonds issued under the Indenture as it may be modified by any Indenture.

"Trustee" means Wilmington Trust, National Association, and its successor or successors under the Indenture.

The Indenture

Establishment of Funds and Accounts. The following funds are established under the Indenture:

(1) Project Fund; and
(2) Bond Fund;

Pledge of Revenues and Funds. All Revenues and all money in the Bond Fund under the Indenture are trust funds and are pledged to the payment of the principal of and interest on the Bonds, subject only to the right of the Authority to apply them to other purposes as provided in the Indenture. The lien and trust created by the Indenture is for the equal and ratable benefit of the Owners of the Bonds and any Additional Bonds until all the Bonds and any Additional Bonds have been paid, subject to the limitations expressed in the preceding sentence; provided that moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Series of Bonds; and that any municipal bond insurance policy relating to a particular Series of Bonds shall secure only such Series of Bonds.

Bond Fund. The Trustee will deposit in the Bond Fund (1) all Basic Payments received by the Trustee under the Financing Agreement (excluding Additional Payments), (2) all prepayments made under the Financing Agreement, and (3) any other amounts authorized to be deposited in the Bond Fund. Each deposit of money described in (2) of the first sentence of this paragraph will be into a separate special account in the Bond Fund and used at the Authority's direction (based on direction by the County) (A) to redeem the Bonds at the applicable redemption price plus accrued interest to the date of redemption, or (B) in such other manner as permitted under the Indenture. The Trustee will pay from the Bond Fund when due the principal of and interest on the Bonds and will redeem or purchase Bonds in accordance with the redemption provisions of the Indenture.

The Authority will receive a credit against payments required to be made on any mandatory redemption date in an amount equal to the principal amount of any Bonds subject to mandatory redemption on such date that have been redeemed (other than by mandatory redemption) before such mandatory redemption date, that have been defeased under the Indenture or that have been purchased by the Authority or the Trustee on behalf of the Authority and delivered to the Trustee for cancellation at least seventy days before such date, provided that such Bonds have not previously been applied as a credit against any mandatory redemption payment.

On the date that is five (5) days prior to each Interest Payment Date on the Bonds, the Trustee will determine if it has sufficient amounts on deposit in the Bond Fund available for such purpose to make the next ensuing interest or principal and interest payment. If the amounts available in the Bond Fund are insufficient for such purpose, the Trustee promptly will give notice of this fact and the amount of the deficiency to the Authority and the County.

Project Fund. Monies in the Project Fund will immediately be used to pay Cost of the Project and remaining costs of issuance related thereto. Any balance remaining in the Project Fund after payment of the Cost of the Project will, at the option of the County, (i) be used to pay for the cost of any Project Addition, (ii) be used to pay any permitted costs under the Act including, without limitation, payment of interest on the Bonds for up to one year after completion of the Project, (iii) be transferred to the Bond Fund to purchase or redeem the Bonds, or (iv) used to pay principal of the Bonds.

Additional Bonds. The Authority may not issue any bonds, notes or other evidence of indebtedness equally and ratably secured with the Bonds, except for Additional Bonds issued pursuant to any Indenture, which will be secured equally and ratably by the pledge of the Revenues securing the Bonds; provided that moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds shall secure only such Series of Bonds; and that any municipal bond insurance policy relating to a particular Series of Bonds shall secure only such Series of Bonds. The Authority may not incur any new indebtedness secured by a pledge of Revenues superior to the pledge securing the Bonds. The Authority may issue one or more series of Additional Bonds, upon compliance with the terms of the Indenture, for the following purpose: financing the Costs of the Project, or the costs of refunding any of the Bonds or Additional Bonds.

The Indenture requires that the Authority deliver to the Trustee the following items, among other things, in order to issue Additional Bonds: (1) an original executed counterpart of an Indenture providing for the issuance of the Additional Bonds, (2) an original executed counterpart of an amendment to the Financing Agreement increasing the payments due thereunder to provide for the payment of principal of, premium, if any, and interest on the Additional Bonds, (3) a certified copy of a resolution of the County authorizing the execution and delivery of an amendment to the Financing Agreement providing for sufficient rental payments, (4) a certified copy of a resolution of the Authority authorizing the execution and delivery of an Indenture, the issuance, sale, execution and delivery of the Additional Bonds, and the amendment to the Financing Agreement providing for sufficient rental payments, (5) a certificate of the Authority as described in the Indenture stating that no event of default under the Indenture has occurred and no event or condition which, with the giving of notice or lapse of time or both, would become an event of default under the Indenture will have occurred and be continuing, (6) the opinions of Counsel and Bond Counsel as described in the Indenture and (7) a request and authorization of the Authority to the Trustee to authenticate and deliver the Additional Bonds as directed in the request upon payment therefore.

Investments. Any money held under the Indenture may be separately invested and reinvested in accordance with the Virginia Investment of Public Funds Act **(the "Investment Act")**, at the direction of a County Representative, in the following investments, to the extent they comport with requirements of the Investment Act: (1) bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia to which its full faith and credit is pledged or which are unconditionally guaranteed by the Commonwealth which are rated in one of the two highest debt rating categories by Moody's Investor's Service, Inc. **("Moody's")**, S&P, Global Ratings **("S&P")** and Fitch Ratings Inc. **("Fitch")**, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; (2) Government Obligations; (3) Government Certificates; (4) bonds, notes or other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth, which are rated in one of the two highest long-term debt rating categories by Moody's, S&P and Fitch, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; (5) savings accounts, time deposits and certificates of deposit of any bank, including the Trustee and its affiliates, provided that such funds are secured in the manner required by the Virginia Security for Public Deposits Act or any successor legislation and no deposit will be made for more than five years and provided further that if any such savings account, time deposit or certificate of deposit is not insured by the Federal Deposit Insurance Corporation, such bank or savings and loan association shall be rated A-1+ or better by S&P and any such certificate of deposit will be secured by collateral described in (2) and (3) above and will have a maturity of one year or less; (6) obligations of the Farmers Home Administration, the General Services Administration, the United States Maritime Administration, the Government National Mortgage Association, the Department of Housing and Urban Development, and the Federal Housing Administration, provided such obligations represent the full faith and credit of the United States; (7) bonds, notes or other evidences of indebtedness of the Federal National Mortgage Association, the Federal Farm Credit Bank, the Federal Home Loan Bank or the Federal Home Loan Mortgage Corporation which are rated in the highest debt rating category by Moody's, S&P and Fitch, without regard to any refinement or gradation of such rating category by numerical modifier or otherwise; (8) commercial paper issued by corporations (including banks and bank holding companies) organized under the laws of the United States or any state, which is rated by Moody's or its successor, within its Moody's rating of prime 1, and by S&P, or its successor, within its rating of A-1+ or better, and which matures not more than 270 days after the date of its purchase; (9) bankers' acceptances, as permitted by the Investment Act, with a maximum term of one year, with any bank with an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A-3" or both by Moody's and "A-1+" by S&P; (10) money market funds rated AAAm or AAAm-G by S&P; (11) the Virginia State Non-Arbitrage Program; and (12) such other investments as are permitted by the Investment Act and rated at least investment grade by Moody's, S&P and Fitch. Subject to certain conditions, investments described in this paragraph may be purchased pursuant to repurchase agreements with certain banks or financial institutions. Investment in certain money market funds or in certain registered management type investment companies, the investments of which are exclusively in obligations described in subsections (2), (3) or (6) of this paragraph, will be considered investments in such obligations, provided that any such fund or company meet certain criteria.

Events of Default and Remedies. Each of the following is an Event of Default under the Indenture: (1) payment of interest on any Bond is not made when due and payable, (2) payment of principal of or premium, if any, on any Bond is not made when due and payable, (3) default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under the Indenture or the Bonds, subject to certain rights of the Authority to notice and an opportunity to cure **(the "Notice and Opportunity to Cure")**, (4) appointment of a receiver for all or any substantial part of the Revenues or approval of any petition for reorganization of the Authority or rearrangement or readjustment of the obligations of the Authority under provisions of any applicable bankruptcy or insolvency law, and (5) the occurrence and continuation of any "Event of Default" under the Financing Agreement. The Notice and Opportunity to Cure identified in subsection (3) above requires the Trustee or the Owners of not less than twenty-five percent in aggregate principal amount of all Outstanding Bonds to give actual notice to the Authority and the County of the failure to observe or perform the required covenant, condition or agreement, and the Authority and the County shall have thirty days after receipt of the notice to correct the default or cause the default to be corrected, provided that if the default is such that it cannot be corrected within this period it will not constitute an Event of Default if corrective action is instituted by the Authority of the County within the applicable period and diligently pursued until the default is corrected, but in no event for a period longer than an additional sixty days.

The Trustee is not required to take notice, or be deemed to have notice, of any default or Event of Default other than a default or Event of Default under subsections (1) or (2) above, or unless specifically notified in writing of the default or Event of Default by the Authority, the County or the Owners of at least twenty-five percent in aggregate principal amount of the Outstanding Bonds. The Trustee may, however, require of the Authority full information and advice at any time as to the performance of any of the conditions and agreements contained in the Indenture. The Trustee is under no obligation to take any action in respect of any default or Event of Default, or toward the execution or enforcement of any of the trusts created by the Indenture or to institute, appear in or defend any related suit or other proceeding, unless requested in writing to do so by the Authority, the County or the Owners of at least twenty-five percent in aggregate principal amount of the Outstanding Bonds and, if in the Trustee's opinion such action may involve the Trustee in expense or liability, unless furnished, from time to time as often as the Trustee may require, with reasonable security and indemnity satisfactory to the Trustee.

Remedies, Rights of Bondholders. The Trustee may, with or without the action described in the preceding paragraph, proceed to protect and enforce the rights of the Owners of the Bonds and to enforce the covenants and conditions of the Financing Agreement in the manner it deems most expedient to the interests of such Owners. All remedies under the Indenture are cumulative.

No Owner of any Bond will have any right to institute any action, suit or proceeding at law or in equity for the enforcement of the Indenture, the execution of any of its trusts or any other remedy under it, unless (1) an Event of Default as defined in the Indenture has occurred and is continuing and the Owner has given the Trustee written notice of it; (2) the Owners of a majority in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee, and offered it reasonable opportunity, to proceed to exercise the powers granted by the Indenture and to institute such action, suit or proceeding in its own name; (3) the Trustee has been indemnified as provided by the Indenture; and (4) the Trustee has failed or refused within a reasonable time to comply with such request. Notwithstanding any other provision to the contrary, the Owners of a majority in aggregate principal amount of Bonds Outstanding, upon compliance with the Indenture's requirements as to indemnification of the Trustee, will have the right to direct all proceedings to be taken by the Trustee.

Subject to limitations set forth in the Indenture, the Trustee will waive any Event of Default under the Indenture or any action taken pursuant to such Event of Default, on the request of the Owners of a majority in aggregate principal amount of Bonds then Outstanding. However, no waiver will extend to any subsequent or other default or impair any right resulting from it.

Discharge of Indenture. If (1) all Bonds secured by the Indenture have become due and payable in accordance with their terms or otherwise as provided in the Indenture, and (2) the Trustee holds cash or obligations that are noncallable Government Obligations or Government Certificates, the principal of and the interest on which at maturity will be sufficient to redeem in accordance with the Indenture, all Bonds called for redemption, to pay at maturity all Bonds not irrevocably called for redemption, to pay interest accruing on all Bonds before their redemption or payment at maturity, to pay the Trustee its reasonable fees and other costs and expenses required to cancel and discharge the Indenture, then the Trustee will cancel and discharge the Indenture.

Bonds will be deemed paid and no longer Outstanding under the Indenture when there has been deposited with the Trustee cash or noncallable Governmental Obligations or Government Certificates, the principal of and interest on which will be sufficient to pay or redeem such Bonds; provided, however, that if such Bonds are to be redeemed before their maturity, notice of redemption must have been given or irrevocable instructions to redeem such Bonds must have been given by the Authority to the Trustee.

Supplemental Indentures. Any provisions of the Indenture may be modified or altered by the Authority and the Trustee, with the consent of the County, by a Supplemental Indenture, upon consent of the Owners of a majority in aggregate principal amount of the Bonds Outstanding, or, if less than all of the Bonds then Outstanding are affected by the modification or amendments, of the Owners of a majority in aggregate principal amount of the Bonds so affected then Outstanding, provided that certain amendments affecting the terms of the Bonds and their security may be made only with the consent of all Owners of the Bonds affected.

In addition, the Authority and the Trustee, upon the Trustee's receipt of the Opinion of Counsel required by the Indenture and with the consent of the County, may enter into a Supplemental Indenture to the Indenture without the consent of Owners of the Bonds (1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements to be observed, and to surrender any right or power in such Indenture reserved to or conferred upon the Authority; (2) to cure any ambiguity, defect, inconsistency or omission in such Indenture; (3) to grant to the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority; (4) to subject to the Indenture additional revenues, property or collateral; (5) to modify, amend or supplement the Indenture or the Bonds in such manner as required to permit its qualification under the Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under any state securities (Blue Sky) law; (6) to provide for certificated bonds; (7) to evidence a successor Trustee or to appoint a Co-Trustee; or (8) to make any modifications or changes necessary or appropriate to issue Additional Bonds under the Indenture; (9) to obtain, maintain or enhance a credit rating for any of the Bonds; or (10) to make any other change which, in the judgment of the Trustee, will not materially adversely affect the rights of the Owners of the affected Bonds then Outstanding.

In the event of the dissolution of the Authority, all of the covenants, stipulations, promises and agreements contained in the Indenture by or on behalf of, or for the benefit of, the Authority will bind or inure to the benefit of the successors of the Authority from time to time and any officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority is transferred.

Amendment of Financing Agreement. With the consent of the County, the Authority and the Trustee, without the consent of or notice to the Owners of any of the Bonds Outstanding, may execute or consent to, as applicable, any amendment, change or modification of any of the Financing Agreement, as may be required (1) by the terms of the Financing Agreement or by the Indenture; (2) to cure any ambiguity, formal defect or omission in the Financing Agreement, (3) to subject to the Indenture additional revenues, leased properties or collateral, (4) in connection with the issuance and sale of Additional Bonds, to provide for the payment of the principal of, premium, if any, and interest on the Additional Bonds, and such other changes as will not, in the opinion of the Trustee, materially adversely affect the rights of the Owners of the Bonds then Outstanding, or (5) in connection with any other change in the Financing Agreement, which, in the judgment of the Trustee, will not materially adversely affect the rights of the Owners of the Bonds then Outstanding.

Except as otherwise provided in the Indenture, neither the Authority nor the Trustee will execute or consent to, as applicable, any amendment, change or modification of the Financing Agreement, without the consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, or, if less than all of the Bonds then Outstanding are affected by the modification, change or amendments, the Owners of a majority in aggregate principal amount of the Bonds so affected then Outstanding.

The Financing Agreement

Agreement to Issue Bonds. The Authority agrees to make available to the County, but solely from the proceeds of the Bonds, and the County agrees to accept monies to finance the Cost of the Project.

Term of Financing Agreement. The Financing Agreement will commence on the date of issuance and delivery of the Bonds and will terminate, unless sooner terminated as provided by the Financing Agreement terms, on October 15, 2050 (provided that all Payments due under the Financing Agreement have been paid on such date) or payment in full of the Bonds.

Payments. The County agrees, subject to annual appropriation, to pay as Basic Payments under the Financing Agreement, commencing April 1, 2024 and on each April 1 and October 1 thereafter, the amount which, together with other money then available in the Bond Fund, will equal the principal of and interest due on the next ensuing interest or principal and interest payment date on the Bonds.

As Additional Payments under the Financing Agreement, the County, subject to annual appropriation, will pay (1) the Trustee's fees and expenses, (2) any administrative expenses owed to the Authority, and (3) any amounts required to be paid to the United States for arbitrage rebate under Section 148(f) of the Code with respect to the Bonds and any Additional Bonds.

So long as the County has paid all amounts then due as Basic Payments, it may make prepayments of Basic Payments at any time on or after October 15, 2033 in an amount equal to the outstanding principal amount of the Bonds to be redeemed prior to maturity plus accrued interest to the optional redemption date. The County will give the Authority and the Trustee written notice of its intention to make such prepayments at least 45 days before the date on which redemption of the Bonds is to occur. Prepayments will be applied pursuant to the optional redemption provisions of the Indenture.

Nature of County's Undertakings. The County's undertaking to pay Basic Payments and otherwise to perform its obligations under the Financing Agreement are absolute and unconditional, subject, however, to annual appropriation by the Board of Supervisors of amounts to be paid under the Financing Agreement. The Board of Supervisors has directed the County Administrator (or other officer charged with preparing the County budget) to include in the budget for each fiscal year of the County during the term of the Financing Agreement, the amounts due under the Financing Agreement. The County's undertaking to make all payments, including Basic Payments, under the Financing Agreement is dependent on and subject to annual appropriations being made by the Board of Supervisors for such purpose. **The County will not be liable for any such payments under the Financing Agreement unless and until funds have been appropriated by the Board of Supervisors for payment and then only to the extent of such appropriations. The Board of Supervisors has no legal obligation to make any such appropriation. The undertaking of the County to make payments under the Financing Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith or credit or the taxing power of the County.**

Covenants with Respect to Tax-Exempt Status of Bonds. The County has covenanted not to take any action with respect to the use of the Bond proceeds which will adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. The County will pay, on behalf of the Authority, the rebate amount due under Section 148 of the Code and will determine such amount, retaining records of such determination.

Events of Default. Events of Default under the Financing Agreement include (1) failure by the County to pay Basic Payments (unless such failure occurs as a result of the failure of the Board to appropriate amounts due under the Financing Agreement or the Indenture, in which case the provisions of the paragraph entitled "Non-Appropriation" below are applicable), (2) failure by the County to pay any other amount due under the Financing Agreement, other than payments of Basic Payments, which failure continues for a period of thirty days after notice, specifying the failure and requesting that it be remedied, is given to the County by the Authority or the Trustee or (3) failure by the County to observe and perform any of its covenants, conditions or agreements in the Financing Agreement other than as described in (1) or (2) directly above, which failure continues for a period of thirty days after notice, specifying the failure and requesting that it be remedied, is given to the County by the Authority or the Trustee, unless the Authority or the Trustee agrees in writing to an extension of such time.

Remedies. If an Event of Default under the Financing Agreement occurs, the Trustee, as assignee of the Authority under the Indenture, may take remedial action, provided such actions are consistent with the Act and the Indenture. Remedies available to the Trustee are as follows: (1) the Trustee may terminate the Financing Agreement, holding the County liable, subject to annual appropriation, for any difference in Basic Payments; and (2) the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect payments then due or to become due, or to enforce performance and observance of any obligation or agreement of the County.

The County may reinstate the Financing Agreement in default upon certain conditions, including the payment of all arrears in respect of the Bonds. Upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action and the Trustee shall not be required to take any such action if it reasonably determines that the approval of a governmental regulator that cannot be obtained is necessary for such action.

Non-Appropriation. If the Board of Supervisors fails to appropriate funds for amounts due under the Financing Agreement or if the County cannot observe and perform any covenant or agreement as a result of such non-appropriation, the Authority, or the Trustee on behalf of the Authority, may terminate the Financing Agreement upon 30 days' notice. The County may reinstate such Financing Agreement upon satisfaction of certain conditions.

The Assignment

Under the Indenture, the Authority will assign to the Trustee for the benefit of the Owners of the Bonds, all of its rights under the Financing Agreement (except, in each case, for certain rights to indemnification, notices and payment of expenses). The rights assigned to the Trustee under the Indenture include, without limitation, the right to receive Basic Payments from the County and the right to exercise remedies upon the occurrence of an Event of Default.

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APPENDIX D

FORM OF BOND COUNSEL OPINION

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APPENDIX D

FORM OF BOND COUNSEL OPINION

Sands Anderson

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____________ __, 2023

Economic Development Authority
of King George County, Virginia
King George, Virginia

$20,630,000
ECONOMIC DEVELOPMENT AUTHORITY
OF KING GEORGE COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE BONDS,
SERIES 2023

Ladies and Gentlemen:

We have examined the applicable law, including the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2, Code of Virginia, 1950, as amended) **(the "Act")**, and certified copies of proceedings and documents relating to the organization of the Economic Development Authority of King George County, Virginia **(the "Authority")** and the issuance and sale by the Authority of its $20,630,000 Public Facility Revenue Bonds, Series 2023 **(the "Bonds")**. Reference is made to the form of the Bonds for information concerning their details, including payment, security and redemption provisions, and the proceedings pursuant to which they are issued. Terms used but not defined herein are defined in the Indenture (as defined below).

The Bonds are being issued to provide funds to assist the County of King George, Virginia (**the "County"**) in financing the acquisition, construction, installation and equipping of a variety of County and school capital projects, including, but not limited to, a new pre-school facility and fire and rescue facilities in the County, and the costs of issuing the Bonds. The County and the Authority have entered into a Financing Agreement, dated as of November 1, 2023 **(the "Financing Agreement")**, pursuant to which, the County has agreed to make payments to the Authority of the Basic Payments which are expected to be sufficient for the payment of principal of and interest on the Bonds (**the "Basic Payments"**). The Authority and Wilmington Trust, National Association, as trustee **(the "Trustee")** have entered into an Indenture of Trust, dated as of November 1, 2023 **(the "Indenture")**, providing for the issuance of and security for the Bonds and the assignment of Basic Payments and certain other rights under the Financing Agreement to the Trustee for the benefit of the holders of the Bonds.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the County and the Authority as to certain facts relevant to both our opinion and requirements of the Internal Revenue Service Code of 1986, as amended **(the "Code")**. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in the proceedings and documents relating to the issuance of the Bonds **(the "Covenants")**.

Based on the foregoing and assuming the due authorization, execution and delivery of the documents described above by parties other than the Authority and the County, we are of the opinion that:

1. The Indenture and the Financing Agreement have been duly authorized, executed and delivered by the Authority and the County, as appropriate, constitute valid and binding obligations of the Authority and the County, as appropriate, and are enforceable against the Authority and the County, as appropriate, in accordance with their terms; provided, however, that no opinion is expressed as to the validity or enforceability of any indemnification provisions of the Financing Agreement. The County's obligation to make payments of the Basic Payments is subject to and dependent upon the Board of Supervisors of the County **(the "Board of Supervisors")** making annual appropriations for such purpose. Such obligation does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the Board of Supervisors has appropriated moneys for such purpose.

2. The Bonds have been duly authorized and issued in accordance with the Act and constitute valid and binding limited obligations of the Authority payable as to both principal and interest solely from the Basic Payments and other funds pledged under the Indenture. The Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County.

3. The rights of holders of the Bonds and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the Authority and the County, as appropriate, under the Indenture and, the Financing Agreement, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

4. Under existing law, interest on the Bonds (a) is not included in gross income for Federal income tax purposes and (b) is not an item of tax preference for purposes of the Federal alternative minimum income tax under the Code; however, for tax years beginning after December 31, 2022, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The opinions set forth in this paragraph are subject to the Authority and the County complying with the Covenants and all of the requirements of the Code that must be satisfied after the issuance of the Bonds so that the interest on them is, or continues to be, excluded from gross income for Federal income tax purposes. Failure of the Authority or the County to comply with the Covenants or these requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactively to their date of issue. We express no opinion regarding any other Federal tax consequences of the ownership, receipt or accrual of interest on the Bonds. We express no opinion regarding treatment of interest on the Bonds for Federal income tax purposes in the event of failure by the County to pay any amounts due under the Financing Agreement resulting from a failure by the Board of Supervisors to appropriate funds for such purposes or in the event of the occurrence of an Event of Default (as defined in the Financing Agreement).

5. Under existing law, interest on the Bonds is exempt from income taxation by the Commonwealth of Virginia and any political subdivision thereof. No other opinion is expressed regarding any other tax consequences of ownership of, or receipt or accrual of interest on, the Bonds under the laws of the Commonwealth of Virginia or any other state.

Our services as bond counsel to the Authority have been limited to rendering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest thereon. We express no opinion herein as to the financial resources of the County, the ability of the County to make payments of the Basic Payments, or the accuracy or completeness of any information relating to the Bonds that may have been relied upon by anyone in making the decision to purchase the Bonds. Furthermore, we express no opinion relating to the Bonds, the issuance thereof or of any information relating thereto (including, without limitation, any information contained in the Preliminary Official Statement dated October 24, 2023 and the final Official Statement dated October 31, 2023) except as specifically and expressly set forth herein.

Very truly yours,

SANDS ANDERSON PC

By: ____________________________________

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement **(the "Disclosure Agreement")** is executed and delivered by the County of King George, Virginia **(the "Issuer")** as of November 1, 2023 in connection with the issuance by the Economic Development Authority of King George County, Virginia (**the "Authority"**) of its $20,630,000 Public Facility Revenue Bonds, Series 2023 **(the "Bonds")** under an Indenture of Trust, dated as of November 1, 2023 **(the "Indenture of Trust")**, between the Authority and Wilmington Trust, National Association, as Trustee **(the "Trustee")**. The Issuer hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Bonds and in order to assist the original purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 **(the "Rule")** promulgated by the Securities and Exchange Commission **(the "SEC")** by providing certain annual financial information and event notices required by the Rule **(collectively, "Continuing Disclosure")**.

Section 2. Annual Disclosure. (a) The Issuer shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the Issuer, prepared in accordance with generally accepted accounting principles; and

(ii) the operating data with respect to the Issuer of the type described in the section of Appendix A of the Authority's Official Statement dated October 31, 2023, entitled **"Property Tax Rates"** (but not including tax rate comparisons with surrounding localities), **"Assessed Value of Taxable Property," "Property Tax Levies and Collections," "Debt Structure"** and **"Changes in Long Term Obligations."**

If the financial statements filed pursuant to Section 2(a) are not audited, the Issuer shall file such statements in unaudited form no later than the deadline set forth in Section 2(b) below, and thereafter shall file such statements in audited form as soon as they are available.

(b) The Issuer shall file annually with the Municipal Securities Rulemaking Board **(the "MSRB")** the financial information and operating data described in subsection (a) above **(collectively, the "Annual Disclosure")** within 270 days after the end of the Issuer's fiscal year, commencing with the Issuer's fiscal year ending June 30, 2023.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Issuer shall file with the MSRB in a timely manner notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Issuer shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance of the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(g) modifications to rights of holders of the Bonds, if material;

(h) call of any of the Bonds, if material, and tender offers;

(i) defeasance of all or any portion of the Bonds;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional Trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation (as defined below) of the Issuer if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect beneficial holders of the Bonds, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

For purposes of this Section 3, the term "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b), but shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination. The obligations of the Issuer hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

Section 5. Amendment. The Issuer may modify its obligations hereunder without the consent of Bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Issuer fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) or beneficial holder of Bonds then outstanding may, by notice to the Issuer, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access (EMMA) system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Issuer may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

COUNTY OF KING GEORGE, VIRGINIA

By: ______________________________
Chairman, Board of Supervisors

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King George County, Virginia

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