

Issue Analysis Form

Date: November 24, 2020
Discussion and Approval of
Direct Sale of Refunding
Bonds
Item: County Administration &
Finance
Lead Department(s): Percy C. Ashcraft & Betsy
Drewry
Contact Person(s):



Description and Current Status

On September 1, September 8 and September 22, Ted Cole, Senior Vice-President, Davenport & Company, LLC (the County's contracted financial advisor), provided the Board an overview of potential savings if we refund (refinance) several of the County's existing debt obligations to take advantage of lowered borrowing rates.

Davenport provided an analysis that compared possible savings and costs refunding County debt through two options:

- **Option 1** - Refunding through Virginia Resources Authority (VRA) fall 2020 borrowing pool
- **Option 2** – Issuance of County Debt through a direct sale into the public bond market

The Board of Supervisors ultimately approved the direct sale of refunding bonds on September 23.

Davenport, staff and Williams Mullen, Bond Counsel, prepared credit presentation information and conducted calls with two credit rating agencies to receive a confidential credit rating. Credit rating agency calls were conducted with S&P and Moody's on November 12 and 13 respectively. Results from those rating calls and confidential rating results are pending.

See **Attachment A** for an updated timeline for bond sale milestones and a savings analysis updated on November 4*.

See Preliminary Offering Statement as **Attachment B**.

See Paying Agent Agreement with U S Bank as **Attachment C**.

The Board will need to take action to approve the direct sale of refunding bonds. A draft resolution is enclosed for consideration and possible approval. The resolution includes parameters that provide assurance on a guaranteed minimum level of savings.

*Preliminary and subject to change with change in bond market rates, and savings are estimated based on the County retaining its Double-A bond rating(s).

Board Action Requested:

Approve resolution authorizing the direct sale of refunding bonds.

Government Path

- | | | |
|--|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

The County will realize lower annual debt service payments if existing obligations are refunded (refinanced), and savings of up an estimated \$3.2Million [preliminary and subject to change with market conditions].

County Impact

The County will realize reduced debt service payments by refunding / "refinancing" at lower interest rates and will simplify its debt structure by consolidating multiple loans into a single payment obligation.

Notes

Financing Schedule and Participants



Financing Schedule

November 2020						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holidays denoted in red font

Financing Participants

- Issuer: Prince George County, Virginia
- Financial Advisor: Davenport & Company LLC
- Bond Counsel: Williams Mullen
- Paying Agent: U.S. Bank
- Verification Agent: Bingham Arbitrage Rebate Services, Inc.

- November 12/13 Calls with Rating Agencies
- By November 23 Receive Confidential Ratings
- By November 25 Receive Public Rating, if applicable
- Week of December 7 Sell Bonds
- By December 23 Close Bonds



Overview of 2020 Financing | Refunding



Refunding - Estimated Principal Amounts & Savings⁽¹⁾

Maturity Date	Principal Amount	Fiscal Year	Annual Savings
8/1/2021	\$ 3,885,000	2021	\$ 274,691
8/1/2022	4,110,000	2022	274,603
8/1/2023	3,765,000	2023	278,755
8/1/2024	3,405,000	2024	280,619
8/1/2025	2,300,000	2025	262,262
8/1/2026	2,375,000	2026	212,922
8/1/2027	2,500,000	2027	251,077
8/1/2028	2,625,000	2028	252,049
8/1/2029	2,590,000	2029	252,881
8/1/2030	2,720,000	2030	237,272
8/1/2031	2,060,000	2031	240,630
8/1/2032	1,355,000	2032	189,437
8/1/2033	825,000	2033	126,423
8/1/2034	175,000	2034	97,287
Total	\$ 34,690,000	2035	15,390
			\$ 3,246,299

Refunding

- The 2020 General Obligation Refunding Bonds will refinance (on a Tax-Exempt basis) all or a portion of the following series of outstanding County Obligations for debt service savings:

— G.O. Bond, Series 2010A (Orig. Taxable)	\$635,000
— G.O. Bond, Series 2012B	2,911,000
— G.O. Bond, Series 2014A	408,000
— G.O. Bond, Series 2014B	1,465,000
— G.O. Bond, Series 2014C	518,000
— G.O. Bond, Series 2015A	148,000
— G.O. Bond, Series 2015B	3,914,000
— G.O. Bond, Series 2016A	3,712,000
— G.O. Bond, Series 2016B	6,715,000
— G.O. Bond, Series 2017A	8,752,000
— G.O. Bond, Series 2019	8,840,000
— G.O. Bond, Fall Tax-Exempt Series 2019	5,364,000
— G.O. Bond, Fall Taxable Series 2019	883,000

Total Principal Refunded

\$44,265,000

- The refunding of existing bonds will be structured with a matched maturity to achieve level annual savings on a series-by-series basis. The total estimated savings results are summarized below:

— Gross Savings:	\$3,246,299
— NPV Savings:	\$2,941,139
— NPV Savings %:	6.64%

NEW ISSUE
BOOK ENTRY ONLY

RATINGS:

MOODY'S: ___

S&P: ___

(SEE "RATINGS" HEREIN)

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants and the accuracy of certain representations and certifications made by the County described herein, interest on the 2020 Bonds (i) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not treated as a preference item in calculating the alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2020 Bonds is excludable from gross income for purposes of income taxation by the Commonwealth of Virginia. See "LEGAL OPINION AND TAX EXEMPTION – 2020 BONDS" herein regarding certain other tax considerations.

\$ _____*

**COUNTY OF PRINCE GEORGE,
VIRGINIA**

**General Obligation Refunding Bonds,
Series 2020 (Tax-Exempt)**

Dated: Date of Delivery

Due: February 1, as shown on the inside cover pages

The \$ _____* General Obligation Refunding Bonds, Series 2020 (Tax-Exempt) (the "2020 Bonds"), are general obligations of the County of Prince George, Virginia (the "County"), to the payment of which its full faith and credit and unlimited taxing power are irrevocably pledged. The County is authorized and required by law to levy *ad valorem* taxes without limitation as to rate or amount upon all taxable property within the County for the payment of the 2020 Bonds unless other funds are lawfully available and appropriated for such purpose.

The 2020 Bonds are being issued to (i) refund certain general obligation bonds previously issued by the County, and (ii) pay the issuance costs of the 2020 Bonds.

This cover page contains certain information for quick reference only. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2020 Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The 2020 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the 2020 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive certificates representing their interest in 2020 Bonds purchased. Payments of principal of and interest on the 2020 Bonds will be made by U.S. Bank, National Association as paying agent ("Paying Agent"), by wire transfer to DTC or its nominee Cede & Co., for disbursement, as described in **Appendix E – Book-Entry-Only System**.

For a description of the redemption provisions applicable to the 2020 Bonds, see the Section entitled **"DESCRIPTION OF THE 2020 BONDS – Redemption Provisions."**

*The 2020 Bonds are offered for delivery when, as and if issued, subject to approval of their validity by Williams Mullen, Richmond, Virginia, Bond Counsel, as described herein. Certain legal matters will be passed upon for the County by the County Attorney, Daniel N. Whitten, Esquire. The 2020 Bonds will be available for delivery through DTC on or about December __, 2020.**

* Preliminary, subject to change.

ATTACHMENT B

The 2020 Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/PARITY® at [10:45 a.m.] (Eastern) on December __, 2020, unless postponed, as set forth in the Notice of Sale.

See **Appendix F – NOTICE OF SALE.**

Dated: December __, 2020

\$ _____^{*}
County of Prince George, Virginia,
General Obligation Refunding Bonds, Series 2020 (Tax-Exempt)
(Base CUSIP Number[†] _____)

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND PRICES

<u>Year</u> <u>(February 1)*</u>	<u>Amount*</u> \$ _____	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>Price</u> %	<u>CUSIP</u> [†]
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					

Optional Redemption. The 2020 Bonds maturing on or before February 1, 2030,* are not subject to redemption before their maturity. The 2020 Bonds maturing on or after February 1, 2031,* will be subject to redemption before maturity at the option of the County on or after February 1, 2030,* from moneys available for such purposes, in whole or in part (in installments of \$5,000) at any time or from time to time, at a redemption price equal to 100% of the principal amount of the 2020 Bonds redeemed, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the successful bidder elects to combine serial maturities into one or more term bonds in the manner set forth in the Notice of Sale. See **Appendix F – NOTICE OF SALE.**

* Preliminary, subject to change.

† See the last paragraph on page i regarding the use of CUSIP numbers in this Official Statement.

COUNTY OF PRINCE GEORGE, VIRGINIA

BOARD OF SUPERVISORS

Donald R. Hunter, Chairman
Alan R. Carmichael, Vice-Chairman
Floyd M. Brown, Jr.
Marlene J. Waymack
T.J. Webb

CONSTITUTIONAL OFFICER

Susan Clark Vargo, *County Treasurer*

CERTAIN COUNTY STAFF

Percy C. Ashcraft, *County Administrator*
Betsy Drewry, CPA, *Director of Finance and Deputy County Administrator*
Jeffrey D. Stoke, *Director of Economic Development and Tourism and Deputy County Administrator*
Julie C. Walton, *Director of Community Development and Code Compliance and Deputy County Administrator*
Daniel N. Whitten, Esquire, *County Attorney*

FINANCIAL ADVISOR

Davenport & Company LLC
Richmond, Virginia

BOND COUNSEL

Williams Mullen
Richmond, Virginia

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER ___, 2020

The 2020 Bonds are being issued under exemptions from any registration requirements under the Securities Act of 1933, as amended, and any registration requirements under the securities laws of the Commonwealth.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by 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 these 2020 Bonds in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the 2020 Bonds. This Official Statement speaks as of its date except where indicated otherwise, and the information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in affairs of the County or in any other matters described herein since the date hereof or, as in the case of certain information incorporated herein by reference to certain publicly available documents, since the date of such documents.

The information set forth herein has been obtained from the County and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a representation by any of such sources as to information provided by any other source. All quotations from, and summaries and explanations of, provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words, "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions identify forward-looking statements. A number of factors affecting the County and its financial results could cause actual results to differ materially from those stated in the forward-looking statements.

The winning bidder may engage in transactions that stabilize, maintain or otherwise affect the price of the 2020 Bonds, including transactions to (a) over allot in arranging the sales of the 2020 Bonds and (b) make purchases in sales of 2020 Bonds, for long or short accounts, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the winning bidder may determine. Such stabilization, if commenced, may be discontinued at any time.

References to web site 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 web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and which has the same meaning as "final official statement" in, SEC rule 15c2-12.

CUSIP is a registered trademark of the American Bankers Association ("ABA"), used by S&P Global Market Intelligence in its operation of CUSIP Global Services for the ABA. The CUSIP (Committee on Uniform Securities Identification Procedures) numbers referenced herein have been assigned by 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 for the convenience of bondholders, and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The 2020 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these 2020 Bonds in any jurisdiction in which such offer, solicitation or sale would be invalid for lack of registration or qualification under the securities laws of such jurisdiction.

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OFFICIAL STATEMENT

§ _____
COUNTY OF PRINCE GEORGE, VIRGINIA
General Obligation Refunding Bonds,
Series 2020 (Tax-Exempt)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the appendices, is to furnish information in connection with the sale by the County of Prince George, Virginia ("Prince George" or the "County") of its \$ _____* General Obligation Refunding Bonds, Series 2020 (Tax-Exempt) (the "2020 Bonds") dated the date of their delivery. The 2020 Bonds are general obligations of the County, to the payment of which the full faith and credit and unlimited taxing power of the County are irrevocably pledged.

The security for the 2020 Bonds is more fully described under the caption "**SECURITY FOR AND SOURCES OF PAYMENT OF THE 2020 BONDS.**"

This Official Statement has been approved and authorized by the Board of Supervisors of the County (the "Board") for use in connection with the sale of the 2020 Bonds. Financial and other information contained in this Official Statement has been prepared by the County from its records (except where other sources are noted). The information is not intended to indicate future or continuing trends in the economic or financial condition of the County.

The financial and operating data contained in this Official Statement is as of the dates and for the periods indicated, many of which were prior to the COVID-19 outbreak. Such financial and operating data has not been updated to reflect any potential impacts of the COVID-19 outbreak on the County's general economic and financial condition. However, the County provides information as to the potential impact of the pandemic on its future financial performance in Appendix A.

AUTHORIZATION AND PURPOSE

In accordance with the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), the Board authorized the issuance and sale of the 2020 Bonds by adoption of a resolution on November __, 2020 (the "Resolution"). Pursuant to Section 15.2-2639 of the Act, the County held a referendum on August 20, 1985 and voters elected to be treated as a city for purposes of the Virginia State Constitutional requirements regarding the issuance of debt by localities.

DESCRIPTION OF THE 2020 BONDS

General

The 2020 Bonds will be dated the date of their delivery and will mature on the dates and in the amounts as set forth on the inside cover pages. Interest on the 2020 Bonds will be payable on each February 1 and August 1, commencing February 1, 2021, until maturity. The 2020 Bonds will be issued in fully registered form in denominations of \$5,000 and integral multiples thereof. Principal of and interest on the 2020 Bonds will be paid by U.S. Bank, National Association, as Paying Agent and Bond Registrar (the "Paying Agent"), by wire transfer to DTC, as hereinafter defined, or its nominee, Cede & Co., for disbursement to Direct Participants, as hereinafter defined, and ultimately to the Beneficial Owners, as hereinafter defined, of the 2020 Bonds as described below. The full faith and credit and unlimited taxing power of the County are irrevocably pledged to the payment of principal of and interest on the 2020 Bonds (see "**SECURITY FOR AND SOURCES OF PAYMENT OF THE 2020 BONDS**"). All interest payments will be made to the registered owners of the 2020 Bonds as such owners appear on the registration books

* Preliminary, subject to change.

ATTACHMENT B

kept by the Paying Agent on January 15 and July 15 preceding the next applicable interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year comprised of 12 months of 30 days each.

Book-Entry-Only System

The Depository Trust Company ("DTC"), will act as securities depository for the 2020 Bonds. The 2020 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 certificate will be issued for each maturity of the 2020 Bonds and will be deposited with DTC. For more information regarding DTC's Book-Entry-Only System, see **Appendix E – BOOK-ENTRY-ONLY SYSTEM**.

Redemption Provisions^{*}

Optional Redemption. The 2020 Bonds maturing on or before February 1, 2030,^{*} are not subject to redemption before their maturity. The 2020 Bonds maturing on or after February 1, 2031,^{*} will be subject to redemption before maturity at the option of the County on or after February 1, 2030,^{*} from moneys available for such purposes, in whole or in part (in installments of \$5,000) at any time or from time to time, at a redemption price equal to 100% of the principal amount of the 2020 Bonds redeemed, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. Mandatory sinking fund redemption provisions will be included in the final Official Statement only if the successful bidder elects to combine serial maturities into one or more term bonds in the manner set forth in the Notice of Sale. See **Appendix F – NOTICE OF SALE**.

Manner of Redemption. If less than all of the 2020 Bonds are called for redemption, the 2020 Bonds to be redeemed shall be selected by the County. If less than all of the 2020 Bonds of any maturity are called for redemption, 2020 Bonds or portions thereof to be redeemed within a maturity shall be selected by lot, with each portion of \$5,000 principal amount being counted as one 2020 Bond for such purpose.

If any of the 2020 Bonds or portions thereof are called for redemption, the Paying Agent shall send notice of the call for redemption identifying the 2020 Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the date fixed for redemption and price and the place where the 2020 Bonds are to be surrendered for payment, by first class mail not less than 30 nor more than 60 days before the date fixed for redemption to the registered owner of each 2020 Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Paying Agent, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the date fixed for redemption, all of the 2020 Bonds or portions thereof so called for redemption shall cease to bear interest on such date and shall not be deemed to be outstanding. If a portion of a 2020 Bond shall be called for redemption, a new 2020 Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender of such redeemed 2020 Bond.

If, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Paying Agent moneys sufficient to redeem all of the 2020 Bonds called for redemption, the notice may state that it is conditional on the deposit of redemption moneys with the Paying Agent not later than the opening of business on the date fixed for redemption.

Plan of Finance and Refunding

The proceeds of the sale of the 2020 Bonds will be used to currently refund up to thirteen (13) outstanding debt obligations of the County, (the "Refunded Bonds") as more particularly described below, and to pay the costs of issuing the 2020 Bonds. All of the Refunded Bonds were placed directly with various financial institutions in response to a request for proposals by the County. Various capital projects were financed or refinanced by the County with the Refunded Bonds. Since all the Refunded Bonds were privately placed, none have CUSIP numbers.

^{*} Preliminary, subject to change.

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Refunding of General Obligation Debt

The chart below sets forth the list of outstanding debt obligations of the County expected to be currently refunded with the proceeds of the 2020 Bonds and other available funds, if any (collectively, the "Refunded Bonds"). The Refunded Bonds listed and summarized below and on the following page are subject to removal from the Refunded Bonds identified for refinancing or the amount of principal to be refunded based upon market conditions on the sale date of the 2020 Bonds may be reduced.

(1)	County of Prince George, Virginia, VML/VACO RZED Bond, Series 2010A				
	<u>Maturity</u> (February 15) 2025	<u>Amount to be Refunded*</u> \$635,000	<u>Interest Rate</u> 5.962%	<u>Redemption Date</u> 12/ __/2020	<u>Redemption Price</u> 100%
(2)	County of Prince George, Virginia, General Obligation Refunding Note, Series 2012B				
	<u>Maturity</u> (February 1) 2024	<u>Amount to be Refunded*</u> \$2,911,000	<u>Interest Rate</u> 2.25%	<u>Redemption Date</u> 12/ __/2020	<u>Redemption Price</u> 100%
(3)	County of Prince George, Virginia, General Obligation Public Facility Note, Series 2014A				
	<u>Maturity</u> (February 1) 2024	<u>Amount to be Refunded*</u> \$408,000	<u>Interest Rate</u> 2.15%	<u>Redemption Date</u> 12/ __/2020	<u>Redemption Price</u> 100%
(4)	County of Prince George, Virginia, General Obligation Public Facilities Note, Series 2014B				
	<u>Maturity</u> (February 1) 2029	<u>Amount to be Refunded*</u> \$1,465,000	<u>Interest Rate</u> 2.40%	<u>Redemption Date</u> 12/ __/2020	<u>Redemption Price</u> 100%
(5)	County of Prince George, Virginia, General Obligation Bond, Series 2014C				
	<u>Maturity</u> (August 1) 2024	<u>Amount to be Refunded*</u> \$518,000	<u>Interest Rate</u> 2.01%	<u>Redemption Date</u> 12/ __/2020	<u>Redemption Price</u> 103%
(6)	County of Prince George, Virginia, General Obligation and Refunding Bond, Series 2015A				
	<u>Maturity</u> (August 1) 2030	<u>Amount to be Refunded*</u> \$148,000	<u>Interest Rate</u> 1.50%	<u>Redemption Date</u> 12/ /2020	<u>Redemption Price</u> 100%

* Preliminary, subject to change.

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(7)	County of Prince George, Virginia, General Obligation Bond, Series 2015B				
	<u>Maturity</u> <u>(August 1)</u> 2030	<u>Amount to</u> <u>be Refunded*</u> \$3,914,000	<u>Interest</u> <u>Rate</u> 2.43%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(8)	County of Prince George, Virginia, General Obligation Refunding Bond, Series 2016A				
	<u>Maturity</u> <u>(February 1)</u> 2031	<u>Amount to</u> <u>be Refunded*</u> \$3,712,000	<u>Interest</u> <u>Rate</u> 2.32%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(9)	County of Prince George, Virginia, General Obligation Refunding Bond, Series 2016B				
	<u>Maturity</u> <u>(April 1)</u> 2033	<u>Amount to</u> <u>be Refunded*</u> \$6,715,000	<u>Interest</u> <u>Rate</u> 2.00%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(10)	County of Prince George, Virginia, General Obligation Note, Series 2017A				
	<u>Maturity</u> <u>(February 1)</u> 2032	<u>Amount to</u> <u>be Refunded*</u> \$8,752,000	<u>Interest</u> <u>Rate</u> 2.30%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(11)	County of Prince George, Virginia, General Obligation Bond (Public Facilities Improvements Projects), Series 2019				
	<u>Maturity</u> <u>(February 1)</u> 2034	<u>Amount to</u> <u>be Refunded*</u> \$8,840,000	<u>Interest</u> <u>Rate</u> 2.88%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(12)	County of Prince George, Virginia, Tax-Exempt General Obligation Bond (Public Facilities Improvements Projects), Fall Series 2019				
	<u>Maturity</u> <u>(February 1)</u> 2034	<u>Amount to</u> <u>be Refunded*</u> \$5,364,000	<u>Interest</u> <u>Rate</u> 2.11%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%
(13)	County of Prince George, Virginia, Taxable General Obligation Bond, Fall Series 2019				
	<u>Maturity</u> <u>(August 1)</u> 2026	<u>Amount to</u> <u>be Refunded*</u> \$883,000	<u>Interest</u> <u>Rate</u> 2.65%	<u>Redemption</u> <u>Date</u> 12/__/2020	<u>Redemption Price</u> 100%

*Preliminary, subject to change.

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The aggregate outstanding principal amount of all the Refunded Bonds described above is \$ _____. The County reserves the right to refinance all or a portion of the aggregate principal amount of the Refunded Bonds.

Sources and Uses of Funds

The following table sets forth the anticipated application of the proceeds of the 2020 Bonds:

	<u>2020 Bonds</u>	<u>Total</u>
Sources of Funds		
Par Amount of Bonds	\$	\$
[Plus/Less]: [Net] Original Issue [Premium/Discount]	\$	\$
Total Sources		
Uses of Funds		
Refund Refunded Bonds		\$
Costs of Issuance*		\$
Total Uses	\$	\$

* Includes Underwriter's discount, and estimated costs of issuance, which include rating agency and legal fees, printing expenses and other fees and expenses.

SECURITY FOR AND SOURCES OF PAYMENT OF THE 2020 BONDS

General

The 2020 Bonds are general obligations of the County to the payment of which the County's full faith and credit and unlimited taxing power are irrevocably pledged. While the 2020 Bonds remain outstanding and unpaid, the County is authorized and required by law to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, *ad valorem* taxes without limitation as to rate or amount upon all taxable property within the County sufficient to pay when due the principal of and interest on the 2020 Bonds, unless other funds of the County are lawfully available and appropriated for such purpose.

Bondholders' Remedies In Event Of Default

Section 15.2-2659 of the Code of Virginia of 1950, as amended (the "Intercept Provision"), provides that upon affidavit of any owner, or any paying agent therefor, of a general obligation bond in default as to payment of principal or interest, the Governor shall conduct a summary investigation and if such default is established to the Governor's satisfaction, the Governor shall order the State Comptroller to withhold all funds appropriated and payable by the Commonwealth of Virginia (the "Commonwealth") to the political subdivision so in default and apply the amount so withheld towards payment of the defaulted amounts. Under the Intercept Provision, neither the State Comptroller nor the Commonwealth has any legal obligation to make any payment on behalf of the County other than from the funds appropriated and payable to the County. Commonwealth aid that is payable to the County and that is subject to interception is derived primarily from the Commonwealth's General Fund, with the remaining aid being payable from the Highway Maintenance and Construction Fund of the Virginia Department of Transportation and certain other funds. The primary sources of revenue for the Commonwealth's General Fund are individual and corporate income tax revenues, sales and use tax revenues, other tax revenues, interest dividends and rents. To date, no order to withhold funds pursuant to the Intercept Provision, or its predecessor provisions 15.1-227.61 and 15.1-225, has ever been issued with respect to the County. Although the Intercept Provision, and its predecessor provisions 15.1-227.61 and 15.1-225, have not been considered by a Virginia court, the Attorney General of the Commonwealth has issued an opinion that appropriated funds may be withheld by the Commonwealth pursuant to one of the predecessor provisions. In Fiscal Year 2019, the payments provided by the Commonwealth accounted for a total of \$10,852,044, or approximately 15.9% of the total General Fund revenue collected by the County, including the appropriations to the School Board.

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Neither the 2020 Bonds nor the Resolution or the proceedings with respect thereto specifically provide any remedies to owners of the 2020 Bonds if the County defaults in the payment of principal or interest thereon, nor do they contain any provision for the appointment of a trustee to enforce the interests of such owners upon the occurrence of such default. Upon any default in the payment of principal or interest, the owner of a 2020 Bond could, among other things, seek from an appropriate court a writ of mandamus requiring the Board to observe the covenants contained in the 2020 Bonds. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to enforce payment of the 2020 Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") permits a municipality such as the County, if insolvent or otherwise unable to pay its 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, § 109(c)(2). Current Commonwealth statutes do not expressly authorize the County or municipalities generally to file for bankruptcy under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against political subdivisions such as the County.

Although Commonwealth law currently does not authorize such action, future legislation may enable the County to file a petition for relief under the Bankruptcy Code if it is insolvent or unable to pay its debts, or authorize third parties to bring involuntary action. Bankruptcy proceedings by the County could have adverse effects on the owners of the 2020 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, or (iii) imposition without their consent of a reorganization plan reducing or delaying payment of the 2020 Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the owners of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent." The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

The County has never defaulted in the payment of either principal or interest or any debt obligation.

LEGAL OPINION AND TAX EXEMPTION – 2020 BONDS

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion regarding the 2020 Bonds will state that, under current law and assuming the compliance with the Covenants, as hereinafter defined, by the County and certain other persons and entities, interest on the 2020 Bonds (including any accrued "original issue discount" properly allocable to the owners of the 2020 Bonds) (i) is excludable from the gross income of the owners of the 2020 Bonds for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax. See Appendix D for the form of the opinion of Bond Counsel for the 2020 Bonds.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the 2020 Bonds.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the proper treatment of interest on the 2020 Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service. The County has covenanted, however, to comply with the requirements of the Code.

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Reliance and Assumptions; Effect of Certain Changes

As to questions of fact materials to its opinion, Bond Counsel is relying upon and assuming the accuracy of certifications and representations of the County, public officials and certain other third parties, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by the County and certain other persons and entities. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the 2020 Bonds in order for interest on the 2020 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the 2020 Bonds and the use of the property refinanced by the 2020 Bonds, limitations on the source of the payment of and the security for the 2020 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the 2020 Bonds to the Treasury. Prior to the issuance of the 2020 Bonds, the tax certificate and related documents for the 2020 Bonds (the "Tax Certificate") that contains covenants, regarding the requirements (the "Covenants") with which the County has agreed to comply. A failure to comply with the Covenants could cause interest on the 2020 Bonds to become includible in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the 2020 Bonds from becoming includible in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the 2020 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificates, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such document. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the 2020 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the 2020 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of such 2020 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the 2020 Bonds.

Prospective purchasers of the 2020 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, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the 2020 Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made to any 2020 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2020 Bond owner who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of such interest from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount

The "original issue discount" ("OID") on any 2020 Bond is the excess of such bond's stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of such 2020 Bond. The "issue price" of a 2020 Bond is the initial offering price to the public at which price a substantial amount of such 2020 Bonds of the same maturity was sold. The issue price for each maturity of the 2020 Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement (or, in the case of the 2020 Bonds sold on a yield basis, the initial offering price derived from such yield), but is subject to change based on actual sales. OID on the 2020 Bonds with OID (the "OID Bonds") represents interest that is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax and the distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

Interest in the form of OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner's cost basis in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of such Premium Bond.

Effects of Future Enforcement, Regulatory and Legislative Actions

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2020 Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the 2020 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the 2020 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the 2020 Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes. The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the 2020 Bonds, regulatory interpretation of the Code or actions by a court involving either the 2020 Bonds or other tax-exempt obligations will not have an adverse effect on the 2020 Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the 2020 Bonds.

Prospective purchasers of the 2020 Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel – Virginia Income Tax Consequences

Bond Counsel's opinion also will state that, under current law, interest on the 2020 Bonds is excludable from the gross income of the owners thereof for purposes of income taxation by the Commonwealth. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the 2020 Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the 2020 Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth. Prospective purchasers of the 2020 Bonds should consult their own tax advisors regarding the tax status of interest on the 2020 Bonds in a particular state or local jurisdiction other than the Commonwealth.

RATINGS

The 2020 Bonds have been rated "___" by Moody's Investors Service, Inc., and "___" by S&P, respectively. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same.

The County has furnished certain information to the rating agencies including information not included in this Official Statement. Generally, a rating agency bases its rating on the information and materials provided to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2020 Bonds.

LITIGATION

There are miscellaneous claims against the County including claims in litigation. In the opinion of the County Attorney and the County's management, none of these claims would materially affect the County's financial position. The County Attorney is of the opinion that there is no litigation pending or, to the best of his knowledge after due investigation, threatened in the courts of the Commonwealth or the federal courts which would in any way affect the

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validity of the 2020 Bonds or the right of the County to levy and collect ad valorem taxes, without limitation as to rate or amount, for payment of principal of and interest on the 2020 Bonds.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and validity of the 2020 Bonds are subject to the approval of Williams Mullen, Richmond, Virginia, Bond Counsel, whose opinion with respect to the 2020 Bonds will be furnished at the expense of the County upon delivery of the 2020 Bonds. Certain legal matters will be passed upon for the County by the County Attorney, Donald N. Whitten, Esquire.

Bond Counsel's opinions will be limited to matters relating to authorization and validity of the 2020 Bonds, to the tax status of interest on the 2020 Bonds as described in the section "**LEGAL OPINION AND TAX EXEMPTION – 2020 BONDS**" herein. Bond Counsel has not been engaged to investigate the financial resources of the County or its ability to provide for payment of the 2020 Bonds, and Bond Counsel's 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 2020 Bonds. See **Appendix D – FORM OF OPINION OF BOND COUNSEL**.

SALE AT COMPETITIVE BIDDING

The 2020 Bonds will be offered at competitive bidding on the date determined pursuant to the provisions of the Notice of Sale attached as Appendix F hereto ("Notice of Sale"). After the 2020 Bonds have been awarded, the County will issue an Official Statement in final form to be dated the date of the award. The County will deem the Official Statement in final form as of its date, and the Official Statement in final form will be a "Final Official Statement" within the meaning of Rule 15c2-12 (the "Rule") adopted under the Securities and Exchange Act of 1934. The Official Statement in final form will include, among other matters, the identity of the winning bidder or winning bidders, the expected selling compensation to such bidder and other information on the interest rates and offering prices or yields of the 2020 Bonds, all as supplied by the successful bidder. See Appendix F – NOTICE OF SALE.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the 2020 Bonds, officials who signed the 2020 Bonds will certify that, to the best of their knowledge, the final Official Statement did not as of its date, and does not as of the date of delivery of the 2020 Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that such officials did not independently verify the information in the final Official Statement from sources other than the County, but that they have no reason to believe that such information contains any untrue statement of a material fact or omits to state a material fact which should be included therein for the purpose for which the final Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

The County has undertaken in the Resolution to enter into a continuing disclosure agreement (the "Continuing Disclosure Agreement"), pursuant to which the County covenants to make the disclosures specified in the Rule by providing certain annual financial and operating data and notice of the events listed in the Rule to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA"). The County's Continuing Disclosure Agreement requires the County to provide only limited information at specified times, and the information provided may not be all the information necessary to value the 2020 Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by its 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 County may amend the Continuing Disclosure Agreement, without the consent of the holders of the 2020 Bonds, provided that the Continuing

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Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The County shall within a reasonable time file with EMMA a description of such modification(s). See **Appendix B – Form of Continuing Disclosure Agreement**.

Failure by the County to comply with the Continuing Disclosure Agreement is not an event of default with respect to the 2020 Bonds. The sole remedy for a default under the Continuing Disclosure Agreement is to bring an action for specific performance of the County's covenants thereunder, and no assurance can be provided as to the outcome of any such proceeding. The County has not failed to file a report required by any continuing disclosure agreement to which it was subject in the past (5) years.

FORWARD-LOOKING STATEMENTS

This Official Statement and Appendices contains forward-looking statements. Forward-looking statements include statements with respect to the County's beliefs, plans, objectives, goals, targets, expectations, anticipations, assumptions, estimates, intentions and future performance and involve known and unknown risks, many of which are beyond the County's control and which may cause its actual results, performance or achievements, to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements by terminology generally include such terms as "outlook," "believes," "expects," "potential," "continues," "may," "will," "could," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of those words or other comparable terms.

Any forward-looking statements contained in this Official Statement and Appendices are based on our historical performance or on its current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by the County, that the future plans, estimates or expectations contemplated by the County will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to the County's operations, financial results, tax collections and the general financial condition, growth and economy of the region. Actual results may differ materially from those in the forward-looking statements due to, among other things, the following factors:

- the impact of the COVID-19 pandemic and the associated efforts to manage and limit its spread;
- changes in the creditworthiness of taxpayers and customers of County services and the possible impairment of the collectability of payment obligations;
- general economic conditions, either nationally or regionally, that may be less favorable than expected, resulting in, among other things, a deterioration in tax revenues;
- changes in the legislative or regulatory environment and responsibilities at the federal, state or local level, including but not limited to, changes in funding requirements that may adversely affect the County;
- costs or difficulties related to the operation of the County that may be greater than expected;
- anticipated cost savings associated with actions or inactions undertaken by the County may not be fully realized or realized outside the originally expected time frame;
- cybersecurity threats or attacks, the implementation of new technologies, and the ability to develop and maintain reliable electronic systems; and
- changes in our local economy with regard to our market area.

If one or more of these or other risks or uncertainties materialize, or if its underlying assumptions prove to be incorrect, the County's actual results may vary materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included

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elsewhere in this Preliminary Official Statement and the documents incorporated by reference herein. The County cautions investors not to place undue reliance on any forward-looking statements, which speak only as of the date of this Official Statement and Appendices. The County does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, unless otherwise required by its Continuing Disclosure Agreement.

FINANCIAL STATEMENTS

The County's fiscal year begins on July 1 each year and ends on June 30 the following year. Any reference herein to the "Fiscal Year" of the County shall mean the fiscal year ended June 30 of the applicable year.

The County's financial statements have been audited by independent public accountants for each Fiscal Year through Fiscal Year 2019. See **Appendix B – ANNUAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2019**. Such general purpose financial statements, along with the related notes to financial statements, are intended to provide a broad overview of the financial position and operating results of the County's various funds and account groups. Certain financial information of the County is set forth in table format in Appendix A. The County's auditors have neither reviewed, nor participated in the preparation of, this Official Statement.

The Comprehensive Annual Financial Report of the County for Fiscal Year 2019 is available for inspection in the County's Finance Department, located at: 6602 Courts Drive, Third Floor, Prince George, Virginia 23875, or on the County's website.

FINANCIAL ADVISOR

Davenport & Company LLC ("Davenport") is employed as a financial advisor to the County in connection with the issuance of the 2020 Bonds. The financial advisor's fee for services rendered with respect to the sale of the 2020 Bonds is contingent upon the issuance and delivery of the 2020 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 2020 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.

VERIFICATION AGENT

The Bingham Arbitrage Rebate Services, Inc. (the "Verification Agent") has verified from the information provided to them by the Financial Advisor the mathematical accuracy as of the date of closing on the 2020 Bonds of the computation furnished to determine that the anticipated receipts from the proceeds of the 2020 Bonds and any cash deposits, short term investment earnings, if any, to be held in escrow or to be applied at closing, will be sufficient to pay, when due, the principal, interest and all premium payment requirements of the Refunded Bonds. The Verification Agent expresses no opinion on the reasonableness of the assumptions and information provided to them or the likelihood that the principal and interest on the Refunded Bonds or the 2020 Bonds will be paid as described.

RELATIONSHIP OF PARTIES

Williams Mullen, Bond Counsel, represents the Financial Advisor and the Paying Agent, from time to time in matters unrelated to the 2020 Bonds.

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MISCELLANEOUS

Additional information may be obtained, upon request, from Davenport at 901 East Cary Street, 11th Floor, Richmond, Virginia 23219 by calling (804) 697-2900 or from the Finance Department of the County at, 6602 Courts Drive, Third Floor, Prince George, Virginia 23875 by calling (804) 722-8710 or through the County website.

So far as any statements made in this Preliminary Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the estimates or projections described in such statements will be realized. Neither this Preliminary Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the 2020 Bonds.

The purpose of this Preliminary Official Statement is to supply information to prospective buyers of the 2020 Bonds. All quotations from and summaries and explanations of laws contained in this Preliminary Official Statement do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

APPROVAL OF OFFICIAL STATEMENT

The distribution of this Preliminary Official Statement has been duly authorized by the Board.

The County has deemed this Preliminary Official Statement final as of its date within the meaning of the Rule, except for the omission of certain information permitted to be omitted under the Rule.

COUNTY OF PRINCE GEORGE, VIRGINIA

By: _____
/s/ Percy C. Ashcraft, County Administrator

By: _____
/s/ Donald R. Hunter, Chairman of the Board

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**APPENDIX A: CERTAIN INFORMATION REGARDING
THE COUNTY OF PRINCE GEORGE, VIRGINIA**

APPENDIX A
THE COUNTY OF PRINCE GEORGE, VIRGINIA

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**CERTAIN BACKGROUND INFORMATION REGARDING
THE COUNTY OF PRINCE GEORGE, VIRGINIA**

Overview

Prince George County, Virginia (the "County" or "Prince George") is a suburban community of approximately 38,353 residents. The County consists of a 276 square mile area that is centrally located in southeastern Virginia and is included in the Richmond Metropolitan Statistical Area ("MSA"). Prince George has transitioned from an agricultural economy to an industrial and informational economy. Fort Lee, a large military base, is perhaps the County's most prominent economic asset. Rural, yet suburban, Prince George County continues to experience steady population increases and economic growth while maintaining an attractive quality of life for its citizens. Prince George County is committed to being the best place to live, learn, work and raise a family. According to the U.S. Census Bureau data, the County has experienced an approximately 7.3% population increase since 2010.

The James River, Charles City County and the City of Hopewell form the County's northern border. The Appomattox River, Chesterfield County, the City of Petersburg and Dinwiddie County lie to the west. To the east and south are Surry and Sussex Counties. The MSA includes the Cities of Richmond, Petersburg, Hopewell and Colonial Heights and the Counties of Chesterfield, Henrico, Hanover, Dinwiddie, New Kent, Goochland, Powhatan and Prince George.

Prince George provides ideal access to all major East Coast and Sunbelt markets via Interstates 95 and 295. The Port of Hampton Roads is accessible via US Route 460 and rail. Rail transit runs parallel to Route 460. Richmond, Virginia is approximately 25 miles northeast, Washington, DC is approximately 125 miles north and the Port of Hampton Roads is approximately 90 miles southeast. Raleigh, North Carolina is approximately 150 miles to the south.

History

Prince George County was established in 1703 and was named in honor of Prince George of Denmark, husband of England's reigning monarch, Queen Anne. It was formed from Charles City County, one of the original eight shires in Virginia, and its boundaries originally stretched from south of the James River down to the North Carolina state line.

Tourism has a meaningful role in the County's economy. Civil war battlefields, historic landmarks and recreational opportunities attract a large number of visitors each year. The County actively promotes its heritage and attractions to tourists.

COUNTY GOVERNMENT

Form of Government

The Board of Supervisors (the "Board") is the governing body of the County. The Board is composed of five members (the "Directors"). The Directors are elected representatives of the County's two voting districts. Each Director is popularly elected to a four year term. The Chairman and Vice-Chairman are selected by majority vote of the Directors at a Board meeting in January of each year to a serve twelve month term.

The Board makes policies for the administration of the County. The Board appoints a County Administrator as the lead administrative official. The County Administrator serves at the pleasure of the Board, carries out its policies, directs business procedures, and appoints and has the power to remove the directors of all departments and all employees of those departments under his or her control.

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The School Board members are popularly elected by the residents of the voting Districts in which such School Board member resides. Under Virginia law all operations of the School Board are independent of the Board and the County government administration officials. The Board is required to make an annual appropriation of operating funds to the School Board based upon an approved budget, but has no authority to direct how such appropriation is expended. The School Board provides overall supervision of the County school system in accordance with the Code of Virginia.

The County Treasurer, Commissioner of the Revenue, the Clerk of the Circuit Court, the Sheriff and the Commonwealth Attorney, all constitutional officers, are elected at large by the voters. The Commissioner of the Revenue, the Treasurer, the Commonwealth's Attorney and the Sheriff are elected by popular vote to four-year terms. The Clerk of the Court is elected by popular vote to an eight-year term.

In Virginia, cities and counties are distinct units of government and do not overlap. Each county or city is a distinct political entity providing services for the population within its respective jurisdiction. There are no combined county-city governmental services, unless provided by contract. Thus, the County is responsible for providing all local government services to its residents.

Elected Officials – Members of Board

Donald R. Hunter, Chairman of the Board. Mr. Hunter is an elected representative from District 2. He has served on the Board since 2015 and was re-elected in 2019. During his second term, he was appointed as Chairman of the Board. Chairman Hunter is a U.S. Air Force veteran and holds a B.A. in Criminology. Before his retirement, Mr. Hunter had a long career in law enforcement with the City of Richmond and the County's police force, and as the County Sheriff from 1995 through 2004. In addition, he served as the Executive Director of the Crater Criminal Justice Training Academy from 2007 to 2013 and he thereafter served as the Deputy Emergency Management Coordinator with the County. In addition to all of his professional endeavors, Chairman Hunter is active in several community service organizations, such as the Masonic Lodge, the Ruritan Club and the Rotary Club, and was formerly a member of the Prince George County Volunteer Fire Department. He currently serves on the District 19 Community Services Board of Directors and has coached youth and adult sports teams in recreational leagues.

Alan R. Carmichael, Vice-Chairman. Mr. Carmichael is an elected representative from District 1. He has served on the Board since 2008. He has previously served as Chairman of the Board in addition to his current role as Vice-Chairman. Mr. Carmichael has worked in distribution management for over 31 years, and has been employed by Design Systems & Services Corporation (DSS) since May 2020. His work history includes employment with the Food Lion Distribution Center (1982-1996); Super Value/Richfood (1996-1997); Richmond Cold Storage (1997-2016); Perkinson Construction; and Meridian Waste. Mr. Carmichael served as a Prince George County Volunteer Firefighter for six (6) years. He was also the lead vocalist of a local band for over 15 years where he donated his time to many local charity events.

Floyd M. Brown, Jr. Mr. Brown ~~is~~ was elected as a representative from District 1 in 2017. Mr. Brown was the managing director for a local IT firm and oversees the operations of 45 global consultants. Mr. Brown serves on the Virginia Association of Counties Transportation Committee, and the Board of Supervisor representative to the Local Emergency Planning Committee. He is a past president of the Prince George Rotary Club, a former national and local officer for the Order of the Eastern Star, and the Chairperson of the Trustee Ministry at First Baptist Church Disputanta.

Marlene J. Waymack. Ms. Waymack was first elected to the Board in 2018 as an elected representative for District 2. Ms. Waymack began her career in governmental services with the U.S. Department of Agriculture and as the Registrar of Voters for the County. She thereafter focused her career in healthcare following her receipt of an Associate's degree in nursing from John Tyler Community College. Ms. Waymack subsequently received a Bachelor of Science degree in Nursing from Virginia State University. She retired from the John Randolph Medical Center in 2019 and is active in her church and other community service activities.

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T.J. Webb. Mr. Webb was first elected to the Board in 2015 and subsequently re-elected as a representative of District 2 in 2019. He has been a resident of Prince George for over 50 years. Mr. Webb has been appointed to serve as the Board's representative in various roles, including the County's CIP Committee, along with the MPO Board, for which he serves as Chairman. He was a member of the Marine Corps before establishing a career focused on the management and operation of manufacturing facilities, and attended classes at VCU on such topics. Mr. Webb worked at Philip Morris before retiring from his position as Maintenance and Production Superintendent.

Elected Officials – Certain Constitutional Officer

Susan C. Vargo. Ms. Vargo was first elected Treasurer of the County in November 2017 and was re-elected in November 2019 for a term that runs through the end of 2023. Prior to her election as Treasurer, Ms. Vargo served as a customer service associate in banking for eight years before being hired by the Prince George County Treasurer's Office in February 1992. She is a member of the Virginia Association of Local Executive Constitutional Officers, the Virginia Government Finance Officers Association and is an active and past member of many community and civic organizations and has served in many leadership roles.

Certain Key County Staff Members

Percy C. Ashcraft. Mr. Ashcraft was appointed County Administrator on March 14, 2011 and prior to that he served as the County Administrator of Caroline County, Virginia for 11 years, and City Manager of Clarksburg, West Virginia for 4 years. A native of Clarksburg, West Virginia, Mr. Ashcraft was elected to six terms in the West Virginia House of Delegates from January 1983 to December 1994 and retired as a two-term Chairman of the House Education Committee and a three-term member of the House Speaker's Rules Committee. Mr. Ashcraft graduated from Salem College with a double major in Journalism and Political Sciences. He holds a minor degree in Public Administration. Mr. Ashcraft is a member of the Virginia Local Government Manager's Association (the "VLGMA") and holds or has held professional memberships in the Rotary, Optimists, Ruritan and Lions Clubs. He has been a volunteer youth league sports coach throughout his life.

Betsy Drewry. Ms. Drewry was named the Director of Finance for the County on February 16, 2016. She previously served as the Director of Budget and Finance for the Prince George County Public Schools for 14 years. She also served a short stint with the Richmond City Public Schools before returning to the County. As the County's Director of Finance, Ms. Drewry oversees the divisions of budget, purchasing and financial accounting and reporting for the County. Prior to being employed by the County, she served as a Staff Auditor and an Audit Senior at the Auditor of Public Accounts for 5 years and was the Accounting Manager at the District 19 Community Board for 4 years. She is a graduate of Virginia Tech University. Ms. Drewry is a member of the Government Finance Officers Association and the Virginia Government Finance Officers Association, and was recently elected to serve on the VGFOA board and will serve on the Membership and Awards Committee. Ms. Drewry serves as Treasurer for the James House, a local nonprofit organization. Ms. Drewry also acts as one of three Deputy County Administrators, and was appointed to such role effective September 1, 2018.

Jeffrey D. Stoke. Mr. Stoke was named as the County's Director of Economic Development and Tourism on September 1, 2009. Since joining the County government, he has managed more than 12 new and expanding business projects totaling approximately \$609 million in capital investment and created an estimated 1,163 new jobs for the County. Mr. Stoke's responsibilities also entail the supervision of the County's Division of Tourism, and service as the primary staff support member for the Prince George Economic Development Authority. Mr. Stoke is a graduate of S.U.N.Y., Buffalo, where he obtained a B.A. in Urban and Public Policy Studies and he earned a Master of Public Administration Degree from James Madison University. He serves on a number of boards including the VLGMA. Mr. Stoke is also one of three Deputy County Administrators, and was appointed to such role effective May 1, 2011.

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Julie C. Walton. Ms. Walton is the County's Director of Community Development and Code Compliance. She has been an employee of the County for over twenty six years and has served as the Director of Community Development and Code Compliance for the County since 2012 where Ms. Walton oversees the Divisions of Planning & Zoning, Building Inspections, Environmental Programs, Property Maintenance and Code Compliance. Prior to her current position, she served as the County's Building Official and Fire Official, overseeing the Building Inspections, Property Maintenance and Environmental Divisions. Ms. Walton also serves as one of three Deputy County Administrators and was appointed to this role in January of 2020. She was recently named to the VBCOA Board of Directors and was appointed legislative chairperson.

Daniel N. Whitten, Esquire. Mr. Whitten was appointed the County Attorney in the summer of 2019. He is a graduate of the College of William & Mary's Marshall-Wythe School of Law as well as the University of Virginia. As a practicing attorney in the Commonwealth since 2009, Mr. Whitten began his career in governmental law in 2010 and served as County Attorney for Warren County, Virginia, until he joined the County last year. He is currently Chairman of the Virginia Local Government Attorneys Association Outreach Committee.

Lori Robertson, Accounting Supervisor. Ms. Robertson was promoted to Accounting Supervisor on November 15, 2017, and has been employed with the County since September of 2014, previously in the role of Financial Reporting Accountant. She currently supervises Accounts Payable, prepares the County's large bank account reconciliation monthly, reconciles all cash receipts with the Treasurer's Office, prepares routing and special journal entries, and assists with the preparation of the annual budget and capital investment plan. Lori has over 30 years in accounting experience, and worked in accounting for many years with Aramark before coming to Prince George. Mrs. Robertson is a member of GFOA and VGFOA and is currently pursuing VGFOA GNAC certification. She is a life-long resident of Prince George County.

Rod Compton, Assessor. Rod Compton has served as the Real Estate Assessor for Prince George County for the past 15-years and has over 25-years of Real Estate Valuation experience. Mr. Compton holds a Master of Science (M.S.) degree in Business with a concentration in Real Estate Valuation from Virginia Commonwealth University and a Bachelor of Business Administration (B.B.A.) in Finance from James Madison University. Mr. Compton is licensed by the Commonwealth of Virginia as a Certified General Real Estate Appraiser and holds an AAS Designation from the International Association of Assessing Officers. Mr. Compton currently serves as the Treasurer for the VAAO.

COUNTY ORGANIZATIONAL CHART

An -organizational chart dated December 11, 2019 that identifies the County's governance structure is on the following page. The various administrative departments of the County are identified, along with the four (4) elected constitutional officers. All members of County government report to the citizens of the County.

COUNTY GOVERNMENT ADMINISTRATIVE RESPONSIBILITIES

County Administration

The County Administrator leads and oversees the operations of County government to meet the needs of the citizens of Prince George. The County's administration staff advises members of the Board, recommends policies and sets priorities for consideration by the Board of provision of programs and services that provide the highest quality of life to County citizens. The County Administrator ensures compliance with federal, state and local laws and ordinances. He also maintains open communication with various sectors of the community such as the legislative delegation, business community, area governments and County residents.

The County's administrative staff includes the personnel in all the departments that provide general governmental services for its residents, including but not limited to police, fire and rescue protection, water and sewer services, parks and recreation, land use planning and zoning, social services and property maintenance.

The County employs approximately 275 full-time and 8 part-time workers throughout the County's governmental services footprint. The number of full-time County employees has increased from 235 to 276 individuals since 2011. No salary increases were budgeted for County employees in Fiscal Year 2021.

Finance Department

The Finance Department responsibilities include general accounting, accounts payable, budgeting, financial reporting/grant administration, payroll, and procurement/purchasing. The Finance Department coordinates and manages bond issuances and the payment of debt service obligations. Additionally, the Finance Department manages the risk management and surplus County property repurposing and divestitures as well. The Finance Department is also responsible for the County's annual budget, Capital Improvements Plan and the Comprehensive Annual Financial Report ("CAFR"). The Finance Department develops quarterly financial reports that are shared with the Board as well.

Community Development & Code Compliance Department

The Community Development & Code Compliance Department consists of three main divisions: Building Inspections, Code Compliance and Environmental. The Building Inspections Division is responsible for issuing permits and conducting inspections for all new construction, alteration and repairs to existing structures, removal or demolition of structures and other building operations to ensure that the proposed construction will comply with the provisions of the Virginia Uniform Statewide Building Code.

County staff regularly investigates complaints through the Code of Compliance Division regarding nuisances such as discarded materials, tall grass, outdoor storage, housing conditions, and problems with the condition of rental units. The County Inspection staff works closely with Zoning Officials and the Police Department to achieve compliance with the Virginia Maintenance Code and the Code of the County of Prince George.

The Environmental Division works to maintain a balance between the protection of the environment and economic growth. The Division promotes environmental awareness and performs inspections to ensure compliance with the County Erosion and Sediment Control Ordinance, the Chesapeake Bay Protection Ordinance and other federal, state and local laws pertaining to erosion and sediment control and stormwater management.

Planning Division

The Planning Division is comprised of the Planning and Zoning organizations. The Planning Division provides planning and technical support to ensure planned growth and development is available to support the quality of life in the County. Land use evaluations and plans, reports, information and recommendations to the

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Board are produced. The Division is also the lead agency in implementing and enforcing regulatory controls on development applications, maintenance of development regulations, historic preservation planning, zoning administration, comprehensive planning, neighborhood and special area planning, environmental planning, maintains various planning maps, and special projects services.

The Planning Division processes and reviews all proposals for new local development to ensure that they are consistent with adopted County policies, plans and applicable ordinances. Staff reviews and approves administrative applications, prepares demographic and socioeconomic studies, conducts research studies related to statistical data, completes flood plain reviews of site plans and building permits and performs site inspections for compliance with zoning conditions and approved plans to citizen inquiries and questions. The Zoning staff monitors and enforces compliance with the County codes proactively and in response to complaints, and also monitors and enforces compliance within approved site plans. Finally, the Division prepares and updates the Comprehensive Plan and policies and programs and provides recommendations about land use, historic preservation, urban design, environmental protection, trails and greenways and open spaces to preserve Prince George's natural and cultural resources.

Information Technology Department

A County-wide Information Technology Department was established in 2018 to coordinate information technology purchases and projects that impact and benefit multiple County departments. The Information Technology Department provides technology support services for the County administrative departments, Constitutional Offices and several multi-jurisdictional agencies. Support is provided in a wide variety of areas including hardware and software support for County technology assets, including desktop computers, servers, telephones, printers, mobile devices, as well as audio-visual equipment. Training and support are provided for all technology initiatives. Strategic planning as to the expansion of technology information and cyber security and natural or man-made disruption of data access and the County's communication system.

Cyber Security Planning. The County has not experienced any known cyber breaches or incidents, but it takes the risk of such threats seriously. The County maintains cyber insurance, and increased its coverage level from \$500,000 to \$5,000,000 effective July 1, 2020. The Virginia National Guard conducted a Cyber Vulnerability Assessment of the County in 2018 and improvements in the County's cyber security system were made in response to the recommendations set forth in such report. In the event of a suspected cyber security breach, the County has a plan in place whereby the IT Department would work with its security software provider and support vendors to isolate suspected systems, perform restoration/recovery as needed and conduct a thorough investigation of the incident.

COVID-19 IMPACT AND RESPONSE

The COVID-19 (Coronavirus) pandemic has quickly and significantly changed the economic conditions across the country and the world, including in the County. As part of the Virginia Governor's Phase 3, Forward Virginia Executive Orders, which went into effect on July 1, 2020, businesses across the County are open with reduced capacity and operating under social distancing guidelines. Restaurants and beverage services are open, but bar seating is prohibited, and fitness and exercise facilities are open at seventy-five percent capacity. Childcare and personal grooming are also open, and County parks and athletic fields are open.

Predicting the full impact of the pandemic on the County's economy and operations is difficult. The County's preliminary General Fund results for Fiscal Year 2020 reflect an increase in revenues and a decrease in expenses, which is generating an approximate surplus of \$4,422,368, including the school division operating surplus of \$1,924,925, which they will likely request to be re-appropriated. However, the preliminary results for certain taxes, specifically the meals and lodging tax, indicate that revenues trended meaningfully downward since the onset of the pandemic. The County offset certain decreases in revenues with expense saving measures. The County is being cautious regarding its Fiscal Year 2021 performance and kept its tax rates flat and implemented short-term austerity measures to minimize expenses. See "COVID-19 ADJUSTMENTS TO THE GENERAL FUND BUDGETS FOR FISCAL YEARS 2019 AND 2020."

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The County has also received some funds from the Commonwealth that were part of the Commonwealth's allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. These funds are not permitted to replace revenues and must be used only on specific, pandemic-related costs. See **"GENERAL FUND REVENUES AND DISBURSEMENTS – Five-Year Summary of General Fund Revenues, Expenditures and Fund Balances."**

There can be no assurance that the Governor's Executive Orders issued to mitigate the effects of the pandemic will not be extended for a longer duration. Moreover, additional Executive Orders and mandates may be issued in order to continue to mitigate the effects of the pandemic that are more restrictive than what is currently in place. All of the short-term and long-term impacts of the pandemic on the economies of the United States, the Commonwealth and the County cannot be determined at this time, and such impacts and effects may be materially adverse to the operations and financial conditions of the United States, the Commonwealth and the County.

COUNTY GOVERNMENTAL SERVICES

Scope of County Responsibilities

In Virginia, cities and counties are not overlapping units of government. Each county or city is a distinct political entity providing services for the population within its respective jurisdiction. There are no combined county-city governmental services unless provided for by contract. The County is, therefore, responsible for providing all local governmental services to its residents.

Public Safety

The County's public safety services are provided by a Police Department and a Fire and Rescue Department. Generally speaking, such services are provided 24 hours a day, seven days a week.

Police Department. The Police Department is responsible for law enforcement, animal services and emergency communications. As of June 30, 2020, the County's police force was estimated to include 59 sworn officers and 3.5 administrative staff members, 17 emergency communications personnel and 6 animal shelter employees. The Police Department contains three primary divisions. The Administrative Support Division encompasses property and evidence, central records, public information, recruiting and training, E911 emergency communications, and animal control. The Investigations Division provides investigative services for major crimes, as well as proactive investigation of vice and narcotics related crime. The Patrol Division acts as the first responder to citizen calls for assistance, and provides specialty resources such as Marine Patrol, Dive Team, Search and Rescue and SWAT those activities. The Police Department operates from two precincts, a headquarters facility in the County Administrative Office complex, an E911 Emergency Communications Center and an animal shelter.

Public Safety Radio System Replacement Planning. The County is working with a consultant to acquire and install a replacement public safety radio system. As of June 30, 2019, \$405,305 had been expended for consulting services. This project will be ongoing through Fiscal Year 2022, with final system acceptance and the establishment of full operational capacity anticipated by December 2021. A total of \$14,180,000 million has been borrowed and budgeted for this system replacement. The new public safety radio system will feature significant upgrades and improvements compared to the older model it will replace.

Fire and EMS. The Prince George Coordinated Fire and Emergency Medical Services System was established pursuant to Section 27-6.1 et. seq. of the Virginia Code. The fire and rescue system provides comprehensive fire, rescue, disaster management, hazardous material ("Hazmat") emergency medical services, fire code endorsement and public safety education throughout the County. Prince George has twenty-nine (29) full-time and forty-five (45) part-time career firefighter/medics. The coordinated fire and EMS system is a consolidated force of non-employee members of volunteer fire companies and rescue squads, County employees, and other parties. Volunteers reporting to the Department of Fire and EMS are managed and supervised by the

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fire and EMS director and may be assigned to various duties, including placement in stations and as personnel on apparatus. There are six volunteer fire companies with seven stations, one volunteer emergency crew and an administrative office with a new Jefferson Park Fire Station in the planning phase.

The coordinated Fire and EMS system has continued to improve the County's ability to provide essential services to the public by providing consistent leadership across the County and standardizing many aspects of Fire and EMS. Prince George Fire and EMS remains committed to providing the volunteer fire companies with adequate personnel on fire incidents through the department's cross staffing program. The cross staffing program allows us to utilize cross trained Firefighter/Medics in any capacity within the incident command system to safely meet the needs of the incident. In 2019, Prince George Fire and EMS responded to 3,698 calls for service. Response times improved by two (2) minutes for Priority 1 (critical) EMS calls 90% of the time.

All firefighting apparatus, fire station locations and EMS assets are owned by the County. Ongoing capital needs associated with the County's fire prevention and emergency service responsibilities are intended to be funded through a special fire apparatus tax established by the County. In accordance with County Ordinance Section 74.4, two percent of the County's real estate tax is intended to be devoted to the replacement of fire apparatus items. Four new bond financed pieces of fire apparatus were ordered in 2019.

Courts

The County's Judiciary System consists of three courts administered by the Commonwealth: Circuit Court, General District Court, and Juvenile and Domestic Relations Court. Each court has a Clerk of Court whose duties pertain to that specific court and include preparing court dockets.

The Juvenile and Domestic Relations Court has jurisdiction over cases involving dependent, neglected or delinquent children under the age of 18 and living in the County. The Court has extended jurisdiction over offenses committed against children, a family member, or any other situation in which the welfare of a child is at stake. The Juvenile and Domestic Relations Court holds its proceedings in private and the general public is excluded from all Court proceedings. In criminal cases, if the judge believes it is in the public interest to do so, the name of the offender, the offender's parents and the nature of the offense may be made public. Judges of the Juvenile and Domestic Relations Court are elected by the General Assembly of Virginia.

The General District Court has both civil and criminal jurisdiction and is primarily designed to hear and determine misdemeanors, civil cases involving amounts less than \$4,500 and preliminary hearings for felonies. It shares Authority with the Circuit Court to hear cases with claims between \$4,500 and \$15,000. Judges of the General District Court are appointed by the General Assembly of Virginia.

The Circuit Court has original jurisdiction in criminal and civil cases, appellate jurisdiction in cases appealed from the General District Court or the Juvenile and Domestic Relations District Court and original jurisdiction in divorce proceedings. The duties of the Circuit Court also include the keeping of records of all mortgages, deeds, and licenses, which are filed and maintained by the Clerk of Court. Additional duties include the issuance of marriage, hunting and fishing licenses.

Education

The County's school system is under the jurisdiction of a five (5) member School Board whose members are elected by citizens of the County. The curriculum includes college preparatory instruction, vocational/technical preparatory education, special education programs for students with disabilities and gifted and talented programs. Guidance services, health services and psychological services are also offered. Over ninety three percent (93%) of students who entered the ninth grade of the County's school system during the 2016-2017 school year earned a diploma and graduated from high school within (4) years.

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Prince George County Schools include five elementary, one middle, one junior high and one high school. In addition, the County is part of Rowanty Technical Center, a regional technical school. Student Enrollment for the 2020 school year was 6,228 (Fall Membership K-12) with an additional 125 Pre-K students. The Fiscal Year 2019 school budget was based on a projected Average Daily Membership (“ADM”) of 6,126.8. Projected ADM for the 2020-21 school year was increased to 6,162.5. A table listing the County Public Schools and their current enrollment is set forth following this paragraph.

Public Schools in the County	
School	Enrollment
Elementary	
L Beazley*	624
DA Harrison*	577
North*	771
South*	494
W A Walton*	561
Middle School	
J E J Moore	1,541
Jr High School	
N B Clements**	
High School	
Prince George High	1,785

* Includes PreK

** N B Clements now reported with J E J Moore and PGIIS

The Prince George County Public Schools currently serves 1,939 military dependent students whose parents are members of the Armed Forces or civilian employees of the Department of Defense. Of these students, 1,652 live on federal property. The total percentage of military dependent students served in the 2019-2020 school year compared to the entire school population was approximately 30.52%.

The school system operating budget for Fiscal Year 2021 is \$65,627,488 with a local transfer in the amount of \$16,525,450 for operations and; \$163,385 for the Textbook Fund, as determined in accordance with the modified Revenue Sharing Calculation approved by the Board in August of 2019. The school system’s total budget of \$71,723,068 for Fiscal Year 2021 grew by \$245,814, or 0.34% overall. The County will begin construction of a new Walton Elementary School in 2021, and will finance the cost of that project, which is expected to be approximately \$32,000,000, with a bond issue.

Higher Education. Several colleges and universities are located within a 60 mile radius of the County. Richard Bland is a two-year affiliate of the College of William and Mary and offers associate degrees in business, arts and science. Two community colleges, John Tyler and J. Sargeant Reynolds, offer a range of one and two year programs. The University of Richmond, Virginia Commonwealth University, the College of William and Mary, Virginia Union University, Randolph-Macon College and Virginia State University offer a wide range of four year programs, as well as advanced degrees. The County has historically provided a modest level of financial support for community colleges, but such funding has been contained in the Fiscal Year 2021 Budget because of the need to limit expenditures based on COVID-19 uncertainties.

Public Utilities

The County's Public Utilities Department is responsible for the comprehensive planning, operation, and expansion of the County's water and sanitary sewer systems in accordance with all Federal, State, and County

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regulations. The Prince George County Public Utilities Department is an enterprise fund charging fees for services rendered in an amount great enough to cover its own expenses. Revenues are primarily generated through user fees and connection charges. Revenues and expenditures associated with the operations of the water and sewer systems are segregated in a separate enterprise fund. See **“WATER AND SEWER FUND REVENUES AND DISBURSEMENTS”**.

General Fund tax dollars are typically not used to fund the annual operating expenses of the department. Each year the County reviews the utilities fees to ensure that the on-going fees are sufficient to cover the continuity of its operations. In response to concerns about the projected potential impact of COVID-19 on County residents, no utility fee increases were included in the County's Fiscal Year 2021 Budget.

From an overall system perspective the County has 3,575 million gallons per day (“MGD”) of wastewater capacity and utilized 0.937 MGD on average; and 1.89 MGD of water capacity and utilized 0.934 MGD on average in 2019. Wastewater flow trends indicate the need for allocating appropriate resources in the coming years to address inflow and infiltration with capital improvements to rehabilitate or replace aging wastewater pipes and manholes. The County is currently engaged in a variety of projects to increase bath water supply and wastewater system capacities that are expected to achieve approximately 4-8 MGD in additional capacity for the water supply and 2-6 MGD for wastewater treatment and collection.

The Public Utilities Department serves approximately 4,464 customers, an increase from 4,261 customers in 2011. This includes 4,035 residential customers and 429 non-residential customers. There are approximately 2,919 customers that receive both water and sewer services, 235 water-only customers, and 1,310 sewer-only customers. The Public Utilities Department operates and maintains the County's public water and wastewater systems, including the central water distribution system, six (6) rural water well systems at 9 separate locations and 25 wastewater pumping stations. Water is sourced from the Appomattox River Water Authority and wells located in various areas of the County. The County also has contracts in place with the City of Petersburg to obtain a water supply to certain areas of the County.

The County's annual average daily water production demand in Fiscal Year 2019 was approximately 934,000 MGD. The water and sewer system consists of approximately 87 miles of water transmission and distribution mains, 115 miles of sewer lines and three (3) water storage tanks with a capacity to hold approximately 1,500,000 gallons of water. Water system improvements currently in progress to expand the County water lines are focused on Route 460 improvements and the Route 156 water main extension. Both projects will provide redundancy in the system in the event of a water line break and provide increased fire protection to the Southpoint Business Park and other areas of the County.

Wastewater treatment is provided by the Hopewell Wastewater Treatment Plant (the “Hopewell System”) and the South Central Wastewater Authority (“SCWA”) on a contractual fee for services basis. The Hopewell System is contractually obligated to treat and dispose of up to 2,000,000 gallons of the County's wastewater through January of 2023. The County was initially contractually allocated seven and one half percent (7.5%) of the SCWA wastewater treatment capacity, subject to certain peak daily flow and pollutant limitations. Some of the County's wastewater is transported to the SCWA through the City of Petersburg's wastewater system in accordance with a contract for such services, as well. See **“COUNTY GOVERNMENT ADMINISTRATIVE RESPONSIBILITIES – JOINT VENTURES: South Central Wastewater Authority.”**

The County, as a member of the Appomattox River Water Authority, has the ability to purchase treated water from such source at prescribed rates and capacity levels. See **“COUNTY GOVERNMENT ADMINISTRATIVE RESPONSIBILITIES – JOINT VENTURES: Appomattox River Water Authority.”**

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County Garage

The County Garage provides maintenance to all County-owned vehicles and equipment, including but not limited to those operated by the Police, Fire/EMS, Engineering and Utilities departments. The County Garage assists in formulating specifications for new vehicle and equipment purchases and performs mechanical repairs and preventative maintenance on all fleet vehicles, and is responsible for the vehicular fuel delivery system, tracking fuel consumption, gasoline procurement and billing. The County's short term capital improvement planning needs contemplate a \$2,100,000 project to expand the County's vehicle fleet garage to provide additional space to better handle the needs of large apparatus items and other equipment, along with vehicles that need to be serviced. This item was targeted for Fiscal Year 2021, but may be deferred in response to the COVID-19 situation.

Stormwater Management

The County oversees the management and maintenance of stormwater discharge volume as a service to its residents. The objective is to maintain the County's stormwater system in a manner that meets state and federal mandates for improved storm water quality as well as stormwater quantity concerns. The County has established a dedicated funding source to maintain best management practices, construct capital improvements to the stormwater system, provide enhanced reporting, mapping, street sweeping and stormwater ditch and culvert maintenance, as well as County-wide mosquito control.

The County adopted a Stormwater Utility Fee for property owners on March 25, 2014. Those fees are billed annually with Real Estate tax bills. The annual fee is \$36 for residential property and varies for industrial property depending on lot size. The funds are used to repay debt service issued for stream restoration and other stormwater projects. A capital borrowing of \$2,100,000, with a five-year repayment term was issued in the fall of 2019 to accomplish various stormwater capital projects within the County. This follows a \$2,130,000 debt issuance in 2014. The County continues to make upgrades and improvements within the footprint of its stormwater program, completing one of the Cedar Creek projects and continuing work at two other locations. The Fiscal Year 2021 operating budget estimates that approximately \$490,000 in revenue from stormwater utility fees will be collected. These funds, along with the corresponding expenditures, are maintained in an enterprise fund and are not part of the General Fund. This program improves not only the quality of stormwater runoff within the County but also provides a dedicated funding source for maintenance of the County's stormwater system.

Refuse Disposal and Landfill

The County contracts with a third party vendor to operate convenience centers to serve the trash disposal needs of residents at locations strategically located throughout the County. A small General Fund budget is established to maintain the convenience centers' and to conduct clean community day events for citizens. The County closed its landfill prior to the date mandated by state and federal laws and regulations. The Virginia Department of Environmental Quality has indicated that the County is no longer liable for the post closure care, monitoring and maintenance and is expected to incur no further expenses regarding the operation and maintenance of such property.

General Services

The Department of General Services is responsible for the security for and maintenance of all County buildings and grounds and the management of the County's fleet of vehicles. This role includes capital planning, design, construction and operational management, life cycle maintenance and repair of all County vehicles and equipment and compliance with Americans with Disabilities Act requirements.

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Parks and Recreation

The County Parks and Recreation Department operates and maintains a variety of outdoor and indoor facilities provided in conjunction with public school sites and residential subdivisions so that citizens in all parts of the County will have access to them. The Prince George County Parks and Recreation Department offers all-season youth and adult sports, programs in physical fitness, family trips and activities, special interest classes, and youth support day camp programs.

The County has five recreation parks and one community building. Scott Memorial Park offers ten (10) acres with a large pavilion and picnic tables, restrooms, a toddler playground and a softball field. The JEJ Moore Athletic Complex consists of fifty-two (52) acres, featuring four (4) multi-purpose baseball/softball fields, soccer field, concession area, and restrooms. The Temple Recreation Park is situated on thirty-two (32) acres with one large and one small pavilion with picnic tables, restrooms, a nature and jogging trail, tennis courts, a softball field and a basketball court. The Prince George Central Wellness Center is an indoor facility utilized for Zumba and Yoga classes, basketball leagues, school practices and sport clinics. The outdoor lighted rectangular field is used for recreation football practices and recreation/school soccer practices. The County's newest addition to its park facilities is The Appomattox River Regional Park. This park offers over sixty-seven (67) acres of wooded trails with an observation pier on the Appomattox River, an Educational Shelter, Canoe Launch, ten station "Fitness Trail," and restroom facilities. The Disputanta Community Building offers an indoor facility to County residents to rent for events. Pavilions located within the County park system may be reserved through the Parks and Recreation Office.

Joint Ventures

The County participates in the following joint ventures:

Appomattox River Library. The Appomattox Regional Library (the "Library") serves as an information resource agency to the local governments of the City of Hopewell, Prince George County and Dinwiddie County. The Library is governed by a nine (9) member board composed of 3 appointees from each jurisdiction. All residents of all ages in those jurisdictions are granted full access to and use of the information and services provided by such library system. Each locality is obligated by contract to fund a percentage of the Library's approved budget. In accordance with the joint venture agreement, the County remitted \$598,146 to the Library for Fiscal Year 2019.

Complete financial statements for the Library can be obtained at its administrative offices at 245 East Cawson Street, Hopewell, Virginia 23860. The participants have no ongoing financial responsibilities to or equity interest in the Library.

Appomattox River Water Authority. The Appomattox River Water Authority (the "ARWA") provides safe, clean water to customers in Chesterfield, Dinwiddie and Prince George Counties and the Cities of Petersburg and Colonial Heights, Virginia. Each jurisdiction appoints one member to the five (5) person board. Each participating entity purchases water from the Authority at prescribed rates and capacity levels. The ARWA has a design structure built to provide approximately 16,000,000 gallons per day of water capacity. Of such available amounts, Chesterfield County is entitled to approximately seventy percent (70%) of such capacity and the County is allocated seven percent (7%). The County's expenses for water purchased for the year ended June 30, 2019 were \$334,667. The participating localities have no ongoing financial responsibilities to or equity interest in the ARWA. The ARWA facilities are located next to the Brasfield Dam on Chesdin Reservoir. The Brasfield Dam impounds a portion of the Appomattox River to form Chesdin Reservoir.

Complete financial statements for the ARWA can be obtained from the ARWA's office at 21300 Chesdin Road, Petersburg, Virginia 23860.

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Riverside Regional Jail Authority. The Riverside Regional Jail Authority (the "RRJ Authority") is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Charles City, Chesterfield, Prince George and Surry and the Cities of Petersburg, Colonial Heights and Hopewell each appoint two members to the fourteen (14) member board. Each participating entity is required to commit prisoners and pay the established per diem charge in accordance with its service agreement with the Authority. The County's expenditures for confinement services for the fiscal year ended June 30, 2019 were \$2,134,149. As a result of increases in the daily population of prisoners coupled with declining jail revenue, the County has budgeted a contribution of \$2,188,680 to the RRJ Authority in Fiscal Year 2021, a 7.7% increase over the previous fiscal year.

Complete financial statements for the RRJ Authority can be obtained from the RRJ Authority's office at 1000 River Road, Hopewell, Virginia 23860.

South Central Wastewater Authority. The South Central Wastewater Authority ("SCWA") is considered a joint venture and therefore its operations are not included in the County's financial statements. The Counties of Chesterfield, Dinwiddie and Prince George and the Cities of Petersburg and Colonial Heights each appoint one member to the five (5) person board. Each participating entity is required to purchase wastewater treatment services from the Authority at prescribed rates and capacity levels. The County's expenditures for wastewater treatments services from SCWA for the fiscal year ended June 30, 2019 were \$570,021. The participants have shared financial responsibilities to the SCWA beyond the prescribed purchase obligations for certain maintenance costs and improvements. The County also has a contract with the City of Petersburg's wastewater system to transport its wastewater to SCWA, and as a result of deferred maintenance needs associated with the City's sewer system, the County or its Public Utilities Department may need to contribute funding to any such infrastructure improvements to maintain transportation access to the SCWA treatment and disposal facilities in the near future.

Complete financial statements for the SCWA can be obtained from the SCWA's office at 900 Magazine Road, Petersburg, Virginia 23803.

Miscellaneous Additional Jointly Governed Organizations. The County participates with eight other localities in District 19 Community Services Board. The County also participates with five other localities in Virginia's Gateway Region, a regional economic development organization. The County provided funding of \$107,342 to the District 19 CSB during Fiscal Year 2019. The County provided funding of \$255,139 to the Crater Youth Care Commission and \$45,479 to the Virginia Gateway Region during Fiscal Year 2019.

**DEMOGRAPHIC, ECONOMIC, TRANSPORTATION AND HEALTHCARE FACILITIES
INFORMATION**

The County's trend of increasing population is expected to continue well into the future. The Puddledock area in the northern portion of the County experiences a traffic count of approximately 27,000 vehicles per day and has the County's highest population numbers within 5 miles and additional residential growth there is anticipated. The Route 460 and Interstate 295 interchange is projected to experience the greatest degree of industrial growth due to the large tracts of land available for development and its proximity and accessibility to employees.

Population

From 2010 to 2019, the County's population increased approximately 7.3%. The County's population during such period is presented in the following chart.

<u>Calendar Year</u>	<u>Population</u>	<u>Median Age</u>	<u>Education Attainment: Bachelor's degree or higher</u>
2010	35,725	37.3	18.4%
2011	36,555	36.6	17.2%
2012	36,941	38.6	16.8%
2013	37,253	38.0	17.0%
2014	37,333	38.0	17.9%
2015	37,862	37.3	18.5%
2016	37,845	37.3	21.3%
2017	37,809	37.3	22.1%
2018	38,082	37.3	23.0%
2019	38,353	37.2	24.0%

Source: U.S. Census Bureau

Economic Data

From 2010 through 2019, the County's median household income has increased by nearly \$10,000, or approximately seven and one half percent (7.5%). The tables below compare the County's economic performance with corresponding figures for the Commonwealth of Virginia and the United States.

Income Profile Table

	County Median Household Income¹	Virginia Median Household Income	U.S. Median Household Income
2009	\$59,349	\$59,372	\$50,221
2010	59,346	60,665	50,046
2011	56,374	61,877	50,502
2012	62,475	61,782	51,371
2013	65,625	62,745	52,250
2014	61,792	64,923	53,657
2015	63,320	66,263	55,775
2016	66,775	66,149	55,322
2017	68,884	68,766	57,562
2018	68,133	71,564	61,293

Source: U.S. Census Bureau, Small Income and Poverty Estimate

Per Capita Income Table

	County Per Capita Income ¹	Virginia Per Capita Income	U.S. Per Capita Income
2010	\$ 59,649	\$ 44,836	\$ 40,163
2011	64,171	47,076	42,298
2012	62,924	48,715	43,735
2013	63,913	48,838	44,765
2014	63,074	50,169	46,464
2015	61,792	52,148	48,190
2016	63,320	52,957	49,890
2017	66,320	55,105	51,910
2018	66,775	57,799	54,526
2019	68,461	_____	_____

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Residential Housing Market

According to the County Assessor, over the past five years, the County's Housing Market has moved past stabilization into moderate to strong growth, and now features excess demand with limited supply. Sales volume significantly increased from Calendar Year 2017 through 2019 from 293 to 392 closed sales per year as supply and demand worked towards balance. Arms-length transactions increased from 198 to 280. Median sales prices reported by the Central Virginia Multiple Listing Service ("MLS") increased from \$195,500 to \$234,900, a 20.2% increase. Over that same period, residential real estate assessed values increased by a total of 19.7% and the median residential assessed value increased from \$187,700 in FY2017 to \$210,500 in FY2019, a 12.1% increase.

Demand began to outpace supply by January 2018 and that trend continued through October 2020 when there were only 17 active listings on MLS for the County and a typical home was under contract within three days of the listing date. The supply deficit has led to the median sales price increasing to \$260,700 in October, 2020, an 8.7% increase over the median residential sales price of \$239,900 reported for the County's Fiscal Year 2021 reassessment. The residential market continues to experience strong demand through the first six-months of the global pandemic.

Limited supply has spurred a surge in building permit activity and new construction has experienced measurable increases throughout 2019 and 2020. Multiple new subdivisions have come on to the housing market and/or are in the final stages of approval. Sales of existing homes dominated the market with limited supply of new construction. Established developers and builders are re-entering the market and the County projects this to continue over the next few years. Prince George continues to be in high demand as a suburban community of the Richmond MSA. The quality public school system, proximity to Fort Lee, and the outstanding access provided by the intersection of Interstates 95, 295 and primary Route 460 attract both residents and businesses from across the region.

Median Home Value in County

According to Zillow, U.S. Census Bureau, County Prince George, there are approximately 12,605 housing units with 2.98 persons per household in the County. The housing stock in the County has a greater proportion of detached, single family homes and is comparatively newer than those in other localities in the Richmond MSA, Virginia and the United States. The vast majority of the County's building stock was built between 1970 and 2009. Median home value steadily increased between 2012 and 2020 with a total growth of

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over 23% and a compound annual growth rate of 2.6%. The median home value in the County, as of September 30, 2020, was \$233,105.

Construction Activity

The following data illustrates construction activity for both residential and commercial property in the County. The table identifies the number of County issued building permits and provides an estimate of the value of such improvements.

Building Permits and Estimated Construction Values

Calendar Year	Residential Permits ⁽¹⁾	Residential Value of Permits	Commercial Permits	Commercial Value of Permits	Total # Permits ⁽²⁾	Total Value of Permits ⁽²⁾
2010	952	\$ 37,507,705.12	340	\$ 28,008,524.75	1292	\$ 65,516,229.87
2011	764	9,367,646.09	344	32,873,024.22	1108	42,240,670.31
2012	955	9,994,193.71	283	16,429,804.40	1238	26,423,998.11
2013	827	10,870,417.91	437	33,260,817.55	1264	44,131,235.46
2014	953	14,047,627.79	286	5,550,839.29	1239	19,598,467.08
2015	990	17,398,083.65	290	19,879,326.00	1280	37,277,409.65
2016	1093	17,066,595.92	261	7,420,896.00	1354	24,487,491.92
2017	1064	20,682,324.23	386	19,021,888.65	1450	39,704,212.88
2018	1400	23,133,851.16	308	14,457,286.00	1708	37,591,137.16
2019	1433	22,057,991.00	343	23,630,925.40	1776	45,688,916.40

Source: County of Prince George, Virginia, Department of Community Development and Code Compliance.

Notes:

1. Residential Construction is defined as a single family residence.
2. Includes all residential and commercial construction.

Transportation.

Highways. Interstate 95 crosses the County and provides direct access to I-85 and I-64. These roads offer excellent transportation from the County to sites throughout the region. Another major interstate is I-295, which crosses the James River and intersects with I-95 south of Petersburg. I-295 includes major interchanges at Route 36 near a major County shopping center and at U.S. Route 460 near many of the County’s key industrial sites. The County has an additional linkage to I-95 via the four lane divided Temple Avenue (Route 44) that connects with Route 36 at Fort Lee, five (5) miles away. The County also is served by two U.S. primary routes: Route 301 and Route 460. Route 10 and Route 156 are state primary roads that traverse the County.

Railroads. The Norfolk Southern and CSX Railroads operate in the County. Both offer freight and passenger service. Amtrak provides passenger transport from its Ettrick station, located within ten (10) miles of the County.

Airports. Full commercial air service is available at Richmond International Airport (“RIC”), a half-hour drive from the County near Interstate 295 in eastern Henrico County. In Fiscal Year 2019, RIC reported commercial air traffic of a record 4,267,825 passengers and an 11.5% increase over the previous reporting period. In addition to many major commercial airlines serving the area, there are regional air freight companies that provide scheduled passenger and air cargo services to airports in Virginia and out-of-state. Cargo traffic for Fiscal Year 2019 was more than 140 million pounds, and such volume was handled at RIC by various air carriers.

A general aviation airport with a 5,000-foot runway is located thirteen (13) miles west of the County in Dinwiddie and serves nonscheduled traffic. In addition, Newport News/Williamsburg International Airport is located approximately 60 miles from the County, where non-stop flights to East Coast destinations are available.

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Bus and Taxi Service. Greyhound and James River Bus Services operate in the Prince George area. A number of taxi cab companies and other private ground transportation services operate by franchise in the County and provide airport travel access to County residents.

Motor Freight Carriers. The County has truck service to all major markets in the north, south, midwest and far western portions of the United States. Over eighty (80) truck lines in the MSA provide service to the entire U.S. Most of the carriers have terminals in the Richmond metropolitan area, offering service to the County.

Port Service. The County has access by water to Hampton Roads via the James River, which is capable of handling barges and light draft vessels. Prince George has approximately thirty (30) miles of navigable water along its coastline formed by the Appomattox and James Rivers. The James River sea-lane links the County to Virginia's port facilities at Hampton Roads and at Richmond's Deepwater Terminal. The Virginia Port Authority ("VPA") is located approximately 60 miles from the County. The VPA features a six-terminal network that can handle various types of cargo and can process 4,000,000 containers on an annual basis. As a result of recent dredging activity, Virginia is home to the deepest seaport on the East Coast of the United States.

Healthcare Facilities

County residents are served by the Bon Secours Southside Regional Medical Center and the John Randolph Medical Center, which are located 7 and 15 miles respectively from the County. John Randolph Medical Center is a 147 bed hospital that provides emergency care, cardiology services, and other healthcare related specialties. The Bon Secours Southside Regional Medical Center has over 300 beds and employees, nearly 400 physicians and over 1,400 other health care professionals.

The Hopewell-Prince George Community Health Center, a branch of Central Virginia Health Services ("CVHS") is located in the County and offers medical, dental and behavioral healthcare. In [2018], CVHS served 44,072 patients during the course of 135,839 visits. The Prince George County Health Department also offers various services through clinics located in the County related to pregnancy testing, maternity care, immunizations, healthcare diagnostic evaluation and care for infants and children.

COMMERCE, INDUSTRY AND EMPLOYMENT

The County unemployment level remained stable in 2019. The unemployment rate was 2.9% in December of 2019. The COVID-19 pandemic has created dramatic increases in unemployment levels throughout the nation, the Commonwealth of Virginia and the County in 2020. The County unemployment rate in April, 2020 was 9.9%, but declined to 6.6% by the following August. The top three (3) initial unemployment claim areas per Standard Occupational Classification (SOC) in the Crater region were: (1) Food Preparation and Serving Related Occupations, (2) Office and Administrative Support Occupations-, and (3) Transportation and Material Moving Occupations. The most currently available unemployment data for the County is 6.6% for the month of August.

Business License Activity

There were a total of 2,260 business licenses issued by the County in 2019 compared to 2,129 in 2018. New business licenses in 2019 amounted to 416 as compared to 301 in 2018. The remaining 1,844 business licenses were renewals.

Fort Lee

Fort Lee is a major military facility situated upon 5,907 acres of land in the County. Established in 1917, Fort Lee has been in operation continuously since World War II, serving as the U.S. Army Quartermaster's School, U. S. Army Logistics Management Center, U. S. Army Troop Support Agency Logistics Center and Information Systems Software Development Center. The Commissary Services Center for the entire armed

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forces was consolidated and relocated to Fort Lee in 1990. As a significant training facility for the armed forces, the military and civilian population at Fort Lee consists of permanent military personnel, trainees, civilians and contractors, and as of October 1, 2020 Fort Lee housed 28,148 active duty military dependents on the base. An additional 69,157 individuals affiliated with Fort Lee live within a forty mile radius of the facility.

In 2005, the Base Realignment and Closure Commission ("BRAC") resulted in a significant expansion of the Fort Lee Army Base, and resulted in the relocation of units from multiple states there. The Army established a Sustainment Center of Excellence following BRAC which combines key elements of the Combined Arms Support Command and its subordinate branch schools into a single organization. A new Leadership Training Center was created as a result. A Joint Center for Consolidated Transportation Management Training and a Joint Center of Excellence for Culinary Training were established as well. The BRAC actions also resulted in the co-location of miscellaneous Department of Defense, Defense Agency, and Field Activity leased locations, relocation of all components of the Defense Commissary Agency, and relocation of mobilization processing improvements to Fort Lee.

The foregoing military base initiatives described in the paragraph above, and others, are evidenced by the recently completed \$1,200,000,000 base modernization capital improvements program which resulted in new training facilities, administrative areas, dining facilities, housing units, barracks and other resources to support military families. The fiscal year 2018 Base Structural Report developed through the Office of the Under Secretary of Defense for Acquisitions and Sustainment valued the facility at \$3,865,542,900, inclusive of the land value, which was determined to be \$96,857,100. Federal establishments such as Fort Lee are not subject to the County's real estate taxes.

Training is one of the core functions performed at Fort Lee. BRAC significantly increased the number of military and civilian personnel assigned to Fort Lee on a temporary basis for training. As many as 70,000,000 troops will pass through Fort Lee's training classrooms each year. The daily population of Fort Lee now averages more than 27,000 individuals and includes members from all branches of the military service.

The growth has had significant impacts in Prince George and other neighboring communities. Military personnel, civilians, defense contractors and their families, live and spend their wages in the surrounding regions. The total economic impact (direct, indirect, and induced) of Fort Lee in the region was estimated to support over 23,000 jobs in 2019 and contribute \$2,250,000,000 to local economies.

The County public schools educate all school-aged children residing on base. Growth at Fort Lee, both on base and off base, has increased the County's school enrollment. The County Capital Improvement Plan has set aside \$32,000,000 for a new elementary school in Fiscal Year 2021. The type and grade level of other future new school projects will be based in part upon the demands realized from continued growth at Fort Lee and in the County generally.

Selected Recent Economic Development Highlights

The County responded to twenty two (22) interested industrial prospects with eleven (11) site visits evaluating potential locations. The prospects were generated by Virginia's Gateway Region and the Virginia Economic Development Partnership and the County's Department of Economic Development and Tourism. In addition, the County assisted with Campofrio Food Group locating in a 143,790 square foot, refrigerated facility in SouthPoint Business Park from The Hollingsworth Companies. Campofrio, one of the largest companies in the processed meats sector, are well known for their European style meat products sold across Europe. They have recently enjoyed a very rapid growth in the United States for a company that before 2014 was primarily a European focused company.

Along with Campofrio, a number of businesses investigated opportunities and others initiated private investments with regard to new locations, renovations of existing facilities, or expansions in the County since the beginning of 2019. The following projects were completed or started: NVR, Inc., Southside Physician

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Network, Proud Mama Kitchen, Morelia Mexican Restaurant, Tree Time Adventure, Fitness Park, Prince George Hibachi Hut, Virginia Physicians for Women, and Sheetz. Discussions regarding an Amazon warehouse facility began in 2019 and the announcement of 150 new jobs at the former Ace Hardware facility was formally announced on February 19, 2020. NVR, Inc. is locating in Southpoint Business Park and is investing \$11.5 million in capital and expects to create 201 new jobs over the next five years.

On October 1, 2020 the Governor of Virginia announced the successful recruitment of Mount-It!, -a California based company, to the County. The products sold by Mount It! include wall brackets, desk mounts, ergonomic office solutions and other related hardware. Mount It! is expected to invest \$7,450,000 in a warehouse and distribution facility and create 85 jobs.

Enterprise Zone

The County has an Enterprise Zone composed of two non-contiguous areas totaling 3,754 acres. Businesses located there qualify for job creation grants by maintaining certain employment level requirements and furnishing health insurance benefits to employees. Capital investment in real estate and machinery and tools at threshold levels are likewise eligible for economic incentives. The Enterprise Zone was created to encourage industrial and commercial development along the U.S. Route 460 Corridor and in the Southpoint Business Park.

Southpoint Business Park

The Southpoint Business Park was funded in 1997 and was the recipient of the National Association of Counties Award for the Best Semi-Rural Economic Development Public-Private Partnership in the nation. Over 1,000,000 square feet of Class A industrial space has already been developed during Phase I. Lot sizes vary (up to 75 acres) and the development plan includes more than 200 acres for additional projects in its Phase II development stage.

Commonwealth Center for Advanced Manufacturing

The Commonwealth Center for Advanced Manufacturing ("CCAM") is an approximately \$11,000,000, 61,998 square foot, applied research center located in the County. CCAM is a non-profit 501(c)(3) organization with membership from academia, government and industry that provides regional manufacturing companies with the opportunity to improve their capabilities, facilitate creative product design and partner with other companies. CCAM provides member companies with access to experienced engineering researchers and industry scale equipment to facilitate the development of advanced manufacturing technologies.

CCAM features 34 distinguished members of the regional business, academic and governmental communities. In 2019, CCAM conducted \$9,000,000 of advanced manufacturing research. The CCAM investments in total capitalized machinery and software is in excess of \$10,000,000. CCAM has approximately 60 employees, and it is estimated that 30 research projects are conducted at CCAM on a monthly basis.

Impact of the Rolls Royce Closure of Operations on County

On August 16, 2020, Rolls Royce announced its decision to shut down the company's airplane equipment manufacturing operations in the County. Rolls Royce is currently the largest real estate taxpayer in the County and a leading employer. As long as Rolls Royce retains ownership of the manufacturing facility and property located in the County, they remain responsible for the payment of real estate taxes. However, the sale or lease of the real estate could result in a decrease in the assessed value of the property. Real estate tax billings payable by Rolls Royce for fiscal year 2020 totaled over \$500,000. A reduction in the amount of machinery and tools tax payable to the County will occur in fiscal year 2021 if the equipment is removed from the facility on or before January 1, 2021. Rolls Royce was also the third largest consumer of water in the County in 2019, paying amounts that have ranged from \$113,000 to \$208,000 annually for the last four (4) years. No utility revenues are expected in Fiscal Year 2022, unless a new owner or lessee acquires the facility.

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The potential impact of employee layoffs is difficult to quantify. Rolls Royce employed approximately 275 employees, but the County has no information on the residency of such individuals. The impact of the facility closure on meals tax revenue is likewise difficult to assess. Rolls Royce formerly maintained an on-site cafeteria and grill, but the meals tax loss impact has been projected to be less than \$5,000 annually.

Economic Development and Tourism Funding

Economic Development and Tourism Department activities and expenditures are intended to be fully supported by the meals tax revenue charged and collected in the County. The total adopted budget for Fiscal Year 2020 is \$1,040,000, a decrease of \$85,000 (7.6%) from Fiscal Year 2021 due to projected COVID-19 impacts that are expected to decrease meal tax revenue collected during such period. A reduction of \$260,000 was made to the Economic Development and Tourism originally proposed budget of \$1,300,000 due to the estimated Fiscal Year 2021 impact of the pandemic on meals tax revenues.

The Department of Economic Development and Tourism supports debt related to the construction of improvements at the Crosspointe Centre Industrial Park, and will make a one-time contribution of \$100,000 to the debt fund related to the expansion of broadband services in the County. Economic Development and Tourism Department funds cover the County memberships with Virginia's Gateway Region, the Crater Planning District Commission and the Longwood Small Business Development Center.

The Tourism Fund is supported by a local lodging tax charged to users of motels and hotels in the County. The General Assembly and Governor approved a request from the Board of Supervisors to increase the tax to 7%. The County anticipates that 2% of such tax revenue will remain in the General Fund. The remaining 5%, , will be transferred to the Tourism Fund which is specifically designated to promote Tourism activity in the County. County Ordinances § 74-302 and § 74-303 were amended to increase the transient occupancy tax from 5 percent to 7 percent on June 9, 2020.

The Fiscal Year 2021 budget projects \$271,319 in revenue from lodging tax to be specifically dedicated to the Tourism Fund. The proposed Tourism Fund budget for Fiscal Year 2020 was \$678,298, which was \$406,979 more than the Fiscal Year 2021 Budget. The COVID-19 pandemic reduced projected Fiscal Year 2021 revenue by \$135,660. Following the increase in the lodging tax from 5% to 7%, the Tourism Fund budget was increased by \$180,879 through an amendment approved by the Board of Supervisors on July 14, 2020.

The County's annual contribution to the Prince George County Heritage Center remains at 7.5% of the lodging tax collected and assists with funding daily operations. Funds have also been set aside for contributions to the Petersburg Area Regional Tourism and to the Hopewell-Prince George Chamber Visitor's Center as well, along with debt service on the I-95 Exit 45 water system and funds for maintenance of improvements made at Exit 45. The tourism industry in the County is estimated to have been responsible for 779 jobs in 2019 with an estimated \$16,400,000 in payroll compensation and \$8,390,000 in expenditures generated locally.

Tourist Attractions

The Prince George County Regional Heritage Center is a public resource that shares the rich history of one of Virginia's oldest and most historic counties. Areas of historic interest nearby and in the County include churches, plantations, and industrial age commerce sites. The U.S. Army Women's Museum in the County is dedicated to preserving and sharing the history of contributions made by women since the American Revolution.

The Petersburg National Battlefield park is located on approximately 2,700 acres of largely unimproved wooded areas that were fought over during the Civil War. The Park contains historical markers and a 16-stop driving tour which provides visitors with information about the Battle of Petersburg. The Park also features 10 miles of nature trails, which are suitable for hiking, bicycling and horseback riding.

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Sports tourism is a growing attraction of the County for visitors with children participating in travel tournaments for youth league sports. The County's JEJ Moore Athletic Sports Complex has multiple outdoor athletic field facilities and ample parking. Approximately 600 hotel rooms and 267 restaurants are located within a 30 minute drive. For nature lovers, the 4,325 acre James River Wildlife Refuge in the County features a wide variety of wildlife and plants for visitors to enjoy.

Employment

While much of the County's employment is concentrated in public administration as a result of Fort Lee, a number of other businesses are located within the County and offer employment in such diversified areas as distribution, manufacturing and retail operations. The following table lists information regarding employment in the County through a prism reflecting the changes in principal employers from 2011 to 2020. The tourism industry in the County is estimated to have been responsible for 779 jobs in 2019 with a \$16,400,000 payroll and generated expenditures of nearly \$83,900,000.

Principal Employers

**Principal Employers
Current Fiscal Year and Eleven Years Ago**

<u>Employer</u>	<u>2020</u>			<u>2010</u>		
	<u>Approximate Number of Employees</u>	<u>Percentage of Total Principal Employment</u>	<u>Rank</u>	<u>Approximate (1) Number of Employees</u>	<u>(1)Percentage of Total Average Employment</u>	<u>Rank</u>
U.S. Department of Defense	1000+	6.7%	1	1000+	6.7%	1
County of Prince George	1000+	6.7%	2	1000+	6.7%	2
U.S. Department of Justice	500-999	3.3%	3	500-999	5.3%	4
Delhaize America Distribution Center (Food Lion)	250-499	1.7%	4	-	-	-
Cantu Services, Inc.	250-499	1.7%	5	-	-	-
Perdue Products	250-499	1.7%	6	250-499	2.5%	8
Rolls-Royce Crosspointe Operations	250-499	1.7%	7	-	-	-
Standard Motors Products	250-499	1.7%	8	250-499	2.5%	6
U.S. Department of Army and Air Force	250-499	1.7%	9	250-499	2.5%	9
U.S. Army Non-Appropriated Funds Division	250-499	1.7%	10	250-499	2.5%	5
Ace Hardware	-	-	-	100-249	1.3%	10
Save Rite Inc (Food Lion)	-	-	-	500-999	5.0%	3
Riverside Regional Jail	-	-	-	250-499	2.5%	7
Total Employment	14,926					

Source: County of Prince George Virginia, Economic Development and Tourism Department.

Note:

(1) Estimated number

Top Ten Fiscal Year 2020 Employers

	Employer	Business Line	Employees
1	U.S. Department of Defense	Government	>1,000
2	County of Prince George	Local Government	>1,000
3	U.S. Department of Justice	Government	500-999
4	Delhaize America Distribution Center (Food Lion)	Grocery	250-499
5	Cantu Services Inc.	Food Catering	250-499
6	Perdue Products	Poultry Processor	250-499
7	Rolls Royce Crosspointe Operations	Aviation	250-499
8	Standard Motors Products	Automotive	250-499
9	Riverside Regional Jail	Local Government	250-499
10	U.S. Army Non-Appropriated Funds Division	Government	250-499
	Estimated Total Employees		14,926

Source: County of Prince George, Virginia, Economic Development and Tourism Department.

First Quarter 2020 Average Employment by Industry

	2020 Q1	% Total
Private Industry		
Agriculture	160	0.51%
Construction	1,113	3.55%
Manufacturing	3,349	10.67%
Wholesale Trade	1,138	3.63%
Retail Trade	4,528	14.43%
Transportation	271	0.86%
Information	725	2.31%
Finance	911	2.90%
Real Estate	418	1.33%
Professional	1,012	3.23%
Management	93	0.30%
Administrative	573	1.83%
Educational Services	616	1.96%
Health Care	3,359	10.71%
Recreation, A&E	184	0.59%
Hospitality	4,942	15.75%
Other Services	783	2.50%
Unclassified	27	0.09%
Total Private	24,202	77.14%
Government		
Local	2,307	7.35%
State	4,648	14.82%
Federal	216	0.69%
Total Government	7,171	22.86%
Total Employment	31,373	

Source: Virginia Employment Commission for Prince George County.

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Annual Unemployment Rates

Period	Year	U.S.	VA	Prince George
Annual	2010	9.6%	7.1%	8.1%
Annual	2011	8.9%	6.6%	7.8%
Annual	2012	8.1%	6.1%	7.4%
Annual	2013	7.4%	5.7%	7.0%
Annual	2014	6.2%	5.2%	6.3%
Annual	2015	5.3%	4.5%	5.4%
Annual	2016	4.9%	4.1%	4.9%
Annual	2017	4.3%	3.7%	4.5%
Annual	2018	3.9%	3.0%	3.7%
Annual	2019	3.7%	2.8%	3.4%

Source: Bureau of Labor Statistics, County of Prince George, Virginia 2019 CAFR

Recent Monthly Unemployment Rates

Period	Year	U.S.	VA	Prince George
September	2019	3.3%	2.6%	3.2%
October	2019	3.3%	2.5%	3.2%
November	2019	3.3%	2.5%	3.0%
December	2019	3.4%	2.4%	2.9%
January	2020	4.0%	3.0%	3.6%
February	2020	3.8%	2.8%	3.3%
March	2020	4.5%	3.3%	3.9%
April	2020	14.4%	10.8%	9.9%
May	2020	13.0%	8.9%	8.6%
June	2020	11.2%	8.2%	8.4%
July	2020	10.5%	8.0%	8.2%
August	2020	8.5%	6.3%	6.6%

Source: Bureau of Labor Statistics, County of Prince George, Virginia

TAX BASE DATA

The following tax base data points are presented to illustrate trends and characteristics of the County's tax related revenues.

Assessed Value of Taxable Property

The County's property is assessed each year at fair market value. All tax rates are per \$ of assessed value. The value of the assessed property has increased approximately 11.7% over the last ten years (2011 to 2020).

Assessed Value of All Taxable Property

Fiscal Year Ended June 30	Residential Property	Commercial/Industrial Property	Real Estate Totals	Personal Property ¹	Machinery & Tools ¹	Mobile Homes ¹	Public Service Corporations ¹	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$2,227,563,595	\$385,081,597	\$2,612,645,192	\$234,885,176	\$22,355,354	\$10,426,530	\$100,234,074	\$2,980,546,326	1.10
2011	2,110,613,700	385,087,400	2,495,701,100	241,130,391	22,779,215	10,743,368	100,859,694	2,871,213,768	1.08
2012	2,071,031,300	416,408,500	2,487,439,800	242,242,272	28,644,294	10,321,685	104,214,656	2,896,370,627	1.07
2013	2,079,596,500	413,491,500	2,493,088,000	235,156,981	39,313,969	10,046,854	118,764,823	2,896,370,627	1.09
2014	2,092,011,400	429,741,500	2,521,752,900	260,094,073	46,907,596	9,921,855	136,030,775	2,974,707,199	1.03
2015	2,115,180,600	441,582,500	2,556,763,100	273,519,664	75,173,013	9,503,122	139,887,074	3,054,845,973	0.98
2016	2,157,156,800	442,634,100	2,599,790,900	281,250,151	67,482,556	9,412,558	169,873,939	3,127,810,104	0.91
2017	2,196,323,900	453,600,600	2,649,924,500	285,241,908	72,237,652	9,186,316	180,951,314	3,197,541,690	0.93
2018	2,213,435,600	464,682,200	2,678,117,800	291,422,935	81,459,133	10,578,050	184,254,613	3,245,832,531	0.94
2019	2,268,457,200	463,799,040	2,732,256,600	300,352,848	98,733,497	13,420,534	178,573,794	3,323,337,273	0.94
2020	2,388,612,900	477,855,106	2,866,468,006	312,618,681	109,060,008	16,524,232	184,686,918	3,489,357,845	0.94

Source: The data for 2010 through 2019 is taken from the County's Fiscal Year 2019 CAFR. The unaudited information for 2020 was provided by the County Finance Department.

Note: (1) Personal Property, Machinery & Tools, Mobile Homes and Public Service Corporations assessed values are provided by Calendar Year.

A snapshot of the unaudited real estate assessment value data for Fiscal Year 2020 and the projected value in Fiscal Year 2021 is set forth below.

Land Book/Assessor Information

Land Book Summary	Projected FY2021	FY 2020
Residential/Agricultural	\$ 2,472,951,900	\$ 2,284,265,700
Multi-family	119,018,600	104,347,200
Commercial/Industrial	511,236,400	477,855,106
Total Land Book	3,103,206,900	2,866,468,006

Tax Rates

The County's real estate tax rate for Fiscal Year 2021 is \$.86 per \$100 of assessed valuation. The County's real estate tax rate remains below that of several neighboring localities including the City of Hopewell at \$1.13 (per \$100), the City of Petersburg at \$1.35 (per \$100), and Chesterfield County at \$0.96 (per \$100). A table as to the real estate, personal property and machinery and tools tax collections and the tax rates over the past ten (10) fiscal years is set forth below.

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County Wide Rates
Last Ten Fiscal Years

Fiscal Year	Real Estate		
	County Wide	Personal Property	Machinery and Tools
2011	\$0.80	\$4.00	\$1.50
2012	\$0.80	4.00	1.50
2013	0.80	4.25	1.50
2014	0.82	4.25	1.50
2015	0.82	4.25	1.50
2016	0.82	4.25	1.50
2017	0.86	4.25	1.50
2018	0.86	4.25	1.50
2019	0.86	4.25	1.50
2020	0.86	4.25	1.50

Sources: County of Prince George, Virginia, Treasurer's Department

**Prince George County Comparison
with Other Local Tax Rates FY2020**

County/City	RE	Personal Property	M&TT	Transient Occupancy Tax Rate	Meals Tax
Prince George County	\$ 0.86	\$ 4.25	\$ 1.50	5%	4%
Charles City County	\$ 0.76	\$ 3.75	\$ 3.00	2%	None
Chesterfield County	\$ 0.96	\$ 3.60	\$ 1.00	8%	None
Colonial Heights City	\$ 1.20	\$ 3.50	\$ 2.00	8%	6%
Dinwiddie County	\$ 0.79	\$ 4.75	\$ 3.30	5%	4%
Hopewell City	\$ 1.13	\$ 3.50	\$ 3.05	8%	6%
Hopewell City	\$ 1.35	\$ 4.90	\$ 3.80	10%	7%
Petersburg City	\$ 0.88	\$ 3.60	\$ 3.60	5%	None
Powhatan County	\$ 0.71	\$ 4.00	\$ 1.00	None	None
Surry County	\$ 0.71	\$ 4.00	\$ 1.00	None	None
Sussex County	\$ 0.58	\$ 4.85	\$ 2.43	2%	None

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Top Ten Taxpayers and Property Tax Collections in Fiscal Years 2020 and 2011

Taxpayer	2020			2011		
	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value (1)	Rank	Percentage of Total Assessed Valuation
Rolls Royce Crosspointe LLC	\$ 60,192,200	1	1.81%	\$ 42,762,951	3	1.43%
Delhaize America Distributing LLC (Food Lion)	35,325,800	2	1.06%	-	-	-
Independence Place Jefferson Park	29,810,000	3	0.90%	-	-	-
Virginia Gateway Logistics	24,806,800	4	0.75%	-	-	-
Crossroads Holdings LLC	22,766,700	5	0.69%	18,032,818	5	0.61%
Jefferson Pointe	21,496,900	6	0.65%	13,311,144	7	0.45%
Summit Investments II	17,637,500	7	0.53%	-	-	-
Ardena I.R LLC	12,999,500	8	0.39%	-	-	-
Lowe's Home Centers	11,852,000	9	0.36%	11,607,916	8	0.39%
BPP Baileys Ridge LLC	11,488,300	10	0.35%	-	-	-
BL Associates II LLC	-	-	N/A	-	-	-
Surya VA, Inc.	-	-	N/A	13,983,782	6	0.47%
Crossings Center LLP	-	-	N/A	10,931,061	9	0.36%
Standard Motor Products	-	-	N/A	-	-	-
Perdue Farms, Inc.	-	-	N/A	31,618,680	4	1.06%
Ace Hardware Corp.	-	-	N/A	45,929,550	2	1.54%
Save Rite Inc. (Food Lion)	-	-	N/A	66,677,400	1	2.24%
Farrish Properties LLC	-	-	N/A	8,278,605	10	0.28%
Noland Properties	-	-	N/A	-	-	-

(1) Includes real property, personal property, and machinery and tools MT & PP provided on a calendar year basis.

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General Property Tax Collection
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real Property Taxes	\$20,882,673	\$20,353,123	\$20,119,169	\$19,721,432	\$20,296,880	\$20,510,801	\$21,251,324	\$22,243,059	\$21,785,294	\$23,348,429
Real & Personal Public Service Corporation Taxes	833,742	828,069	846,693	1,008,576	1,198,121	1,170,946	1,499,803	1,615,253	1,595,329	1,521,388
Personal Property Taxes	5,666,494	5,933,062	6,423,233	6,273,041	7,898,825	7,390,527	7,879,207	8,394,472	8,269,500	9,339,529
Machinery & Tools Taxes	336,920	295,092	443,667	596,734	858,035	1,170,874	1,058,499	1,125,641	1,284,009	1,509,900
Penalties & Interest	313,472	365,116	445,344	476,621	357,449	524,694	639,996	500,669	463,686	906,442
Total, General Property Taxes	<u>\$28,033,301</u>	<u>\$27,774,462</u>	<u>\$28,278,106</u>	<u>\$28,076,404</u>	<u>\$30,609,309</u>	<u>\$30,767,843</u>	<u>\$32,328,829</u>	<u>\$33,879,094</u>	<u>\$33,397,818</u>	<u>\$36,625,688</u>

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR

Real Estate Tax Levies and Collections
Last Ten Fiscal Years¹

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Taxes Levied for Fiscal Year	Amount	Percent of Levy	Collections in Subsequent Years(L)	Amount	Percent of Levy
2010	\$ 20,893,527	\$ 20,385,261	97.57%	\$ 503,532	\$ 20,888,793	99.99%
2011	20,463,446	19,591,946	95.74%	862,985	20,454,931	99.97%
2012	20,363,119	20,072,424	98.57%	267,703	20,340,127	99.96%
2013	19,936,703	19,124,392	95.93%	799,508	19,923,899	99.97%
2014	20,491,748	19,990,130	97.55%	469,100	20,459,230	99.92%
2015	20,555,563	20,167,652	98.11%	343,752	20,511,404	99.90%
2016	21,146,575	20,464,556	96.77%	621,690	21,086,246	99.86%
2017	22,726,252	22,135,095	97.40%	500,097	22,635,192	99.79%
2018	22,737,842	22,212,931	97.69%	260,908	22,473,838	99.65%
2019	23,209,467	22,509,212	96.98%	-	22,509,212	98.80%

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR and unaudited information provided by the County Finance Department

Note:
(1) Collections in Subsequent Years numbers include amounts collected, written off and abated in future years

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**Personal Property Tax Levies and Collections
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Total Collections as of June 30, 2020</u>		
	<u>Taxes Levied for Fiscal Year</u>	<u>Amount</u>	<u>Percent of Levy</u>	<u>Collections in Subsequent Years(1)</u>	<u>Amount</u>	<u>Percent of Levy</u>
2010	\$ 6,142,759	\$ 5,628,933	91.64%	458,244	6,087,177	99.10%
2011	6,023,216	5,430,303	90.16%	526,032	5,956,335	98.89%
2012	6,764,699	5,950,673	87.97%	704,708	6,655,380	98.38%
2013	7,343,951	6,196,235	84.37%	960,012	7,156,246	97.44%
2014	9,780,855	8,422,027	86.11%	1,162,621	9,584,648	97.99%
2015	9,226,196	7,538,334	81.71%	1,552,199	9,090,533	98.53%
2016	10,651,718	8,846,452	83.05%	1,601,571	10,448,023	98.09%
2017	12,279,120	9,906,413	80.68%	2,124,863	12,031,276	97.98%
2018	12,202,722	10,023,352	82.14%	1,891,046	11,914,397	97.64%
2019	12,310,293	10,191,612	82.79%	1,698,624	11,890,254	96.59%
2020	12,928,174	11,380,690	88.03%	-	11,380,690	88.03%

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR.

Note: (1) Collections in Subsequent Years numbers includes amounts collected, written off and abated in future years.

Local Sales Tax Data

The following data shows the last ten years of retail sales and use tax in the County.

<u>Calendar Year</u>	<u>Taxable Retail Sales</u>	<u>Taxable Sales Per Capita</u>	<u>Growth</u>
2010	\$ 1,768,721	\$ 49.51	(3.8%)
2011	1,932,433	52.86	9.3%
2012	1,902,611	51.50	(1.5%)
2013	1,933,998	51.92	1.6%
2014	1,966,673	52.68	1.7%
2015	1,975,100	52.16	0.4%
2016	2,310,390	61.05	17.0%
2017	2,399,805	63.47	3.9%
2018	2,584,683	68.36	7.7%
2019	2,719,468	70.91	52%
2020 Proj.	3,250,468	-	19.5%
2021 Budget	2,837,650	-	(12.7%)

Sources: Weldon Cooper Center for Public Service (Population); Department of Taxation, Commonwealth of Virginia (Taxable Retail Sales) for each year except 2013 and 2016, which are from the Weldon Cooper Center Economic Policy Studies.

Note: (1) In prior CAFRs, the County used different sources for its population data, and accordingly, the historical data in such documents differs from the historical data presented in this table.

**Prince George County State Sales Tax Revenues
FY Comparison**

Sales & Use Tax	FY2020	FY2019	FY2018	FY2017
JULY	327,360.66	256,980.53	238,171.97	205,450.22
AUGUST	335,026.47	231,339.57	235,823.73	229,366.57
SEPTEMBER	236,449.67	205,105.66	187,077.74	176,147.28
OCTOBER	235,632.38	217,615.40	200,978.24	190,189.39
NOVEMBER	245,586.14	268,178.52	243,918.57	193,512.21
DECEMBER	298,799.41	212,759.86	191,836.32	191,856.20
JANUARY	258,140.38	249,277.15	213,943.38	188,030.80
FEBRUARY	278,967.03	236,346.83	223,684.75	207,003.33
MARCH	218,295.44	182,436.47	175,348.35	164,516.92
APRIL	220,767.10	188,709.97	209,730.94	172,857.05
MAY	304,650.51	241,222.11	242,480.00	274,185.88
JUNE	290,493.00	229,495.47	221,689.02	206,689.39
TOTAL	3,250,168.19	2,719,467.54	2,584,683.01	2,399,805.24

Certain Other Revenues

Fiscal Year	Vehicle License Receipts	Business License Receipts	Meal Tax Receipts¹
2015	\$ 938,297	\$ 1,422,092	\$ 998,751
2016	978,819	1,379,030	951,344
2017	1,030,584	1,447,706	1,003,094
2018	1,000,920	1,689,430	1,003,363
2019	1,104,815	1,719,426	1,216,561

Source: County of Prince George County, Virginia, Fiscal Year 2019 CAFR

Note:

(1) The County adopted a meals tax that became effective in 1988 of 4% on all prepared food; and obtained authorization from the Virginia General Assembly in 2020 to increase such rate to 7%. The tax currently remains at 4%.

Select Other Local Taxes

Fiscal Year	Local Sales and Use Tax Receipts	Consumers Utility Tax Receipts	E 911 Tax Receipts	Hotel and Motel Room Tax Receipts	Recordation Tax Receipts	Bank Franchise Tax Receipts
2015	\$1,975,100	\$797,796	\$167,764	\$459,832	\$351,579	\$112,021
2016	2,310,390	832,912	126,500	621,402	395,807	99,805
2017	2,399,805	848,090	129,740	697,085	295,864	90,634
2018	2,584,683	863,427	134,495	718,418	358,400	133,589
2019	2,719,468	871,175	-	715,524	397,765	139,945

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR

CERTAIN FINANCIAL PROCEDURES

Financial Statement Requirements

As required under Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments ("Statement No. 34") issued by the Governmental Accounting Standards Board ("GASB"), the County prepares government-wide statements of net position and activities using the accrual basis of accounting. Statement No. 34 also requires the County to record all capital assets and infrastructure, record the related depreciation expense, and record all long term liabilities.

The County's basic financial statements include both government-wide financial statements, that are based on the County as a whole, and fund financial statements. This reporting model focuses on either the County as a whole or on major individual funds (within the fund financial statements).

County Budget Adoption Requirement. The Commonwealth of Virginia requires all localities to meet certain budget guidelines, as outlined in Sections 15.2-2500 to 15.2-2513 of the Virginia Code. According to these guidelines, all localities within Virginia must have a fiscal year beginning on July 1 and ending on June 30 and must approve a balanced budget. A balanced budget is one in which the available revenues and appropriated fund balances equal estimated expenditures for a fiscal year. The School Board must approve the School Budget by May 1 or within 15 days of receiving estimates of state funding, whichever occurs later. The Board of Supervisors must approve the operating budget and set the tax rate by July 1 of each year. The adoption of the tax rate requires the Board to hold a public hearing and to advertise this hearing no less than 30 days in advance if the reassessment would result in an increase of one percent or more in the total real property tax levied compared to the prior year's tax levies. Although these are the minimum state requirements, the County traditionally has adopted its budget by April 30 in order to establish teacher contracts and to set the property tax rates prior to the tax bill mailing date.

Government-Wide and Fund Accounting Financial Statements

Both the government-wide and fund accounting financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. Governmental activities are those activities generally financed through taxes, intergovernmental revenues and other non-exchange revenues. These activities are normally reported in governmental funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.

The government-wide Statement of Activities is reported using the economic resources measurement focus and the accrual basis of accounting which reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.), which are otherwise supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.).

The governmental funds' major fund statements are presented on the current financial resource measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation explains the adjustments necessary to reconcile the two sets of financial statements.

The focus of the reporting model is on the County as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as fiduciary funds (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

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

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entity, with a self-balancing set of accounts recording cash and/or other financial resources and deferred outflows of resources, if any together with all related liabilities and deferred inflows of resources, if any 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.

Fund Classification. Governmental Fund Types are those through which most governmental functions of the County are financed. The acquisition, use, and balances of the County's expendable financial resources and the related liabilities (except those accounted for in proprietary funds and similar trust funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the County's governmental fund types:

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for services and interest income. A significant part of the General Fund's revenues is transferred to other funds and component units, principally to finance the operations of the County's public schools.

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are considered non-major governmental funds and consist of the Economic Development Fund, the Community Corrections Fund, the Assets Forfeiture Fund, the Tourism Fund, the Stormwater Fund and the Special Welfare Fund. The School Board's Special Revenue Funds include the School Operating Fund, the Textbook Fund, the Adult Basic Education Fund and School Cafeteria Fund.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types). The Capital Projects Fund is considered a major governmental fund.

Proprietary Funds. Proprietary Funds are used to account for the County's ongoing organizations and activities which are similar to those found in the private sector. The measurement focus is upon determination of net position and capital maintenance. The following are the County's proprietary fund types:

Enterprise Fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County has one Enterprise Fund: the Water and Sewer Fund.

Internal Service Funds. Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments or agencies of the County, or to other governments. These funds are used to account for the provision of goods and services on a cost-reimbursement basis.

Fiduciary Fund Types – Trust and Agency Funds. Fiduciary Fund Types are used to account for assets held by the County in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Presentation – Fund Accounting

The government-wide statement of net position and statement of activities, all proprietary funds, and trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

With this measurement focus, all assets and deferred outflows of resources, and all liabilities and deferred inflows of resources associated with the operation of these activities are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in the net total assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources are generally included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The fund financial statements of the General Fund, Capital Projects Fund, Debt Service Fund and Special Revenue Fund are maintained and reported on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenues and other local taxes, the term "available" is limited to collection within 45 days of the fiscal year-end. Levies made prior to the fiscal year-end but which are not available are unavailable. Interest income is recorded as earned. Federal and State reimbursement-type grants are recorded as revenue when related eligible expenditures are incurred. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred.

Budgetary Accounting and Procedures

The County utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 30, the County Administrator submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The County has traditionally adopted its budget by April 30.
2. The budget is formulated from estimates of revenues and expected expenditures from each department. The School Board is treated as a single expenditure line item.
3. When the County Administrator submits the proposed budget to the Board, he also recommends an appropriation ordinance and an ordinance levying a new tax rate for the ensuing year.
4. The Board then holds public hearings on the proposed budget. Notice of such public hearings must appear in a local newspaper not less than seven days prior to the hearing.
5. The budget must be approved by a majority vote of the Board and it must be legally adopted by July 1. If the Board does not adopt the proposed budget by July 1, the budget as submitted is automatically adopted.
6. Additional appropriations may be made by the Board only if there is an unencumbered General Fund balance.

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7. The County Administrator is authorized to transfer budgeted amounts within existing appropriations by fund. Per the County's Financial Management Policies, the County Administrator may approve budget amendments (increases in appropriation) of \$5,000 or less.
8. Amendments to the budget (increases in appropriation) exceeding \$5,000 shall be provided to the Board for consideration and approval.
9. All budget amendments that exceed 1% of the total adopted budget require a public hearing prior to Board approval.
10. Formal budgetary integration is employed as a management control device during the fiscal year. Annual operating budgets are adopted by the Board for the General Fund, the Debt Service Fund, Capital Projects Fund, the Utility (Enterprise) Fund, the Stormwater Utility (Enterprise) Fund, and the Internal Service Funds.

County Financial Management Policies

The Board adopted Financial Management Policies in November of 2006 addressing debt, the budget, the General Fund and capital improvement budget matters. Such policies are periodically updated as needed.

Annual Audit

The County has an annual audit performed of the books of accounts, financial records and transactions of administrative departments of the County by a certified public accountant selected by the Board. The most recently completed accountants' report was for Fiscal Year 2019. The County's auditor has neither reviewed nor assisted in the preparation of this Official Statement.

The Government Finance Officers Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report ("CAFR") for the past five (5) fiscal years, and an application for such award has been submitted and is pending for the Fiscal Year 2020 CAFR. The County has also received the Distinguished Budget Presentation Award from the GFOA for the past five (5) years to include the adopted operating and capital budgets for Fiscal Year 2021, for which an application of such award is pending.

The County's audited financial statements are available for inspection at the office of the Director of Finance, at 6602 Court Drive, Third Floor, Prince George, Virginia 23875.

COUNTY BUDGETS FOR FISCAL YEARS 2020 AND 2021 The County Administrator is required to submit a balanced General Fund Budget to the Board each fiscal year. The fiscal year begins July 1 and ends June 30. A public hearing on the budget is held after a synopsis of the budget is published in the local newspaper and after copies are made available to the public. After public hearings, the budget is adopted. An appropriation ordinance must be adopted by the County prior to June 30.

Below is the adopted General Fund operating budget for the fiscal years ending June 30, 2020 and 2021. The COVID-19 pandemic impacted both budgets. See COVID-19 IMPACT AND RESPONSE and COVID-19 ADJUSTMENTS TO THE GENERAL FUND BUDGETS FOR FISCAL YEARS 2019 AND 2020. Since the Fiscal Year 2021 budget had not been adopted when the COVID-19 issues arose, the County was able to modify the existing draft of the budget to incorporate appropriate adjustments to reflect the circumstances associated with the pandemic. The County also proactively monitored and managed the financial performance during the last four months of Fiscal Year 2020 to project and address impacts during such period. A summary of Fiscal Years 2020 and 2021 budget information follows the Budgets themselves.

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Fiscal Year 2020 Budget

The matrix of the County's adopted FY2020 revenues and expenditures is provided below to present projected collections and spending by fund and major category.

Revenue Source	Special Revenue Funds						Total
	General Fund	Special Revenue Funds	School Funds	Capital Fund	Debt Service Fund	Utility Funds	
Property Taxes	\$ 35,934,500	\$0	\$0	\$0	\$0	\$0	\$35,934,500
Local Collections & Taxes	9,642,359	2,606,703	1,594,135	-	-	6,567,500	20,410,697
State Funds	9,513,751	1,014,489	43,883,327	-	-	-	54,411,567
Federal Funds	2,050,878	333,304	8,662,141	-	-	-	11,046,323
Debt Proceeds	-	-	-	400,000	-	-	400,000
Transfers from General Fund	-	205,608	16,687,651	162,537	7,160,506	-	24,216,302
Transfer from Other Funds	620,000	-	-	-	826,906	1,854,892	3,301,798
Use of Fund Balance	-	100,000	650,000	-	-	115,871	865,871
TOTAL REVENUES	\$ 57,761,488	\$ 4,260,104	\$ 71,477,254	\$ 562,537	\$ 7,987,412	\$ 8,538,263	\$ 150,587,058
TRANSFER IN	\$ 620,000	\$ 205,608	\$ 16,687,651	\$ 162,537	\$ 7,987,412	\$ 1,854,892	\$ 27,518,100
TOTAL REVENUE NET OF TRANSFER IN	\$ 57,141,488	\$ 4,054,496	\$ 54,789,603	\$ 400,000	\$ -	\$ 6,683,371	\$123,068,958

Expenditure Type	Special Revenue Funds						Total
	General Fund	Special Revenue Funds	School Funds	Capital Fund	Debt Service Fund	Utility Funds	
Wages & Benefits	\$ 21,204,399	\$ 1,995,474	\$59,433,606	-	-	\$1,135,549	83,769,027
Purchased & Internal Services	4,204,836	432,589	2,132,375	-	5,500	3,209,615	9,984,915
Utilities & Communications	1,238,873	27,380	1,416,364	-	-	139,950	2,822,567
Insurance	207,989	1,093	180,742	-	-	6,300	396,124
Leases/Rentals	106,537	61,840	199,000	-	-	60,155	427,532
Travel & Training	332,212	36,650	47,819	-	-	9,000	425,681
Contributions to Other Entities	1,061,783	498,350	-	-	-	-	1,560,133
Materials/Supplies/Miscellaneous	1,669,707	117,123	4,816,810	-	-	160,400	6,764,040
Payment to Joint Operations	342,953	-	803,421	-	-	-	1,146,374
Capital Outlay	312,933	-	1,452,117	562,537	-	1,635,00	3,962,587
Public Assistances	2,745,757	15,000	-	-	-	-	2,760,757
Transfers & Debt Payments	24,222,482	1,074,606	620,000	-	7,981,912	2,081,432	35,980,432
Contingencies	111,027	-	375,000	-	-	100,862	586,889
TOTAL EXPENDITURES	\$ 57,761,488	\$4,260,104	\$ 71,477,254	\$ 562,537	\$ 7,987,412	\$ 8,538,263	\$ 150,587,058
TRANSFER OUT	\$ 24,216,302	\$ 976,396	\$ 620,000	\$ 0	\$ 0	\$ 1,705,402	\$ 27,518,100
TOTAL EXPENDITURES NET OF TRANSFER OUT	\$ 33,545,186	\$ 3,283,708	\$ 70,857,254	\$ 562,537	\$ 7,987,412	\$ 6,832,861	\$123,068,958

Source: Adopted Budget for the Fiscal Year ending June 30, 2020

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Fiscal Year 2021 Budget

The matrix of the County's adopted FY2021 revenues and expenditures is provided below to present projected collections and spending by fund and major category.

Revenue Source	General Fund	Special Revenue Funds	School Funds	Capital Fund	Debt Service Fund	Utility Funds	Total
Property Taxes	\$ 38,094,360	\$0	\$0	\$0	\$0	6,595,000	\$ 38,094,360
Local Collections & Taxes	10,155,675	2,393,500	1,594,135	-	-	-	20,738,310
State Funds	9,596,962	1,033,784	44,365,006	-	-	-	54,995,752
Federal Funds	1,857,419	345,289	9,075,092	-	-	-	11,277,800
Debt Proceeds	-	-	-	812,000	-	-	812,000
Transfers from General Fund	-	203,986	16,688,835	75,733	8,527,980	-	25,496,534
Transfer from Other Funds	567,000	-	-	-	937,937	1,905,100	3,410,037
Use of Fund Balance	-	100,000	-	-	167,140	-	267,140
Other	-	-	-	-	-	2,413	2,413
TOTAL REVENUES	\$ 60,271,416	\$ 4,076,559	\$ 71,723,068	\$ 887,733	\$ 9,633,057	\$ 8,502,513	\$ 155,094,346
TRANSFER IN	\$ 567,000	\$ 203,986	\$ 16,688,835	\$ 75,733	\$ 9,465,917	\$ 1,905,100	\$ 28,906,571
TOTAL REVENUE NET OF TRANSFER IN	\$ 59,704,416	\$ 3,872,573	\$ 55,034,233	\$ 812,000	\$ 167,140	\$ 6,597,413	\$ 126,187,775

Expenditure Type	General Fund	Special Revenue Funds	School Funds	Capital Fund	Debt Service Fund	Utility Funds	Total
Wages & Benefits	\$ 22,000,942	\$ 2,220,688	\$ 60,050,331	-	-	1,195,575.49	85,467,537
Purchased & Internal Services	4,427,260	174,597	2,168,989	-	5,500	3,178,065	9,954,411
Utilities & Communications	1,263,350	28,300	1,619,637	-	-	147,850	3,059,137
Insurance	226,688	1,387	219,746	-	-	10,300	458,112
Leases/Rentals	104,637	65,840	120,823	-	-	60,155	351,455
Travel & Training	229,683	27,589	55,819	-	-	6,000	319,091
Contributions to Other Entities	1,042,940	313,695	-	-	-	-	1,356,635
Materials/Supplies/Miscellaneous	1,612,867	130,971	4,225,185	-	-	246,975	6,215,998
Payment to Joint Operations	371,712	-	803,421	-	-	-	1,175,133
Capital Outlay	402,671	160,563	1,517,117	887,733	-	1,515,000	4,483,084
Public Assistances	2,743,475	15,000	-	-	-	-	2,758,475
Transfers & Debt Payments	-	-	-	-	9,627,557	2,124,298	38,757,984
Reserves	25,501,192	937,937	567,000	-	-	18,295	737,294
Contingencies	343,999	-	375,000	-	-	-	-
TOTAL EXPENDITURES	\$60,271,416	\$4,076,559	\$71,723,068	\$887,733	\$9,633,057	\$8,502,513	\$155,094,346
TRANSFER OUT	\$25,496,534	\$1,087,252	\$567,000	\$0	\$0	\$1,755,785	\$28,906,571
TOTAL EXPENDITURES NET OF TRANSFER OUT	\$34,774,882	\$2,989,307	\$71,156,068	\$887,733	\$9,633,057	\$6,746,728	\$126,187,775

Source: Adopted Budget for the Fiscal Year ending June 30, 2021

Summary of Fiscal Years 2020 and 2021 Budget Information

	<u>2020 Adopted Budget</u>	<u>*2020 Est. Results</u>	<u>2021 Adopted Budget</u>
REVENUES:			
General property taxes	\$ 35,934,500	\$ 37,915,650	\$ 38,094,360
Other local taxes	6,988,013	7,734,068	6,984,445
Permits, privilege fees, and regulatory licenses	406,150	626,368	627,417
Fines and forfeitures	346,500	333,212	352,500
Revenue from the use of money and property	357,963	947,941	657,963
Charges for Services	1,349,051	1,359,680	1,330,351
Miscellaneous	-	64,613	10,000
Recovered costs	194,682	362,560	192,999
Intergovernmental	-	-	-
Commonwealth	9,513,751	9,878,804	9,596,962
Federal	2,050,878	<u>1,995,124</u>	<u>1,857,419</u>
Total revenues	<u>57,141,488</u>	<u>61,218,020</u>	<u>59,704,416</u>
EXPENDITURES:			
Current:			
General government administration	5,414,127	5,298,758	5,719,181
Judicial administration	2,663,292	2,594,892	2,783,076
Public safety	16,028,997	16,188,661	16,651,270
Public works	2,314,175	2,298,999	2,339,636
Health and welfare	5,387,026	5,330,814	5,355,958
Education	16,084,273	14,307,037	16,121,835
Parks, recreation and cultural	1,643,429	1,589,576	1,615,211
Community development	107,490	90,367	107,550
Total expenditures	<u>49,642,809</u>	<u>47,699,104</u>	<u>50,693,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,498,679</u>	<u>13,518,916</u>	<u>9,010,699</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Reimburse proffer payments	-	-	-
Budget Contingency	(111,027)	-	(343,999)
Transfers (out)	<u>(7,387,651)</u>	<u>(9,096,033)</u>	<u>(8,666,699)</u>
Total other financing sources (uses)	<u>(7,498,678)</u>	<u>(9,096,033)</u>	<u>(9,010,698)</u>
Net change in fund balances	1	4,422,883	1
Fund balances – beginning, as restated	<u>23,905,886</u>	<u>23,905,886</u>	<u>28,328,769</u>
Fund balances – ending	<u>23,905,887</u>	<u>28,328,769</u>	<u>28,328,770</u>

~~Est. 2020 Amounts need to be updated per: Department revised Civil Prescription page 44~~
Sources: County of Prince George, Virginia, Fiscal Year 2020 and 2021 Budgets

Notes:

(1) Preliminary, subject to change

GENERAL FUND REVENUES AND DISBURSEMENTS

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, certain revenue from Federal and state agencies, and interest earned on invested cash balances in the General Fund. General Fund disbursements include the cost of general County government and transfers to the School Operating Fund to pay the local share of operating the County's public schools and to pay debt service on the County's general obligation bonds and for certain capital improvement projects. The Board has committed to maintaining an unreserved General Fund balance of at least 12.5% of General Fund and School Operating Fund expenditures, and has exceeded that target for Fiscal Years 2019 and 2020.

The projected General Fund revenue collection for Fiscal Year 2021 is \$60,271,416, an increase of \$2,509,928 (4.35%) over Fiscal Year 2020. Growth in the real estate tax revenue is projected to be \$1,552,100, a 6.46% increase from the previous year. Commercial and industrial real estate parcels represent approximately 16.5% of the assessed real property values. The following is a discussion of the General Fund revenue structure and major classifications of General Fund disbursements. A five (5) year summary of general government revenue expenditures and fund balances is set forth below. Please refer to the County's audited financial statements included in Appendix B of this Official Statement for a detailed review of such information for the Fiscal Year ending June 30, 2019.

Overall, General Fund Revenues are projected to increase \$2.51 million (4.35%) in Fiscal Year 2021 over FY2020 budget levels. Property taxes continue to represent the largest source of General Fund Revenues (62.8%) and are expected to increase \$2,159,860 in Fiscal Year 2021. Other local taxes are expected to decrease by \$3,568 chiefly due to reductions in anticipated collections in lodging taxes and business professional and occupational license (BPOL) taxes created by the COVID-19 pandemic in Fiscal Year 2021. Property taxes include real and personal property taxes, machinery and tool tax, and public service tax, and include revenue from delinquent taxes, penalties, interest and fees

Revenues

Property Taxes. An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of July 1 and January 1. Taxes on personal property bought and sold after January 1 are prorated and the tax levies are adjusted. The ratio of the assessed value of property to its appraised value is 100% in the case of real property and varies for the several classes of personal property but generally is 100%. Personal property taxes are due June 5. Real estate taxes are due on a semiannual basis, each December 5 and June 5. The tax year for each real estate annual assessment is July 1 through June 30, 2019 and the effective date for each annual assessment is the first day of July. The penalty for late payment is 10% of the amount due and the interest on delinquent taxes and penalties accrues at a rate of 10% per annum. Property taxes attach as an enforceable lien thirty (30) days after filing. There is no limit at the present time on the property tax rates which may be established by the County. In Fiscal Year 2019, property taxes (including penalties and interest for late payment of prior years' taxes) represented approximately 63.2% of total General Fund receipts. The County partners with a delinquent tax collection service to assist with the collection of delinquent tax revenue. Property taxes levied are recorded as receivables, net of allowance for estimated uncollectable accounts, to the extent they are due.

Real estate property tax is the largest source of revenue for the County and is expected to generate \$25.58 million, or 42.0% of General Fund revenues in FY20/21. This represents a \$1,552,000, or 6.5%, increase over FY 19/20 and is calculated based on a level real estate tax rate of \$0.86 per \$100 of assessed value. In FY 20/21, General Property Taxes are projected to total \$38.1 million, an increase of \$2,159,860, or 6.01%, over the FY 19/20 Adopted Budget, and comprise 62.7% of General Fund revenues. The 6.5% growth in real property tax revenue reflects several factors, including changes in assessed values, new construction and parcels, and changes in land use rates. Revenue estimates were reduced from originally proposed levels in anticipation of some impacts on collections related to the COVID-19 pandemic.

Other Local Taxes and Revenue Sources

The County levies various other local taxes including:

Sales Tax Collections. The County imposes a 1% sales tax on retail sales within the County. These receipts represented approximately 4.2% of total General Fund receipts in Fiscal Year 2019.

Business and Occupational Licenses. The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These receipts represented approximately 2.7% of total General Fund receipts in Fiscal Year 2019. Business and professional occupation taxes are expected to decline in Fiscal Year 2021 due to projected reduction in consumer spending caused by COVID-19.

Other Tax Revenue. The principal sources of other revenue to the General Fund are consumer utility taxes (1.3%), meal taxes (1.9%), vehicle license fees (1.7%) and lodging taxes (1.1%). Other sources of revenue account for less than 1% of the total General Fund receipts in Fiscal Year 2019 on an aggregate basis. Meals and lodging taxes are expected to decline in Fiscal Year 2021 based upon a deterioration in travel and consumer spending on entertainment and recreational dining attributable to COVID-19.

Revenues from the Commonwealth of Virginia. The County is reimbursed by the Commonwealth for a portion of shared expenses including certain expenditures for social services, the Sheriff's office, the courts, the Office of the Commonwealth's Attorney, The Clerk of the Circuit Court and other constitutional officers. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales. Revenue from the Commonwealth represented approximately 15.9% of total General Fund receipts in Fiscal Year 2019. The County also receives a significant amount of additional state aid in support of public school operations and roads.

Revenues from the Federal Government. Revenue from the United States federal government represented approximately 3.1% of total General Fund receipts in Fiscal Year 2019.

Property Tax Revenue Discussion and Analysis

The real estate market, and thus the taxable base, continues to recover the Great Recession of 2009 in the County. The market indicators point to steady growth in the taxable base over the last 5 years, primarily attributable to increasing demand in the residential sector and new construction in the commercial/industrial sector. Residential development has been slow over the past five years, but there have been continued increases in residential building permits over the past calendar year. Demand outpaced supply for residential property throughout 2019. The County is monitoring the potential for some declines in the housing market due to the COVID-19 pandemic. The future impacts are currently unknown, and the duration of the pandemic and how long an economic recovery will take are uncertain.

Between 2010 and 2013, the economic downturn forced a 5% loss in the overall revenue collected by the County. The County fared better than the region and the state during that period though and benefitted from the expansion at Fort Lee and the increased corporate and industrial investment in the Southpoint and Crosspointe Business parks. As the residential and agricultural real estate values decreased by 8.5% between 2010 and 2013, the commercial and multi-family value base increased by 15.4% over the same period.

The County's tax base is primarily residential. The Fiscal Year 2021 Budget anticipates property tax revenue based on an affiliation of 79.7% Residential, 3.8% Multi-Family and 16.5% Commercial/Industrial. There has been a concerted effort to increase the Commercial/Industrial tax base within the County. While the Industrial/Commercial taxable sector has continued to remain stable at 16.7% of the overall real estate base for the FY2020 Budget and at 16.5% for the projected FY2021 Budget, the County's mix of Commercial/Industrial taxable real estate parcels continues to lag behind most localities in the region.

Disbursements

Transfer to School Operating Fund. The County transfers moneys from the General Fund to the School Operating Fund to pay the County's share of the cost of operating public schools in the County. This transfer was \$16,924,563 in Fiscal Year 2019, and represented approximately 2.55% of total General Fund disbursements in Fiscal Year 2019. No debt service on the County's general obligation bonds is paid from the School Operating Fund and revenues from the Federal government and the Commonwealth which are credited to the School Operating Fund are not available to pay debt service on the County's general obligation bonds (except with respect to Commonwealth revenue appropriations that may be subject to the state intercept provisions of the Code of Virginia as described in more detail in the Official Statement under the Section entitled: "**SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS**").

Cost of General County Government. The County pays the costs of County government from the General Fund. These costs include expenditures for administrative functions associated with the Board, the County Administrator, other personnel and the operational needs of County departments. This classification represented approximately 1.05% of total General Fund disbursements in Fiscal Year 2019.

Transfer to Capital Projects Fund. The County transfers from the General Fund to the [Capital Projects Fund] moneys to pay the cost of certain capital improvements.

**COVID-19 ADJUSTMENTS TO THE GENERAL FUND BUDGETS
FOR FISCAL YEARS 2019 AND 2020**

Anticipated COVID-19 Changes in Expenditures

Prince George County does not anticipate significant changes/additions in expenditures as a result of COVID-19. The County previously projected that approximately \$60,000 to \$70,000 would be expended through June 30, 2020 for pandemic-related sanitizing supplies and services, protective personal equipment and computer and telephonic equipment, devices and platforms to allow tele-work and electronic board meetings. The actual costs for such expenditures was slightly higher] than the projected amounts, and CARES Coronavirus Relief Funds were used for those pandemic-related expenditures.

The County has sought federal COVID-19 subsidy funds to the full extent allowable. An initial damage assessment was filed with FEMA on the April 17, 2020 due date. To date, the County has received \$6,692,302 in CARES Coronavirus Relief Funds ("CFR"), of which \$163,445 had been expended as of June 30, 2020. \$3,346,151 was received on June 1, 2020 and another \$3,346,151 on August 5, 2020.

The information above does not include school division expenditures and additional funds provided to other affiliated governmental units. The school division is seeking funding for computer and telephonic equipment and platforms to allow for continued student instruction. The County school system is currently providing both in classroom and virtual learning opportunities for its students. The school division is expected to receive \$1,081,955 in CFR funds in the fourth quarter of 2020.

Anticipated COVID-19 Changes in Revenue

Prince George County administration and staff predicted COVID-19 revenue impacts for both Fiscal Year 2020 and Fiscal Year 2021 in an analysis prepared on April 30, 2020.

COVID-19 General Fund Revenues Impact. For Fiscal Year 2020, a reduction in General Fund Revenues totaling \$1,441,048 was projected. Prior to the pandemic, General Fund revenues were projected to exceed the County's amended Fiscal Year 2020 budget by \$2,850,910 (net of fund balance appropriations). With the projected pandemic impacts, the fund balance was estimated at \$981,939 of the planned \$2,391,910. For Fiscal Year 2021, the County projected a loss in General Fund Revenues of \$1,079,532 below its initial Fiscal Year 2021 revenue estimates. The County Finance Department recommended reductions in planned

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expenditures. The Board agreed to such expenditure reductions by consensus. Local General Fund revenues are still expected to exceed Fiscal Year 2021 budgeted revenues by \$2,600,000. The total budgeted Fiscal Year 2021 General Fund revenues will be approximately \$2,500,000 higher than total Fiscal Year 2020 General Fund revenues.

COVID-19 Tourism Fund Revenues Impact. The County's Tourism Fund is supported solely by a lodging tax. The Fiscal Year 2020 Budget lodging tax revenue was \$440,000. The County currently charges a 7% lodging tax (increased from 5% effective July 1, 2020), with 28.57% (2% of the tax) going to the General Fund, and 71.43% distributed to the Tourism Fund (5% of the tax). The Tourism Fund lodging tax revenue reduction due to COVID-19 was projected to be \$108,480. Planned expenditures have been adjusted to mitigate the impact to the extent possible. The Tourism Fund, fund balance at June 30, 2019 was \$290,776. For Fiscal Year 2021, the adopted Tourism budget was reduced to \$271,319 and there was no planned use of fund balance. The Fiscal Year 2021 budget was increased by \$180,879 by an amendment approved on July 14, 2020. Tourism Fund lodging tax COVID-19 impacts are projected to be \$135,660 for Fiscal Year 2021, and the amended Fiscal Year 2021 budget is \$452,198, just \$12,198 more than the adopted Fiscal Year 2020 budget, despite an increase in the lodging tax rate. [Additional information to come].

COVID-19 Economic Development Fund Revenues Impact. The County's Economic Development Fund is supported solely by meals tax revenues. The adopted Fiscal Year 2020 budget was \$1,125,000. The estimated drop in meals tax revenues due to COVID-19 is \$334,140. Expenditures have been curtailed to the extent possible to address revenue reductions. Prior to the pandemic, a surplus was anticipated. The County's Economic Development -Fund, fund balance was \$572,727 on June 30, 2019.

The Economic Development Fund budget for Fiscal Year 2021 has been reduced from \$1,300,000 to \$1,040,000, and there is no planned use of the fund balance. Economic Development Fund meals tax COVID-19 impacts are expected to be \$260,000.

Meals and Lodging Tax Collections in Second Quarter of 2020. A preliminary unaudited report of the financial results for the quarter ending on June 30, 2020 was presented to the Board by the County's Finance Director on September 8, 2020. The preliminary report indicated that the decline in the meals and lodging tax revenue was below the loss level projected by the County. {No COVID-19 related expenditures not covered by CARES CRF Funds and none specifically related to Economic Development & Tourism Funds -- should this last sentence be removed?} [Additional information to come].

COVID-19 Concerns with Top Taxpayers or Revenue Sources Dependent on Tourism. There are no material impacts predicted for the County's top taxpayers attributable to COVID-19. The most significant impacts are contained within the Tourism and Economic Development Fund budgets, not within the General Fund. Such impacts have been addressed by spending reductions, budgeted and actual.

FIVE-YEAR SUMMARY OF GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES

The financial data shown in the table on the following pages presents a summary of the County's General Fund Revenues, Expenditures and Fund Balances for Fiscal Year 2019 and for the five fiscal years ended June 30, 2015 through 2019 of the County's General Fund revenues, expenditures and fund balances.

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**Five-Year Summary of General Fund Revenues, Expenditures and Fund Balances
Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
REVENUES:					
General property taxes	\$ 30,767,843	\$ 32,466,861	\$ 34,360,764	\$ 33,397,818	\$ 36,625,688
Other local taxes	7,455,217	8,016,256	8,276,384	8,385,405	9,364,697
Permits, privilege fees, and regulatory licenses	290,882	282,172	357,281	375,326	431,514
Fines and forfeitures	351,183	294,009	393,147	352,358	353,340
Revenue from the use of money and property	200,428	350,693	644,235	579,573	1,463,094
Charges for Services	1,077,188	1,055,291	1,198,619	1,616,619	1,255,549
Miscellaneous	373,723	209,866	849,983	234,045	54,847
Recovered costs	299,535	335,485	330,901	442,638	790,225
Intergovernmental					1,583,633
School Board contribution					10,852,044
Commonwealth	10,020,925	10,000,195	9,764,955	9,975,637	10,852,044
Federal	<u>1,547,779</u>	<u>1,583,631</u>	<u>1,414,157</u>	<u>1,544,205</u>	<u>1,927,544</u>
Total revenues	<u>\$ 52,384,703</u>	<u>\$ 54,594,459</u>	<u>\$ 57,590,426</u>	<u>\$ 56,903,624</u>	<u>\$ 64,702,175</u>
EXPENDITURES:					
Current:					
General government administration	5,220,634	5,591,463	5,871,259	5,566,656	6,961,454
Judicial administration	2,331,562	2,356,890	2,456,473	2,621,390	2,557,816
Public safety	15,516,848	16,774,879	13,918,541	15,610,443	20,241,635
Public works	2,042,877	2,204,518	1,999,058	2,151,970	3,008,793
Health and welfare	3,994,083	4,232,808	3,936,536	4,217,359	5,310,978
Education	11,622,198	19,238,023	13,819,701	15,873,719	16,924,563
Parks, recreation and cultural	1,601,670	2,067,462	2,162,520	2,446,516	1,751,473
Community development	1,220,391	1,824,860	3,334,150	1,561,515	1,400,353
Debt service:					
Bond issuance cost		207,910	102,691	132,819	112,691
Principal retirement	4,875,241	5,726,512	6,586,754	6,772,154	6,693,435
Interest and other fiscal charges	<u>1,829,463</u>	<u>1,782,338</u>	<u>1,397,134</u>	<u>1,254,084</u>	<u>1,325,236</u>
Total expenditures	<u>\$ 50,254,967</u>	<u>\$ 62,007,663</u>	<u>\$ 55,584,817</u>	<u>\$ 58,208,625</u>	<u>\$ 66,288,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,129,736</u>	<u>\$ (7,413,204)</u>	<u>\$ 2,005,609</u>	<u>\$ (1,305,001)</u>	<u>\$ (1,586,252)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	10,452,421	\$ 9,654,240	\$ 9,118,575	\$ 11,480,677	\$ 8,749,002
Issuance of debt	4,973,000	17,326,000	10,000,000	9,300,000	9,450,000
Payments to bond escrow agent		(14,134,557)			
Transfers (out)	<u>(10,610,421)</u>	<u>(9,812,240)</u>	<u>(9,268,380)</u>	<u>(11,629,405)</u>	<u>(8,747,630)</u>
Total other financing sources (uses)	\$ 4,815,000	\$ 3,033,443	\$ 9,850,195	\$ 9,151,272	\$ 9,451,372
Net change in fund balances	6,944,736	(4,379,761)	11,855,804	7,846,271	7,865,120
Fund balances – beginning, as restated	<u>\$ 22,328,918</u>	<u>\$ 29,273,654</u>	<u>\$ 24,893,893</u>	<u>\$ 36,749,697</u>	<u>\$ 44,595,968</u>
Fund balances – ending	<u>\$ 29,273,654</u>	<u>\$ 24,893,893</u>	<u>\$ 36,749,697</u>	<u>\$ 44,595,968</u>	<u>\$ 52,461,088</u>

Sources: County of Prince George, Virginia, CAFRs for Fiscal Years 2015 through 2019.

The following includes a summary of Fiscal Year 2020 General Fund financial data that is preliminary, unaudited, subject to change due to internal adjustments and pending the results of the independent audit.

The County adopted a structurally balanced General Fund budget for Fiscal Year 2020, wherein current anticipated revenues of \$123,068,958, including transfers in, are expected to pay for the budgeted expenditures and represents an approximate 6% increase over the Fiscal Year 2019 budget. The County adopted a structurally balanced budget for Fiscal Year 2021 in the amount of \$126,187,771. This budget represents an approximately 2.5% increase over Fiscal Year 2020.

WATER AND SEWER FUND REVENUES AND DISBURSEMENTS

The Water and Sewer Fund is maintained by the County to account for revenues and expenditures associated with the operations of the County's water and sewer systems. The County's water and wastewater services were provided to 4,464 residential and commercial customers in Fiscal Year 2019. The average daily water consumption experienced during this time period was 934,000 gallons per day.

The Water and Sewer Fund is operated as a self-sustaining enterprise. The Water and Sewer Fund Revenues in Fiscal Year 2019 increased \$898,210, or 14.5% over the previous fiscal year. Expenses incurred by \$697,543 or 14.5% from the previous fiscal year as well. The total expenses incurred by the Water and Sewer Fund in Fiscal Year 2019 was \$5,520,112. The Water and Sewer Fund has outstanding debt in the principal amount of \$1,509,000.

The Water and Sewer Fund's cash position has remained steady with adequate reserves. At June 30, 2019, cash on hand was just over \$12 million. The fund ended fiscal year 2019 with a \$26,381,309 net position, up \$1,588,345 from fiscal year 2018. A proposed borrowing to accommodate \$5.2 million in capital maintenance and expansion projects targeted for Fiscal Year 2021 may be deferred by the Board in response to COVID-19 austerity measures.

Leveraging the Water and Sewer Fund's strong financial position and stable revenues is expected to enable the County's Public Utilities Department to balance cash and debt funding to reinvest in infrastructure to ensure that capital assets are renewed appropriately to protect the long-term viability of providing water and wastewater services to the community.

Information regarding the cash and investments maintained by the Water and Sewer Fund as a percentage of operating revenues and expenditures from 2015 through 2019 is set forth in the table below:

	2015	2016	2017	2018	2019
Water and Sewer Fund					
1 Cash and Cash Equivalents	4,929,329	7,580,205	8,310,177	10,033,148	12,009,767
2 Cash as a % of Operating Revenues	110.5%	149.4%	156.2%	178.7%	178.9%
3 Cash as a % of Operating Expenditures	102.9%	154.8%	167.8%	215.5%	223.6%

The annual debt service requirements to analyze the outstanding Water and Sewer Bonds through maturity is set forth below. Such debt will remain outstanding and will not be refunded by the Series 2020 Bond. The following tables also include a summary of the Water and Sewer Fund's operating revenues and expenditures for Fiscal Year 2019. These tables include the Water and Sewer Fund debt service, payment schedule, the County's principal water and sewer customers, and a historical summary of the County's water and sewer rates and availability fees. See the subsection "County Government Services – Public Utilities" in this Appendix A for a description of the County's Department of Public Utilities and its water and sewer systems.

**Water and Sewer Fund
General Obligation Bonds
Payment Schedule**

Year Ending June 30	Principal⁽¹⁾	Interest⁽¹⁾
2021	\$ 244,000	\$ 31,794
2022	249,000	27,172
2023	103,000	23,583
2024	105,000	21,056
2025	108,000	18,468
2026	111,000	15,807
2027	113,000	13,086
2028	116,000	10,303
2029	119,000	7,448
2030	122,000	4,520
2031	125,000	1,513
2032	-	-
2033	-	-
Total	\$ 1,509,000	\$ 174,750

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR and the Department of Public Utilities

Note:

(1) Unaudited information that include debt service payments made since the end of Fiscal Year 2019.

Principal Water and Sewer Customers Fiscal Year Ended June 30, 2019

Top Ten Water Customers¹	Gallons Used
Riverside Regional Jail	52,657,558
Service Center Metals	23,770,600
Rolls Royce	17,705,694
Pine Ridge Trailer Park, Sun Communities	12,907,939
Independence Place Apartments	10,979,230
Food Lion Distribution	10,666,258
Jefferson Pointe Apartments	8,923,728
Bailey's Ridge Apartments	7,486,015
Richard Bland College	6,891,200
Branchester Lakes Apartments	6,232,797
TOTAL:	141,031,080

Source: County of Prince George, Virginia, Department of Public Utilities.

Summary of Historical Water and Sewer Rates⁽¹⁾

<u>Fiscal Year</u>	<u>Water⁽²⁾</u>	<u>Sewer</u>
2011	\$ 14.00	\$ 25.00
2012	14.00	25.00
2013	14.00	25.00
2014	8.27	9.62
2015	8.27	9.62
2016	8.27	9.62
2017	9.10	11.54
2018	9.56	12.41
2019	9.56	12.41
2020	9.56	12.41

Source: County of Prince George, Virginia, Department of Public Utilities.

Notes:

(1) Rates in the table are for residential customers based on a meter with a 5/8 to 3/4 inch water intake pipe. Commercial customers with larger intake pipes have higher minimum monthly charges and system access charges.

(2) Numbers reflect the minimum monthly charge. Residential and commercial customers are also billed a unit charge per 1,000 gallons in addition to the monthly minimum.

Water and Sewer System Access Availability Charge

<u>Fiscal Year</u>	<u>Water</u>	<u>Sewer</u>
2011	3,000	4,000
2012	3,000	4,000
2013	3,000	4,000
2014	3,000	4,000
2015	3,000	4,000
2016	3,000	4,000
2017	3,000	4,000
2018	3,000	4,000
2019	3,000	4,000
2020	3,000	4,000

Source: County of Prince George, Virginia, Department of Public Utilities.

ATTACHMENT B

**FIVE-YEAR STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION OF
THE WATER AND SEWER FUND
Fiscal Year Ended June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
OPERATING REVENUES:					
Charges for services					
Water revenues	\$ 1,532,945	\$ 1,621,036	\$ 1,698,818	\$ 1,713,210	\$ 1,977,225
Sewer revenues	2,795,989	3,134,749	3,417,175	3,700,301	4,261,549
Penalty/reconnection charges	73,841	81,060	137,530	179,551	406,681
Miscellaneous	56,952	237,745	66,991	22,943	68,378
Total operating revenues	<u>\$ 4,459,727</u>	<u>\$ 5,074,590</u>	<u>\$ 5,320,514</u>	<u>\$ 5,616,005</u>	<u>\$ 6,731,833</u>
OPERATING EXPENSES:					
Water supply, treatment and pumping	\$ 720,105	\$ 614,806	\$ 1,088,301	\$ 598,572	\$ 407,758
Wastewater treatment, pumping, disposal	1,965,914	2,139,360	1,547,255	2,061,453	2,715,798
Administrative and operation	1,271,711	1,330,018	1,419,045	1,204,709	1,093,736
Other supplies and expenses	163,197	127,696	110,411	98,010	366,672
Depreciation	668,160	684,561	788,044	692,872	787,623
Total operating expenses	<u>\$ 4,789,087</u>	<u>\$ 4,896,441</u>	<u>\$ 4,953,056</u>	<u>\$ 4,655,616</u>	<u>\$ 5,371,587</u>
Operating income (loss)	<u>\$ (329,360)</u>	<u>\$ 178,149</u>	<u>\$ 367,458</u>	<u>\$ 960,389</u>	<u>\$ 1,342,246</u>
NONOPERATING REVENUES (EXPENSES)					
Connection/capacity fees	\$ 200,133	\$ 290,631	\$ 507,980	\$ 458,177	\$ 319,190
Interest income	25,116	27,042	24,000	19,796	8,901
Rental income	55,349	52,536	27,376	27,376	65,791
South Central Wastewater Authority	(224,024)	(1,350)	-	-	-
Bond issuance costs	-	(15,320)	-	13,152	2,114
Gain from sale of assets	-	-	-	(166,953)	(148,525)
Interest expense	(36,791)	(147,909)	(177,709)	(166,953)	(148,525)
Total nonoperating revenues (expenses)	<u>\$ 19,783</u>	<u>\$ 205,630</u>	<u>\$ 381,647</u>	<u>\$ 351,548</u>	<u>\$ 247,471</u>
Income (loss) before transfers	<u>\$ (309,577)</u>	<u>\$ 383,779</u>	<u>\$ 749,105</u>	<u>\$ 1,311,937</u>	<u>\$ 1,589,717</u>
Capital Contributions	-	\$ 73,968	-	77,113	-
Transfers in	\$ 158,000	\$ 158,000	\$ 149,805	\$ 148,728	\$ 148,628
Transfers out	-	-	-	-	(150,000)
Changes in net position as restated	<u>\$ (151,577)</u>	<u>\$ 615,747</u>	<u>\$ 1,111,513</u>	<u>\$ 1,537,778</u>	<u>\$ 1,588,345</u>
Net position – beginning	<u>\$ 21,914,510</u>	<u>\$ 21,762,933</u>	<u>\$ 22,378,680</u>	<u>\$ 23,255,186</u>	<u>\$ 24,792,964</u>
Net position – ending	<u>\$ 21,762,933</u>	<u>\$ 22,378,680</u>	<u>\$ 23,490,193</u>	<u>\$ 24,792,964</u>	<u>\$ 26,381,309</u>

ATTACHMENT B

DEBT MANAGEMENT

Legal Debt Limit

Pursuant to the Constitution of Virginia and the Public Finance Act, a County, that elects, in accordance with Section 15.2-2639 to be treated as a city for the purposes of issuance of debt, is authorized to issue bonds and notes secured by a pledge of its full faith and credit. The Constitution and the Public Finance Act limit the general obligation indebtedness which may be incurred without referendum by such electing localities to 10% of the assessed valuation of taxable real estate subject to local taxation as shown in the last preceding assessment for taxes.

The County's general obligation legal debt limit, as of June 30, 2019 and June 30, 2020, plus the Series 2020 Bonds, net of the 2020 Refunded Bonds, the 2020 Bonds is computed as follows⁽¹⁾⁽²⁾:

10% of Assessed Value of Taxable	
Real Estate as of June 30, 2020.....	\$286,646,800
Legal limit for creating Additional Debt as of June 30, 2019 ⁽¹⁾	\$215,516,979
Legal limit for creating Additional Debt as of September 30, 2020 ⁽²⁾	\$228,392,390

Source: County of Prince George, Virginia Finance Department

Notes:

¹ Legal debt margins as of June 30, 2019

² Unaudited information that includes the Bonds issued on December 5, 2019 and principal payments on such outstanding debt made since June 30, 2019.

A table with computations as to such information regarding the debt limit calculations for the last ten years is set forth below.

	Computation of Legal Debt Margin									
	Last Ten Fiscal Years									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ⁽¹⁾
Net Assessed Value (real property)	\$2,495,701,100	\$2,487,439,800	\$2,493,088,000	\$2,521,752,900	\$2,556,763,100	\$2,599,790,900	\$2,649,924,500	\$2,678,117,800	\$2,732,256,600	\$2,866,468,006
Debt Limit (10% of Real Property Assessed Value)	249,570,110	248,749,980	249,308,800	252,175,290	255,676,310	259,979,090	264,992,450	267,811,780	273,225,660	286,646,801
Debt Applicable Limit	<u>61,444,362</u>	<u>57,382,063</u>	<u>\$2,321,340</u>	<u>\$0,076,200</u>	<u>\$0,034,225</u>	<u>49,692,022</u>	<u>52,878,268</u>	<u>\$5,176,114</u>	<u>\$7,698,681</u>	<u>\$8,254,411</u>
Legal Debt Margin	<u>\$188,125,748</u>	<u>\$191,361,917</u>	<u>\$196,987,460</u>	<u>\$202,099,090</u>	<u>\$205,642,085</u>	<u>\$210,287,068</u>	<u>212,114,182</u>	<u>212,635,666</u>	<u>215,526,979</u>	<u>\$228,392,390</u>
Total net debt applicable to the limit as a percentage of debt limit	24.6%	23.1%	21.0%	19.9%	19.6%	19.1%	20.0%	20.6%	21.1%	20.3%

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR [does this table need the same note 1 reference re: 2020 amounts?]

Note:

(1) Unaudited information that includes the Bonds issued on December 5, 2019 and principal payments on such outstanding debt made since June 30, 2019.

ATTACHMENT B

Debt Ratios

The following information is presented to show trends in the relationship of the net long-term indebtedness of the County to the estimated market value of taxable property in the County, and its estimated per capita allocation of debt responsibility to each member of the population.

Fiscal Year	General Obligation	Capital Leases	Ratios of General Bonded Debt by Type Last Ten Fiscal Years			Total ¹	Percentage of Estimated Actual Value of Property	Per Capita
			General Virginia Public School Authority Bonds	Literacy Fund Loans	Business Type Activities			
2010	\$ 33,796,272	-	\$ 43,615,789	\$ 575,000	\$ 3,082,734	\$ 81,069,795	2.72%	2,112
2011	26,350,327	-	33,268,670	460,000	1,684,048	61,763,045	2.15%	1,729
2012	25,027,000	-	30,815,770	345,000	1,491,730	57,679,500	2.01%	1,578
2013	22,533,225	-	28,267,066	230,000	1,291,049	52,321,340	1.81%	1,416
2014	22,695,200	-	26,183,520	115,000	1,082,480	50,076,200	1.68%	1,344
2015	25,671,810	-	23,398,423	-	963,992	50,034,225	1.64%	1,340
2016	23,864,532	-	15,881,490	7,500,000	2,446,000	49,692,022	1.59%	1,312
2017	30,645,034	-	12,599,234	7,415,000	2,219,000	52,878,268	1.65%	1,397
2018	36,659,917	-	9,197,197	7,330,000	1,989,000	55,176,114	1.70%	1,459
2019	37,141,980	-	7,206,700	6,015,000	1,755,000	561,118,680	1.57%	1,369
2020 ⁽¹⁾	44,600,224	-	5,424,187	6,715,000	1,515,000	58,254,411	1.67%	1,519

Source: County of Prince George, Virginia, Department of Finance.

Note

(1) Unaudited information regarding outstanding debt subject to legal debt limit as of June 30, 2020.

ATTACHMENT B

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Water and Sewer Activities	Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds/Notes		Virginia Public School Authority Bonds	Literary Fund Loans	General Obligation Bonds/Notes			
	Supported by General Taxes	Supported by Dedicated Revenue						
2010	\$24,834,067	\$8,962,205	\$43,615,789	\$575,000	\$3,082,734	\$81,069,795	6.32%	2,112
2011	26,350,327	-	33,268,670	460,000	1,684,048	61,763,045	4.50%	1,729
2012	25,027,000	-	30,815,770	345,000	1,491,730	57,679,500	3.93%	1,578
2013	22,533,225	-	28,267,066	230,000	1,291,049	52,321,340	5.41%	1,416
2014	22,695,200	-	26,183,520	115,000	1,082,480	50,076,200	5.18%	1,344
2015	25,671,810	-	23,398,423	-	963,992	50,034,225	5.43%	1,340
2016	23,864,532	-	15,881,490	7,500,000	2,446,000	49,692,022	5.37%	1,312
2017	30,645,034	-	12,599,234	7,415,000	2,219,000	52,878,268	5.70%	1,397
2018	36,659,917	-	9,197,197	7,330,000	1,989,000	55,176,114	5.46%	1,459
2019	41,576,981	-	7,206,700	7,160,000	1,755,000	57,698,681	5.42%	1,515
2020 ⁽¹⁾	44,600,224	-	5,424,187	6,715,000	1,515,000	58,254,411	5.26%	1,519

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR

Note (1) Unaudited information regarding outstanding debt subject to legal debt limit as of June 30, 2020.

ATTACHMENT B

Statement of Long-Term Debt Service Requirements as of June 30, 2019

The following table shows the outstanding debt of the County on an unaudited basis as of June 30, 2020. Gross general debt, which includes general obligation bonds, revenue bonds, notes payable, capital leases and moral obligation pledges as of June 30, 2019.

Year Ending June 30	<u>Direct County Borrowing</u>		<u>State Literary Loan Fund</u>		<u>School</u>		<u>Water and Sewer Fund</u>	
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$4,271,757	\$1,07,191	\$ 445,000	\$ 143,200	\$ 1,782,512	\$ 265,150	\$ 240,000	\$ 36,327
2021	3,541,576	1,000,701	460,000	134,300	1,841,090	184,406	244,000	31,794
2022	3,548,396	908,522	470,000	125,100	595,769	130,318	249,000	27,172
2023	3,635,217	814,485	480,000	115,700	611,786	103,904	103,000	23,583
2024	3,193,035	718,189	485,000	106,100	628,282	77,926	105,000	21,056
2025	2,782,000	631,397	495,000	96,400	580,666	51,829	108,000	18,468
2026	2,579,000	555,213	505,000	86,500	596,594	26,423	111,000	15,807
2027	2,645,000	486,791	515,000	76,400	108,000	12,539	113,000	13,086
2028	2,719,000	416,565	525,000	66,100	111,000	9,878	116,000	10,303
2029	2,789,000	344,368	535,000	55,600	114,000	7,144	119,000	7,448
2030	2,683,000	270,265	545,000	44,900	117,000	4,338	122,000	4,520
2031	2,755,000	198,490	555,000	34,000	<u>120,000</u>	<u>1,458</u>	<u>125,000</u>	<u>1,513</u>
2032	2,245,000	127,128	565,000	22,900	-	-	-	-
2033	1,464,000	65,194	<u>580,000</u>	<u>11,600</u>	-	-	-	-
2034	726,000	20,908	-	-	-	-	-	-
Total	<u>\$41,576,981</u>	<u>\$7,605,407</u>	<u>\$7,160,000</u>	<u>\$ 1,118,800</u>	<u>\$ 7,206,299</u>	<u>\$ 875,313</u>	<u>\$ 1,755,000</u>	<u>\$ 211,077</u>

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR.

ATTACHMENT B

Debt Service Requirements on Go Bonds and Tax -Supported Debt Outstanding as of June 30, 2019

Year Ending June 30	<u>Aggregate General Obligation Bonds</u>			<u>Tax-Supported Debt (Aggregate less Water and Sewer)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$6,739,269	\$1,491,868	\$8,231,137	\$6,499,269	\$1,455,541	\$7,954,810
2021	6,086,666	1,351,201	7,437,867	5,842,666	1,319,407	7,162,073
2022	4,863,165	1,191,112	6,054,277	4,614,165	1,163,940	5,778,105
2023	4,830,003	1,057,672	5,887,675	4,727,003	1,034,089	5,761,092
2024	4,411,317	923,271	5,334,588	4,306,317	902,215	5,208,532
2025	3,965,666	798,094	4,763,760	3,857,666	779,626	4,637,292
2026	3,791,594	683,943	4,475,537	3,680,594	668,136	4,348,730
2027	3,381,000	588,816	3,969,816	3,268,000	575,730	3,843,730
2028	3,471,000	502,846	3,973,846	3,355,000	492,543	3,847,543
2029	3,557,000	414,560	3,971,560	3,438,000	407,112	3,845,112
2030	3,467,000	324,023	3,791,023	3,345,000	319,503	3,664,503
2031	3,555,000	235,461	3,790,461	3,430,000	233,948	3,663,948
2032	2,810,000	150,028	2,960,028	2,810,000	150,028	2,960,028
2033	2,044,000	76,794	2,120,794	2,044,000	76,794	2,120,794
2034	726,000	20,908	746,908	726,000	20,908	746,908
Total	<u>\$57,698,680</u>	<u>\$9,810,597</u>	<u>\$67,509,277</u>	<u>\$55,943,680</u>	<u>\$9,599,520</u>	<u>\$65,543,200</u>

Source: County of Prince George, Virginia, Fiscal Year 2019 CAFR

ATTACHMENT B

Statement of Long-Term Debt Service Requirements as of June 30, 2020

Year Ending June 30	<u>Direct County Borrowing</u>		<u>State Literary Loan Fund</u>		<u>School</u>		<u>Water and Sewer Fund</u>	
	<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>Principal¹</u>	<u>Interest¹</u>	<u>Principal¹</u>	<u>Interest¹</u>	<u>Principal¹</u>	<u>Interest¹</u>	<u>Principal¹</u>	<u>Interest¹</u>
2021	4,185,576	\$1,125,679	460,000	\$134,300	\$1,841,090	\$184,406	\$244,000	\$31,794
2022	4,219,396	1,001,097	470,000	125,100	595,769	130,318	249,000	27,172
2023	4,321,217	891,971	480,000	115,700	611,786	103,904	103,000	23,583
2024	3,894,035	780,249	485,000	106,100	628,282	77,926	105,000	21,056
2025	3,499,000	677,681	495,000	96,400	580,666	51,829	108,000	18,468
2026	2,736,000	591,440	505,000	86,500	596,594	26,423	111,000	15,807
2027	2,806,000	518,866	515,000	76,400	108,000	12,539	113,000	13,086
2028	2,884,000	444,828	525,000	66,100	111,000	9,878	116,000	10,303
2029	2,957,000	369,118	535,000	55,600	114,000	7,144	119,000	7,448
2030	2,855,000	291,428	545,000	44,900	117,000	4,338	122,000	4,520
2031	2,931,000	215,982	555,000	34,000	<u>120,000</u>	<u>1,458</u>	<u>125,000</u>	<u>1,513</u>
2032	2,425,000	140,864	565,000	22,900	-	-	-	-
2033	1,647,000	75,100	<u>580,000</u>	<u>11,600</u>	-	-	-	-
2034	913,000	26,911	-	-	-	-	-	-
2035	191,000	2,015	-	-	-	-	-	-
Total	<u>\$42,464,224</u>	<u>\$7,153,231</u>	<u>\$6,715,000</u>	<u>\$975,600</u>	<u>\$5,424,187</u>	<u>\$610,163</u>	<u>\$1,515,000</u>	<u>\$174,750</u>

Source: County of Prince George, Virginia, Department of Finance

Note:

(1) Preliminary, unaudited financial information subject to change.

ATTACHMENT B

Existing Tax-Supported Debt as of June 30, 2020¹

<u>Fiscal Year</u>	<u>Principal²</u>	<u>Interest²</u>	<u>Total</u>
2021	\$6,486,666	\$1,444,384	\$7,931,050
2022	5,285,165	1,256,514	6,541,679
2023	5,413,002	1,111,575	6,524,577
2024	5,007,318	964,274	5,971,592
2025	4,574,666	825,910	5,400,576
2026	3,837,594	704,364	4,541,958
2027	3,429,000	607,806	4,036,806
2028	3,520,000	520,808	4,040,808
2029	3,606,000	431,862	4,037,862
2030	3,517,000	340,666	3,857,666
2031	3,606,000	251,440	3,857,440
2032	2,990,000	163,765	3,153,765
2033	2,227,000	86,701	2,313,701
2034	913,000	26,912	939,912
2035	191,000	2,015	193,015
Total	<u>\$54,603,411</u>	<u>\$8,738,996</u>	<u>\$63,342,407</u>

Par Amount of Debt⁽¹⁾

<u>Type</u>	<u>Par Amount</u>	<u>% of Total</u>
GO Bonds (County-Related)	\$ 42,464,224	78
GO Bonds (Schools Related)	12,139,187	22
Total	\$ 54,603,411	100

Source: County of Prince George, Virginia, Department of Finance

Notes:

- (1) Tax-Supported Debt excludes debt supported by the Water & Sewer Fund.
- (2) Preliminary, unaudited information subject to change.

ATTACHMENT B

**Debt Service Requirements on
Bonds Outstanding and this Bond Issue ²**

Fiscal Year	<u>Currently Outstanding</u>			<u>Less, Refunded Bonds</u>			<u>Plus, this Bond Issue</u>			<u>Total Debt Service</u>		
	<u>Principal¹</u>	<u>Interest¹</u>	<u>Total¹</u>	<u>Principal¹</u>	<u>Interest¹</u>	<u>Total¹</u>	<u>Principal¹</u>	<u>Interest¹</u>	<u>Total¹</u>	<u>Principal¹</u>	<u>Interest¹</u>	<u>Total¹</u>
2021	\$6,730,666	\$1,476,179	\$8,206,845									
2022	5,534,165	1,283,687	6,817,852									
2023	5,516,003	1,135,158	6,651,161									
2024	5,112,317	985,331	6,097,648									
2025	4,682,666	844,378	5,527,044									
2026	3,948,594	720,170	4,668,764									
2027	3,542,000	620,891	4,162,891									
2028	3,636,000	531,109	4,167,109									
2029	3,725,000	439,310	4,164,310									
2030	3,639,000	345,186	3,984,186									
2031	3,731,000	252,953	3,983,953									
2032	2,990,000	163,764	3,153,764									
2033	2,227,000	86,700	2,313,700									
2034	913,000	26,911	939,911									
2035	191,000	2,015	193,015									
Total	<u>\$56,118,411</u>	<u>\$8,913,744</u>	<u>\$65,032,155</u>									

To Be Completed for Final OS After Bond Sale

Source: County of Prince George, Virginia, Department of Finance.

Notes:

- (1) Preliminary, subject to change
- (2) Unaudited information regarding outstanding debt subject to legal debt limit as of June 30, 2020.

Overlapping and Underlying Debt

The County is autonomous and entirely independent of any other county or other political subdivision. It is not subject to taxation by any other county, city or school district, nor is it liable for any other county, city or school district indebtedness. There is no overlapping or underlying debt.

Future Debt

In the Fiscal Year 2021-2030 Capital Improvements Plan, \$142,254,981 of general government projects were identified, and are expected to be debt funded, along with the Water and Sewer projects identified in the CIP. Planned bond issuances for Fiscal Year 2021 include the financing of the new Walton Elementary School in an amount estimated to be \$32,000,000. Approximately \$4,421,928 in other miscellaneous capital projects were identified and targeted for Fiscal Year 2021, but such expenditures may be deferred as a result of COVID-19 budgetary planning considerations. See "CAPITAL IMPROVEMENT PLAN – SUMMARY BY FUND" for further information regarding planned capital improvement expenditures.

Statement of No Default

The County has never defaulted in the payment of principal or interest on any bond issuance indebtedness, whether secured by a general obligation or otherwise.

Contingent Liabilities

The non-compliance by the County with certain requirements associated with federal grants may result in disallowed expenditures by the County and a responsibility to refund proceeds received to the federal government that do not qualify for grant funding. No non-compliance by the County with federal grant programs has ever been identified in the past. It is believed that any future disallowance of grant program expenditures, if any, would be immaterial. See Note 9 in **Appendix B – Annual Financial Statements for Fiscal Year Ended June 30, 2019**.

EMPLOYEE PENSIONS AND LABOR MATTERS

Pension Plan

The Virginia Retirement System ("VRS") maintains a system of cost sharing multiple-employer defined benefit pension plans to which the County contributes.

All full-time salaried permanent employees of the County and nonprofessional employees of the School Board must participate in the VRS Retirement Plan. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS Retirement Plan. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended (the "Virginia Code"), assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia. VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report is available from VRS by writing to VRS' S.I.C. Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

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Plan members are required by Title 51.1 of the Virginia Code, to contribute 5% of their annual salary to the VRS Retirement Plan. The Fiscal Year 2019 required contribution was determined as part of the June 30, 2017, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions of the 2017 valuation include (i) 7.00% investment rate of return (net of administrative expenses), (ii) projected salary increases ranging from 3.5% to 5.35% per year for general government employees, 3.50% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs and 3.5% to 5.95% per year for teachers and (iii) a cost of living adjustment of 2.25% to 2.50% per year. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the County's and the School Board's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The legacy unfunded actuarial accrued liability (the unfunded actuarial accrued liability as of June 30, 2013) is amortized over a closed 30-year period beginning June 30, 2013. The actuarial gains and losses and other changes in the unfunded actuarial accrued liability due to benefit and actuarial assumption and method changes for each valuation subsequent to the June 30, 2013 valuation will be amortized over a closed 20-year period.

The contribution rates for Fiscal Year 2019 were based on the actuary's valuation as of June 30, 2017. In addition, the actuary computed a separate contribution requirement for the School Board for the teacher cost-sharing pool using the same valuation date.

The County's contractually required contribution rate for the year ended June 30, 2019 was 14.55% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 for the years ended June 30, 2019 and June 30, 2018, respectively, were \$1,905,449 and \$1,775,595.

The School Board's contractually required contribution rate for the VRS Teacher Retirement Plan (for full-time, salaried permanent (professional) employees of the School Board) for the year ended June 30, 2019 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The School Board's contractually required contribution rate for the VRS Retirement Plan with respect to nonprofessional employees for the year ended June 30, 2019 was 7.77% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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.

Based on the provisions of section 51.1-145 of the Virginia Code, the contributions were funded at 100% of the actuarial rate for the year ended June 30, 2019. Contributions to the Teacher Retirement Plan for the years ended June 30, 2019 and June 30, 2018, respectively, were \$5,031,204 and \$5,095,114. Contributions to the Non-Teacher pension plan for the years ended June 30, 2019 and June 30, 2018, respectively, were \$322,212 and \$331,058. The County's pension plan obligations are an unfunded liability.

For a complete summary of the plan description, net pension liability, funding status, required contributions and trend information see Note 11 and the related materials in **Appendix B – Annual Financial Statements for Fiscal Year Ended June 30, 2019**.

Other Post-Employment Benefits

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, establishes standards for the measurement, recognition, and display of other post-employment benefits ("OPEB") expense and related liabilities in the financial statements. The County and School Board adopted the requirements of GASB Statement No. 75 during Fiscal Year 2018.

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The County and School Board provide post-employment medical coverage for retired employees through a single-employer defined benefit healthcare plan. The plan is established and maintained under the authority of the Board and the School Board, which retained the power to amend the plan as deemed appropriate. Participants in the County's and School Board's OPEB plans must have attained 20 years VRS/County service and 10 years of continuous County service, respectively, and be enrolled in the group health insurance plan for the 24 months prior to their retirement date to be eligible to participate. Plan coverage ceases when the participant attains age 65. Medicare Eligible retirees may only enroll in the Medicare supplement option. A retiree's spouse is eligible to continue coverage until the earlier of the spouse's death or the spouse becomes Medicare eligible. If the retiree becomes Medicare eligible prior to the spouse, the retiree moves into the Medicare Supplement and the spouse is allowed to remain in the current plan until he or she reaches Medicare eligibility, then they must terminate from the plan. Retirees pay 100% of spousal premiums and surviving spouses are not allowed access to the plan.

The County and School Board establish employer contribution rates for plan participants as part of the budgetary process each year and determine how the plan will be funded each year and whether it will partially fund or fully fund the plan. The County and School Board currently fund post-employment health care benefits on a pay-as-you-go basis and as contributions to their respective Trust Funds.

For the Fiscal Year ended June 30, 2019, the County contributed \$92,945 toward OPEB costs, in claims paid on behalf of the retirees. The School Board contributed \$159,411 toward OPEB costs in claims paid on behalf of the retirees during such period.

For more information on the County's OPEB, see Note 12 in **Appendix B – Annual Financial Statements for Fiscal Year Ended June 30, 2019**.

The County and School Board also participate in the following OPEB plans administered by the State of Virginia: Group Life Insurance Program, the Teacher Employee Health Insurance Credit (HIC) Program, and Political Subdivision Health Insurance Credit (HIC) Program. The County has also established a Length of Service Award Pension Program for the Prince George Volunteer Fire Companies and Emergency Crew. For more information on these benefits and related contributions, see Notes 15 and 16 in **Appendix B – Annual Financial Statements for Fiscal Year Ended June 30, 2019**.

Labor Relations

At the present time there are no strikes or work stoppages by employees of the County either in progress or threatened. Pursuant to the ruling of the Supreme Court of Virginia in *Commonwealth of Virginia v. County Board of Arlington County, et al.* 217 Va. 558, 232 S.E. 2d 30 (1977), the County is not empowered to recognize a labor organization as the exclusive representative of its public employees and cannot negotiate or enter into binding contracts with any such organizations concerning the terms and conditions of employment of its employees. The County has not negotiated with, or bargained with, its employees in any matter concerning any aspect of the terms and conditions of the employment of its employees.

CAPITAL IMPROVEMENT PLAN PROGRAM

The Board adopted a ten-year Capital Improvement Plan for Fiscal Years 2021 through 2030 on May 26, 2020 (the "CIP"). The County identified an estimated \$142,254,981 -in future CIP needs over the following ten-year period, which are assumed to be funded through a mixture of short and long term debt. Fiscal Year 2021 is the seventh consecutive year that the County has established a 10-year CIP Process. The County has formally engaged in a capital improvement planning process for more than fifteen years.

The County has a CIP Committee that consists of two County Planning Commission representatives, a member of the Board of Supervisors, the School Board and the Fire Chief's Committee, and three at large citizens of the County. CIP Committee members participate in the process of evaluating project requests from County staff members, ranking the projects based on need and priorities. Once the annual CIP planning process is complete, the CIP Committee comes forth with its recommendation. The County Administrator submits the recommended projects selected during the budget process.

The CIP does not represent a legislative commitment to expend capital funds for the projects identified. It is a means of identifying short-term and long-term capital needs and serves as both a guide for future spending and a mechanism for establishing priorities for orderly development. The CIP is reviewed and updated annually. A list of the CIP projects identified for Fiscal Years 2021 through 2030 and the project cost estimates are provided in the table on the following page. The timeframe during which the projects identified in the CIP for Fiscal Years 2021 through 2030, and the projected debt expenditures during such fiscal years are provided following the initial table.

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ATTACHMENT B

THE 2021-2030 CIP PLAN

The CIP Committee ranked 31 projects totaling over \$144 Million submitted by County and School Staff for inclusion in the Capital Improvements Plan. A complete listing of projects, in Rank Order as assigned by the CIP Committee, is below. This listing was modified following approval by the Planning Commission as noted below:

Rank	Debt Subm #	Project	Entity	Cost Estimate	Notes
1	1	New Walton Design Phase	Schools	845,432.00	Approved \$1,000,000 of Fund Balance (Finance \$845,432); total was \$1,845,432
2	2	New Walton Elementary School	Schools	31,108,719.00	
3	3	Beazley Elementary Design Phase	Schools	1,054,533.00	
4	4	Beazley Elementary School - New	Schools	31,108,719.00	
5	5	PGHS Generator	Schools	179,220.00	
6	6	Zoll X Series monitors/defibrillators (5)	Public Safety County	157,276.00	
11	7	Fleets Garage Bay Expansion (County)	County Govt	2,100,000.00	Dollar value modified after Planning Commission consideration
13	8	Technology Infrastructure -LOCAL MATCH-E-RATE FUNDING	Schools	328,000.00	Dollar value modified after Planning Commission consideration
14	9	Buses	Schools	412,000.00	Annual Request
17	10	PG Fire Company 1 Renovations	Public Safety County	2,500,000.00	
18	11	Self-Contained Breathing Apparatus	Public Safety County	1,556,100.00	
20	12	Stryker Power Lift Stretchers (6)	Public Safety County	232,192.00	
23	13	Beazley Trailer Replacement (4 of 7 needed)	Schools	280,000.00	
24	14	Courtroom Audio Visual Refresh	County Govt	140,939.00	
25	15	PGHS Trailer Replacement (2 of 2 needed)	Schools	140,000.00	
26	16	South Trailer Replacement (3 of 3 needed)	Schools	210,000.00	
27	17	PGHS Bleachers	Schools	306,803.00	
28	18	Carson Sub-Station Comp 6 Renovations	Public Safety County	840,000.00	
29	19	Fire/EMS Opticom System	Public Safety County	448,228.00	
30	20	PGHS Auditorium	Schools	1,475,532.00	
31	21	Temple Tennis Courts Re-Surfacing & Pickle Ball Court Conversion	County Govt	172,380.00	
32	22	PGEC Trailer Replacement (4 of 4 needed)	Schools	504,000.00	
34	23	Wells Station Road Fire & EMS Station	Public Safety County	3,100,000.00	
35	24	Comprehensive High School - Renovations & Addition	Schools	62,941,477.00	
38	25	Field Hockey Lighting	Schools	286,443.00	
40	26	Field House Addition [Total less funds currently in CIP Fund]	Schools	281,708.00	
42	27	Carson CC Baseball Field	Schools	90,000.00	
43	28	Carson CC Playground	County Govt	72,000.00	
44	29	Turf Grass	Schools	1,000,000.00	
45	30	Carson CC Pavilion	County Govt	118,000.00	
47	31	Parks & Rec Dog Parks	County Govt	70,000.00	
				144,059,701.00	

Some County Projects were removed from the list after the CIP Committee ranking process and will be funded from other revenue sources or investment proceeds. The removal resulted in a \$1,804,720 decrease in project expenditures. A table that identifies the targeted years during which project expenditures are proposed to be funded is attached. A table that identifies the targeted years during which project expenditures are proposed to be funded is attached.

ATTACHMENT B

Capital Improvement Plan

Project	FY	FY	FY	FY	FY	FY	Subtotal	FY	Totals
	2021	2022	2023	2024	2025	2026	FY 2020-26	2027+	
1 Police Vehicles	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,400,000	\$ 400,000	\$ 2,800,000
2 New Walton Design Phase	845,432	-	-	-	-	-	845,432	-	845,432
3 New Walton Elementary School	31,108,179	-	-	-	-	-	31,108,179	-	31,108,179
4 Beazley Elementary Design Phase	-	-	-	-	-	-	-	1,054,533	1,054,533
5 Beazley Elementary School - New	-	-	-	-	-	-	-	31,108,719	31,108,719
6 PGHS Generator	179,220	-	-	-	-	-	179,220	-	179,220
7 Zoll X Series monitors/defibrillators (5)	157,276	-	-	-	-	-	157,276	-	157,276
8 Fleet Garage Bay Expansion (County)	2,100,000	-	-	-	-	-	2,100,000	-	2,100,000
9 Tech. Infrast. (PGHS, Clemons, Moore, ES)	328,000	-	-	-	-	-	328,000	-	328,000
10 Buses	412,000	412,000	412,000	412,000	412,000	412,000	2,472,000	412,000	2,884,000
11 PG Fire Company 1 Renovations	-	2,500,000	-	-	-	-	2,500,000	-	2,500,000
12 Self-Contained Breathing Apparatus	-	-	-	-	-	-	-	1,556,100	1,556,100
13 Stryker Power Lift Stretchers (6)	-	-	-	-	-	-	-	232,192	232,192
14 Beazley Trailer Replacement (4 of 7 needed)	-	-	-	-	-	-	-	280,000	280,000
15 Courtroom Audio Visual Refresh	-	-	-	-	-	-	-	140,939	140,939
16 PGHS Trailer Replacement (2 of 2 needed)	-	-	-	-	-	-	-	140,000	140,000
17 South Trailer Replacement (3 of 3 needed)	-	-	-	-	-	-	-	210,000	210,000
18 PGHS Bleachers	-	-	-	-	-	-	-	306,803	306,803
19 Carson Sub-Station Comp 6 Renovations	-	-	-	-	-	-	-	840,000	840,000
20 Fire/EMS Opticom System	-	-	-	-	-	-	-	448,228	448,228
21 PGHS Auditorium	-	-	-	-	-	-	-	1,475,532	1,475,532
22 Temple Tennis Courts Re-Surfacing & Pickle Ball Court Conversion	-	-	-	-	-	-	-	172,380	172,380
23 PGEC Trailer Replacement (4 of 4 needed)	-	-	-	-	-	-	-	504,000	504,000
24 Wells Station Road Fire & EMS Station	-	-	-	-	-	-	-	3,100,000	3,100,000
25 Comprehensive High School - Renovations & Addition	-	-	-	-	-	-	-	62,941,477	62,941,477
26 Field Hockey Lighting	-	-	-	-	-	-	-	286,443	286,443
27 Field House Addition [Total less funds currently in CIP Fund]	-	-	-	-	-	-	-	281,708	281,708
28 Carson CC Baseball Field	-	-	-	-	-	-	-	90,000	90,000
29 Carson CC Playground	-	-	-	-	-	-	-	72,000	72,000
30 Turf Grass	-	-	-	-	-	-	-	1,000,000	1,000,000
31 Carson CC Pavilion	-	-	-	-	-	-	-	118,000	118,000
32 Parks & Rec Dev Parks	-	-	-	-	-	-	-	70,000	70,000
Totals	\$35,530,647	\$3,312,000	\$ 812,000	\$812,000	\$812,000	\$812,000	\$42,090,647	\$107,241,054	\$149,351,701

Source: Fiscal Year 2021-2030 CIP

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ATTACHMENT B

APPENDIX B: ANNUAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2019

ATTACHMENT B

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ATTACHMENT B

APPENDIX C: FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the **County of Prince George, Virginia**, a political subdivision of the Commonwealth of Virginia (the “County”) in connection with the issuance by the County of its General Obligation Refunding Bonds, Series 2020 (“Tax-Exempt”), in the aggregate principal amount of \$_____ (the “2020 Bonds”), pursuant to the provisions of a Resolution adopted by the Board of Supervisors of the County on November __, 2020 (the “Resolution”). The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the Holders and in order to assist the Participating Underwriters in complying with the Rule, as hereinafter defined. The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

“EMMA” shall mean the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system located at www.emma.msrb.org.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

“Fiscal Year” shall mean the twelve-month period, at the end of which the financial position of the County and results of its operations for such period are determined. Currently, the County’s Fiscal Year begins July 1 and continues through June 30 of the next year.

“Holder” or “Holders” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a 2020 Bond.

“Listed Events” shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

- principal and interest payment delinquencies
- non-payment related defaults, if material
- unscheduled draws on debt service reserves reflecting financial difficulties
- unscheduled draws on credit enhancements reflecting financial difficulties

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- substitution of credit or liquidity providers, or their failure to perform
- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determination with respect to the tax status of the 2020 Bonds, or other material events affecting the tax-exempt status of the 2020 Bonds
- modifications to rights of Holders, if material
- bond calls, if material, and tender offers
- defeasances
- release, substitution, or sale of property securing repayment of the 2020 Bonds, if material
- rating changes
- bankruptcy, insolvency, receivership or similar event of the County
- the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its term, if material
- appointment of a successor or additional trustee or the change of name of a trustee, if material
- the failure of the County on or before the date required by this Disclosure Agreement to provide an Annual Report to the persons and in the manner required by this Disclosure Agreement
- Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect Holders of the 2020 Bonds, if material
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties

“Participating Underwriters” shall mean any or all of the original purchasers of the 2020 Bonds required to comply with the Rule in connection with the offering of such 2020 Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports: Audited Financial Statements.

(a) Not later than seven months following the end of each Fiscal Year of the County, commencing with the Fiscal Year ending June 30, 2020, the County shall, or shall cause the Dissemination Agent (if different from the County) to, electronically file with EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 10 days prior to said date, the

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County shall provide the Annual Report to the Dissemination Agent (if applicable). In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement, and (iii) shall include such financial statements as may be required by the Rule.

(b) The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with EMMA when they become publicly available.

(c) If the County fails to provide an Annual Report to EMMA by the date required in subsection (a) hereof or to file its audited annual financial statements with EMMA when they become publicly available, the County shall electronically file with EMMA an appropriate notice in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports. Each Annual Report required to be filed hereunder shall include, at a minimum, the information referred to in Exhibit B as it relates to the County, all with a view toward assisting Participating Underwriters in complying with the Rule. Any or all of such information may be incorporated by reference from other documents, including official statements containing information with respect to the County, which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will electronically file with EMMA provide in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the Listed Events.

SECTION 6. Termination of Reporting Obligation. The obligations of the County under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of the 2020 Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be permitted by law against the appropriate public official to secure compliance with the obligation of the County to file its Annual Report or to give notice of a Listed Event. In addition, Holders of not less than a majority in aggregate principal amount of 2020 Bonds outstanding may take such actions as may be permitted by law to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under any applicable resolution or other debt authorization of the County, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any Holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and Holders from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

[SIGNATURE PAGE FOLLOWS]

ATTACHMENT B

Date: December __, 2020

COUNTY OF PRINCE GEORGE, VIRGINIA

By: _____
Donald R. Hunter, Chairman of the
Board of Supervisors

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

COUNTY OF PRINCE GEORGE, VIRGINIA

in connection with the

\$ _____
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2020

CUSIP NO. _____

Dated: _____, _____

NOTICE IS HEREBY GIVEN that the County of Prince George, Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was delivered in connection with the above-named bonds (the "Bonds") issued pursuant to that certain Bond Resolution adopted by the County on November __, 2020. The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.

Date: _____

COUNTY OF PRINCE GEORGE, VIRGINIA

By: _____
County Administrator

CONTENT OF ANNUAL REPORT

(a) The County's Comprehensive Annual Financial Report which includes audited financial statements for the previous fiscal years.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

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APPENDIX D: FORM OF OPINION OF BOND COUNSEL

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*Set forth below is the proposed form of opinion of Williams Mullen, Bond Counsel, regarding the Bonds.
It is preliminary and subject to change prior to delivery of the Bonds.*

December __, 2020

Board of Supervisors
County of Prince George Virginia
Prince George, Virginia

\$ _____
County of Prince George, Virginia
General Obligation Refunding Bonds
Series 2020

Ladies and Gentlemen:

We have served as bond counsel to the County of Prince George, Virginia (the "County") in connection with the issuance and sale of the County's \$ _____ General Obligation Refunding Bonds, Series 2020 (the "Bonds"), dated the date of their delivery.

In connection with this opinion, we have examined (i) the Constitution of Virginia (the "Constitution"), (ii) the applicable laws of (A) the Commonwealth of Virginia (the "Commonwealth"), including without limitation the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended and (B) the United States of America, including without limitation the Internal Revenue Code of 1986, as amended (the "Code") and (iii) copies of proceedings and other documents relating to the issuance and sale of the Bonds by the County as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon and are assuming the accuracy of certifications and representations of the County, County officers and other public officials and certain third parties contained in certificates and other documents delivered at closing, including, without limitation, certifications as to the use of proceeds of the Bonds, without undertaking to verify them by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to this transaction have been duly authorized, executed, and delivered by all parties to them other than the County, and we have further assumed the due organization, existence, and powers of all parties other than the County.

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Based on the foregoing, in our opinion, under current law:

1. The Bonds have been authorized and issued in accordance with the Constitution and laws of the Commonwealth and constitute valid and binding general obligations of the County.

2. The Board of Supervisors of the County has the power, and is authorized and required by law, to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes authorized or limited by law, and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the County are not lawfully available and appropriated for such purpose.

3. Interest on the Bonds, including any accrued "original issue discount" properly allocable to the owners of the Bonds, (i) is excludable from gross income for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference (a "Specific Tax Preference Item") for purposes of the federal alternative minimum income tax. The "original issue discount" on any Bond is the excess of its stated redemption price at maturity over the initial offering price to the public at which price a substantial amount of the Bonds of the same series and maturity was sold. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

In delivering this opinion, we are assuming continuing compliance with the Covenants (as defined below) by the County, so that interest on the Bonds will remain excludable from gross income for federal income tax purposes under Section 103 of the Code. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation under Section 103 of the Code and not become a Specific Tax Preference Item. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed or refinanced by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The tax certificate and related documents for the Bonds (collectively, the "Tax Certificate") delivered at closing by the County contain covenants (the "Covenants") under which it has agreed to comply with such requirements. A failure to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issue. In the event of noncompliance by the County with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds

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Certain requirements and procedures contained, incorporated, or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Tax Certificate. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this Firm.

4. Interest on the Bonds is excludable from gross income of the owners thereof for purposes of income taxation by the Commonwealth. We express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the Commonwealth or (ii) any consequences arising with respect to the Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or equity.

Our services as bond counsel to the County have been limited to rendering the foregoing opinion based on our review of such legal proceedings as we deem necessary to opine on the validity of the Bonds and the income tax status of the interest on them. We express no opinion as to the accuracy, completeness or sufficiency of any offering material or information that may have been relied upon by any owner of the Bonds in making a decision to purchase the Bonds, including, without limitation, the Preliminary Official Statement of the County dated December __, 2020 and the Official Statement of the County dated December __, 2020. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

WILLIAMS MULLEN

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APPENDIX E: BOOK-ENTRY-ONLY SYSTEM

BOOK-ENTRY-ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the 2020 Bonds, payments of principal of and interest on the 2020 Bonds to DTC, as hereinafter defined, its nominee, Direct Participants, as hereinafter defined, or Beneficial Owners, as hereinafter defined, confirmation and transfer of beneficial ownership interests in the 2020 Bonds and other bond-related transactions by and between DTC, the Direct Participants and Beneficial Owners is based solely on information furnished by DTC.

The Depository Trust Company ("DTC") will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully-registered securities registered 2020 Bond 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 certificate will be issued for each maturity of the 2020 Bonds 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 the 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 ("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 ("Indirect Participants"). DTC has a Standard & Poor's 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 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the records of either the Direct Participants or the Indirect Participants, as applicable. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participants or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2020 Bonds, except in the event that use of the book-entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 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 2020 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 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial

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Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings 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. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar/Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the 2020 Bonds 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 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy (an "Omnibus Proxy") to the County 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 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of and interest payments on the 2020 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 detailed information from the County on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the account customers in bearer form or registered in "street name," and will be the responsibility of such Direct Participant or Indirect Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificates for the 2020 Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The County has no responsibility or obligation to the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to: (i) the accuracy of any records maintained by DTC, any Direct Participant or any Indirect Participant; (ii) the payment by DTC, any Direct Participant or any Indirect Participant of any amount due to any Beneficial Owner in respect to the principal of and interest on the 2020 Bonds; (iii) the delivery or timeliness of delivery by any Direct Participant or any Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the 2020 Bonds to be given to owners of the 2020 Bonds; (iv) the selection of the Beneficial Owners to receive payments in the event of any partial redemption of the 2020 Bonds; or (v) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owners of the 2020 Bonds.

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So long as Cede & Co. is the registered owner of the 2020 Bonds, as nominee of DTC, references in this Official Statement to Bondholders shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Bondholder for all purposes under the 2020 Bonds.

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 2020 Bonds without the consent of Beneficial Owners or Bondholders.

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 County takes no responsibility for the accuracy thereof.

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APPENDIX F: NOTICE OF SALE

NOTICE OF SALE
County of Prince George, Virginia

\$ _____*
General Obligation Refunding Bonds, Series 2020 (Tax-Exempt)

Date of Sale _____, December __, 2020*
Time of Sale [10:45 a.m.] (Eastern)*

Electronic bids will be received by the County of , Virginia (the "County"), a political subdivision duly organized and validly existing under and pursuant to the laws of the Commonwealth of Virginia, for the purchase of its \$ _____* General Obligation Refunding Bonds, Series 2020 (Tax-Exempt) (the "2020 Bonds"). Bids must be submitted to the Parity Electronic Bid Submission System ("Parity") by the time and on the sale date indicated above. See "**Submission of Bids**" herein.

The County expects to take bids at 10:45 a.m. (Eastern) on December __, 2020*. However, the County reserves the right to postpone the date and time established for the receipt of bids. **Any such postponement will be communicated not later than 30 minutes prior to the time announced for receipt of bids.** If any date fixed for the receipt of bids is postponed, any alternative date for receipt of bids will be communicated, at least 18 hours prior to such alternative sale date. Any bidder must submit a bid for the purchase of the 2020 Bonds in conformity in all respects with the provisions of this Notice of Sale, except for any additional changes communicated by the County's financial advisor.

Security

The 2020 Bonds are general obligations of the County to the payment of which the County's full faith and credit and unlimited taxing power are irrevocably pledged. See "**SECURITY FOR AND SOURCES OF PAYMENT OF THE 2020 BONDS**" in the Preliminary Official Statement, as hereinafter defined.

Description of Bonds

The 2020 Bonds will consist of \$ _____* General Obligation Refunding Bonds, Series 2020 (Tax-Exempt), dated the date of their delivery, and will mature in the years and amounts as shown herein, subject to adjustments as described herein. Interest will be computed on a basis of a 360-day year of twelve 30-day months. Interest will be payable semiannually on _____ 1 and _____ 1, commencing _____ 1, 2021.

* Preliminary, subject to change.

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The 2020 Bonds will mature on _____ 1 in the years and amounts as follows:

<u>Year*</u>	<u>Principal Amount*</u>	<u>Year*</u>	<u>Principal Amount*</u>
2021	\$ _____	2032	\$ _____
2022		2033	
2023		2034	
2024		2035	
2025		2036	
2026		2037	
2027		2038	
2028		2039	
2029		2040	
2030		2041	
2031			

Form and Places of Payment

Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof. Purchasers will not receive certificates representing their interest in the 2020 Bonds purchased. One bond representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), as registered owner of the 2020 Bonds and each such bond will be immobilized in the custody of DTC. DTC will act as securities depository for the 2020 Bonds.

Term Bonds and Mandatory Redemption

Bidders may provide in the bid form for all of the 2020 Bonds to be issued as serial bonds or bidders may designate consecutive annual principal amounts of the 2020 Bonds to be combined into no more than _____ term bonds. If the bidder specifies a term bond, such term bond shall be subject to mandatory redemption on February 1 in the years and amounts shown herein for the serial maturities of the 2020 Bonds corresponding to the years which have been combined to form such term bond.

Redemption

Optional Redemption. The 2020 Bonds maturing on or before _____ 1, 2030,* are not subject to redemption prior to their respective maturities. The 2020 Bonds maturing on or after _____ 1, 2031,* are subject to redemption at the option of the County from any money available for such purpose at any time on or after _____ 1, 2030,* in whole or in part in increments of \$5,000 or any integral multiple of \$5,000, at the redemption price of 100% of the principal amount of the 2020 Bonds to be redeemed, together with accrued interest to the date fixed for redemption.

Manner of Redemption. Notice of redemption will be mailed at least 30 and not more than 60 days before the redemption date. Each notice of redemption will contain, among other things, the CUSIP identification number and the number of the 2020 Bonds (or portions thereof) being called for redemption, the redemption date and price and the address at which the 2020 Bonds are to be surrendered for payment of the redemption price. Such notice may state that the redemption of the 2020 Bonds to be redeemed is

* Preliminary, subject to change.

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conditioned upon the occurrence of certain future events, including, without limitation, the deposit with the Paying Agent of moneys sufficient to effect the redemption on or before the date fixed therefor.

Failure to mail any such notice or any defect in it will not affect the validity of the proceedings for redemption of any 2020 Bond with respect to which no failure or defect has occurred. Any defect in such notice or the failure to mail any such notice to the registered owner of any 2020 Bond called for redemption will not affect the validity of the proceedings for the redemption of any other 2020 Bond.

Selection of Bonds to be Redeemed

If less than all of the 2020 Bonds are called for optional redemption, the maturities to be called will be as directed by the County in such manner as determined by the County. If less than all of any maturity of the 2020 Bonds is called for redemption, the 2020 Bonds within each maturity to be redeemed will be selected by the Paying Agent in a manner in which the Paying Agent determines to be appropriate and fair.

Adjustments to Principal Amount

The preliminary aggregate principal amount of the 2020 Bonds and the preliminary annual principal amounts as set forth in this Notice of Sale (the "Preliminary Aggregate Principal Amount" and the "Preliminary Annual Principal Amounts," respectively; collectively, the "Preliminary Amounts") may be revised before the opening of sealed bids for the purchase of the 2020 Bonds. Any such revisions (the "Revised Aggregate Principal Amount" and the "Revised Annual Principal Amounts," respectively; collectively, the "Revised Amounts") **will be announced on Thomson Municipal Market Monitor (www.tm3.com) not later than thirty minutes prior to the scheduled time for the receipt of bids.** In the event that no such revisions are made, the Preliminary Aggregate Principal Amount and the Preliminary Annual Principal Amounts will constitute the Revised Aggregate Principal Amount and the Revised Annual Principal Amounts, respectively. **Bidders shall submit bids based on the Revised Amounts.**

After selecting the winning bid, the County will determine the final aggregate principal amount of the 2020 Bonds and each final annual principal amount (the "Final Aggregate Principal Amount" and the "Final Annual Principal Amounts," respectively; collectively, the "Final Amounts"). The 2020 Bonds will be used to refinance existing County debt, together with costs of issuance. To the extent the County's goal of at least ___% Net Present Value Savings is not achieved, some of the 2020 Bonds may not be included in the Final Amounts. **The successful bidder may not withdraw its bid or change the interest rates bid or the initial offering prices (the "Initial Offering Prices") as a result of any changes made to the Revised Amounts within these limits.**

The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the 2020 Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriters discount and original issue discount and premium, if any, but will not change the selling compensation per \$1,000 of par amount of the 2020 Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the Initial Offering Prices. The interest rate specified by the successful bidder for each maturity as the Initial Offering Prices will not change. The Final Amounts and the adjusted bid price will be communicated to the successful bidder no later than 24 hours after the sale.

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Bidding Rules

Each bid must be unconditional. Bidders may only bid to purchase all of the 2020 Bonds; no bids for less than all of the 2020 Bonds will be entertained. Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Each bidder must specify in its bid an interest rate for each maturity of the 2020 Bonds.

Any number of interest rates may be named, provided the difference between the lowest and highest rates named in the bid shall not exceed 4% and no individual interest rate shall exceed 5%.

No offer to purchase the 2020 Bonds at a price less than par will be accepted.

Award of Bonds

Unless all bids are rejected, the 2020 Bonds will be awarded to the bidder complying with the terms of this Notice of Sale and submitting a bid which provides the lowest True Interest Cost. True Interest Cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the dated date of the 2020 Bonds. The 2020 Bonds, dated the date of their delivery, will be delivered on or about December __, 2020*. If more than one bidder offers the same lowest True Interest Cost, the County may select the successful bidder. Each bidder shall include in its bid a statement of the True Interest Cost offered in its bid, but this statement shall not be deemed to be part of the bid. The County reserves the right to reject any or all bids (regardless of the bids' interest rates) and to waive irregularities or informalities in any bid received.

Submission of Bids

Bids must be submitted electronically to Parity at the time specified herein. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Parity to the County, each bid will constitute an irrevocable offer to purchase the 2020 Bonds pursuant to the terms therein provided.

Prospective bidders wishing to submit electronic bids must be contracted customers of Parity Electronic Bid Submission System. If you do not have a contract with Parity, call (212) 849-5021 to become a customer. By submitting a bid for the 2020 Bonds, a prospective bidder represents and warrants to the County that such bidder's bid for the purchase of the 2020 Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the 2020 Bonds.

If any provisions of this Notice of Sale shall conflict with any information provided by Parity, as approved provider of electronic bidding services, this Notice of Sale shall control. Further information about Parity, including any fee charged, may be obtained from Parity at (212) 849-5021.

The time maintained by Parity shall constitute the official time with respect to all bids submitted.

* Preliminary, subject to change.

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Disclaimer

Each prospective bidder shall be solely responsible to register to bid via Parity and to make necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the County nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by Parity. The County is using Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the 2020 Bonds. The County is not bound by any advice or determination of Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "**Bidding Rules**" set forth herein. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via Parity are the sole responsibility of the bidders, and the County is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the 2020 Bonds, it should telephone Parity and notify the County's financial advisor by phone at (804) 697-2913.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on BidCOMP/Parity must submit a Good Faith Deposit in the amount of \$_____ ("Good Faith Deposit") to the County by wire transfer to secure the County against any loss resulting from a failure of the bidder to comply with the terms of the proposal submitted. Interest on such Good Faith Deposit will accrue to the benefit of the County. The award to the apparent successful bidder is contingent upon receipt of the Good Faith Deposit and the 2020 Bonds will not be awarded to such bidder until the County has confirmation of receipt of the Good Faith Deposit. The County's financial advisor will relay the wiring instructions to the successful bidder.

Revisions to Notice of Sale

In addition to revising the amount of the 2020 Bonds, the County is entitled to revise any provision of this Notice of Sale on more than one occasion until 30 minutes prior to the announced date and time for the receipt of bids. **All such revisions will be announced on Thomson Municipal Market Monitor (www.tm3.com) not later than thirty minutes prior to the scheduled time for the receipt of bids.** In the event that no such revisions are made, the terms of this Notice of Sale control the sale of the 2020 Bonds.

Legal Opinion and Tax Matters

The approving legal opinion of Williams Mullen, Richmond, Virginia ("Bond Counsel") with respect to the 2020 Bonds will be furnished to the successful bidder at the expense of the County. The Preliminary Official Statement dated December, 2020 (the "Preliminary Official Statement") relating to the 2020 Bonds contains a discussion of the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the excludability from gross income for purposes of federal income taxation of the interest on the 2020 Bonds and a description of the opinion of Bond Counsel with respect thereto.

Bond Counsel's opinion with respect to the 2020 Bonds will state that, under current law and subject to conditions described in the Preliminary Official Statement section entitled "**LEGAL OPINION AND TAX EXEMPTION – 2020 BONDS**," interest on the 2020 Bonds is excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Interest on the 2020 Bonds

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may be subject to other federal income tax consequences as described in the Preliminary Official Statement section "**LEGAL OPINION AND TAX EXEMPTION – 2020 BONDS.**"

Bond Counsel's opinion will also state that interest on the 2020 Bonds is excludable from the gross income of the owners thereof for purposes of income taxation by the Commonwealth of Virginia.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide offering of each maturity of the 2020 Bonds to the Public (as defined below) and shall, within 30 minutes after being notified of the award of the 2020 Bonds, advise the County in writing (via electronic transmission) of the Initial Offering Price of each maturity of the 2020 Bonds. The successful bidder must, by facsimile transmission or delivery received by the County within 24 hours after notification of the Final Amounts, furnish the following information to the County to complete the final Official Statement, as described below:

- (i) Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the 2020 Bonds are sold at the prices or yields at which the successful bidder advised the County that the 2020 Bonds were initially offered to the public).
- (ii) The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- (iii) Any other material information that the County determines is necessary to complete the Official Statement in final form.

Issue Price Certificate

The successful bidder shall assist the County in establishing the issue price of the 2020 Bonds and shall execute and deliver to the County on or prior to the closing date an "issue price" or similar certificate setting forth the reasonably expected initial offering prices to the public or the actual sales price or prices of the 2020 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form attached hereto as Schedule 1, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the County and Bond Counsel. All actions to be taken by the County under this Notice of Sale to establish the issue price of the 2020 Bonds may be taken on behalf of the County by the County's financial advisor (Davenport & Company LLC) and any notice or report to be provided to the County may be provided to the County's financial advisor.

If the County's financial advisor has certified to the County that the competitive sale requirements specified in the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2020 Bonds) have been satisfied, the County will furnish to the successful bidder on the sale date written notice thereof.

In the event that the competitive sale requirements are not satisfied, the County shall so advise the successful bidder in writing on the sale date, and the successful bidder shall be subject to the "hold-the-offering-price rule" for each maturity, unless the successful bidder confirms that it has sold at least 10% of a given maturity as described below.

The County may determine to treat (i) the first price at which 10% of a maturity of the 2020 Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the 2020 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder

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shall advise the County if any maturity of the 2020 Bonds satisfies the 10% test as of the date and time of the award of the 2020 Bonds. The County shall notify the successful bidder, at or before the time of award of the 2020 Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the 2020 Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the 2020 Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the 2020 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the 2020 Bonds.**

By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the 2020 Bonds to the public on or before the date of award at the Initial Offering Price, or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the 2020 Bonds, that the underwriters will neither offer nor sell unsold 2020 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the underwriters have sold at least 10% of that maturity of the 2020 Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the County when the underwriters have sold 10% of that maturity of the 2020 Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth business day after the sale date.

The County acknowledges that, in making the representations set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2020 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2020 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2020 Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2020 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2020 Bonds of each maturity allotted to it until it is notified by the successful bidder that the 10% test has been satisfied as to the 2020 Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the 2020 Bonds to the public, together with the related pricing wires, contains or will contain

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language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2020 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold 2020 Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the 2020 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any 2020 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2020 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2020 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2020 Bonds to the public),

(iii) a purchaser of any of the 2020 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the 2020 Bonds are awarded by the County to the successful bidder.

Delivery of Bonds

The 2020 Bonds will be delivered, properly executed, at the expense of the County through the facilities of DTC, upon payment of the amount of the successful bid (including any premium) in immediately available funds, less the amount of the Good Faith Deposit. The 2020 Bonds are expected to be delivered on or about December __, 2020*.

The successful bidder will be provided with the usual closing documents.

The obligations of the successful bidder to accept the 2020 Bonds and the obligations of the County to deliver the 2020 Bonds shall be conditioned upon (i) the availability of the approving opinion of Bond Counsel in the form attached to the Preliminary Official Statement, (ii) the delivery by the County of closing certificates confirming (A) the execution and delivery of the 2020 Bonds, (B) the lack of litigation pending or threatened against the 2020 Bonds and (C) the accuracy of the information contained in the Official Statement and (iii) the delivery of all other standard closing documents. If the 2020 Bonds are not accepted or delivered before 1:00 P.M. Richmond, Virginia, time on the day of closing because the conditions of acceptance and delivery are not satisfied, the successful bidder shall be entitled to the return of its Good

* Preliminary, subject to change.

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Faith Deposit (less any interest earned thereon), and the successful bidder and the County shall be relieved of their obligations to each other arising out of this Notice of Sale.

Official Statement

The County will furnish electronic copies of the Official Statement for the 2020 Bonds to the successful bidder and will include therein such additional information concerning the reoffering of the 2020 Bonds as the successful bidder may reasonably request; provided, however, that the County will not include in the Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the 2020 Bonds. Official Statements will be provided to the expense of the County within seven business days from the date of the award of sale, as specified in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), provided that minor delays in furnishing the Official Statement will not be a basis for failure to pay for and accept delivery of the 2020 Bonds. Additional copies will be made available at the successful bidder's request and expense. The County assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement to anyone other than the successful bidder.

The successful bidder agrees to provide the Official Statement (with any required forms) to the MSRB or its designee in an electronic format as prescribed by the MSRB no later than ten business days following the date of sale. The successful bidder shall notify the County as soon as practicable of (i) the date which is the end of the underwriting period (such "underwriting period" is described in the Rule), and (ii) the date of filing the Official Statement with the MSRB or its designee.

Continuing Disclosure

The County will undertake, pursuant to a Continuing Disclosure Agreement, to provide annual reports and notices of certain material events. See "**APPENDIX B - FORM OF CONTINUING DISCLOSURE AGREEMENT**" in the Preliminary Official Statement; the form will also be set forth in the Official Statement.

CUSIP Numbers

CUSIP numbers for the 2020 Bonds will be applied for by the financial advisor for the County, but the County will assume no obligation for the assignment or printing of such numbers on the 2020 Bonds or for the correctness of such numbers, and neither the failure to print such numbers on any of the 2020 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and make payment for the 2020 Bonds.

Additional Information

For further information relating to the 2020 Bonds and the County, reference is made to the County's Preliminary Official Statement. The County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. Bidders may obtain the Preliminary Official Statement by contacting the County's financial advisor at (804) 697-2913.

**COUNTY OF PRINCE GEORGE,
VIRGINIA**

Dated: December __, 2020

By: Percy Ashcraft, County Administrator

SCHEDULE 1

Form of Issue Price Certificate

§ _____
County of Prince George, Virginia
General Obligation Refunding Bonds,
Series 2020 (Tax-Exempt)

The undersigned, on behalf of _____ (the "[Successful Bidder]"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

[Competitive Sale Requirements Met]

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the [Successful Bidder] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the [Successful Bidder] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the [Successful Bidder] to purchase the Bonds.

(b) The [Successful Bidder] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the [Successful Bidder] constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) "Issuer" means the County of Prince George, Virginia.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "Sale Date" means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

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(e) "*Underwriter*" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Williams Mullen in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____
Name: _____

Dated: [ISSUE DATE]

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[Competitive Sale Requirements Not Met – General Rule to Apply (to those maturities for which 10% were sold on the sale date) / Hold-The-Offering Price to Apply (to those maturities for which 10% were NOT sold on the sale date)]

1. **Sale of the Bonds – General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. **Hold-the-Offering Price Maturities.**

a. The [Successful Bidder] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

b. As set forth in the Notice of Sale and bid award, the [Successful Bidder] has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the [Successful Bidder] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

c. "General Rule Maturities" means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

d. "Hold-the-Offering-Price Maturities" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

e. "Holding Period" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the [Successful Bidder] has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

f. "Issuer" means the County of Prince George, Virginia.

g. "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

h. "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common

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ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

i. "Sale Date" means the date that the Bonds are awarded by the Issuer to the successful bidder. The Sale Date of the Bonds is [DATE].

j. "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [Successful Bidder]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Williams Mullen in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____
Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

**EXPECTED OFFERING PRICES OR SALE PRICES OF THE GENERAL RULE
MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-
PRICE MATURITIES**

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SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

PAYING AGENT, REGISTRAR AND TRANSFER AGENT AGREEMENT

THIS PAYING AGENT, REGISTRAR AND TRANSFER AGENT AGREEMENT ("**Agreement**"), is entered into as of December __, 2020 by and between the County of Prince George, Virginia (the "**Issuer**"), and U.S. Bank, National Association ("**Bank**", "**Paying Agent**", "**Registrar**", or "**Transfer Agent**", as the case may be). The Issuer has duly authorized and provided for, pursuant to a resolution of the Board of Supervisors of the Issuer dated November 24, 2020 (the "**Authorizing Document**"), for the issuance of bonds, entitled the Resolution Authorizing the Issuance of the County of Prince George, Virginia \$_____ General Obligation Refunding Bonds Series 2020 (Tax-Exempt) (the "**Bonds**"), to be issued as fully registered bonds without coupons. The Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent, Registrar and Transfer Agent for the Bonds. The Issuer has duly authorized the appointment of the Bank as Paying Agent, Registrar and Transfer Agent. The Issuer and the Bank mutually agree as follows:

Section 1. Definitions. For all purposes of this Agreement:

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Registered Owner" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever in whose name a Bond is registered in the Bond Register.

Section 2. Appointment and Acceptance. The Issuer hereby appoints the Bank, and the Bank accepts such appointment, to act as Paying Agent, Registrar and Transfer Agent for the Bonds pursuant to the terms of this Agreement.

Section 3. Compensation. The Issuer hereby agrees to pay the Bank the fees and expenses outlined on the fee schedule letter, a copy of which is attached as Exhibit A to this Agreement.

Section 4. Duties of Paying Agent. Provided sufficient collected funds have been delivered to it by the Issuer hereunder, the Paying Agent shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of such Bond and the Authorizing Document.

Section 5. Receipt of Funds. The Issuer hereby agrees to provide the Paying Agent with sufficient funds to make principal and interest payments as follows: (a) payment by check must be received by the Paying Agent at least 5 business days prior to payment date and (b) payment by wire must be received by Paying Agent by 11:30 a.m. Central Time one business day prior to the payment date. If available funds are not provided to the Paying Agent as required hereunder, payment of items may be refused and the Issuer may be charged for reasonable expenses incurred and extra service provided in accordance with the Bank's current schedule.

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Section 6. Duties of Registrar and Transfer Agent. a) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or his/her attorney duly authorized in writing. The Bank may request any supporting documentation it deems necessary or appropriate to effect a re-registration. The Bank will maintain records as Bond Registrar in accordance with its general practices and procedures. For every transfer or exchange of Bonds, the Bank may impose on the owner thereof a charge sufficient to pay or reimburse the Bank for any associated tax or other governmental charge or expense associated with the transfer. The Bank shall incur no liability for its good faith refusal to make transfers that the Bank, in its sole judgment, deems improper or unauthorized.

(b) All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to and cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered.

(c) In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as satisfactory to the Bank. All Bonds so surrendered to the Bank shall be canceled by it and returned to the Issuer upon its request. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

(d) [Reserved]

Section 7. Duties and Protections of Bank. (a) The Bank undertakes to perform only such duties expressly set forth herein and no duties shall be implied. The Bank has no fiduciary or discretionary duties of any kind.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable except to the extent that a court of competent jurisdiction determines that the Bank's gross negligence or willful misconduct in breach of its obligations hereunder was the sole cause of any loss to the Issuer. The Bank may seek adjudication, including by way of interpleader of any adverse claim or controversy hereunder in a court of competent jurisdiction.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability or to take any legal action or commence any proceeding in connection with this Agreement, the Bonds or money held or disbursed by the Bank hereunder.

(d) The Bank shall not be charged with knowledge or notice of any fact or circumstance not specifically set forth herein. The Bank may conclusively rely and be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other document believed by it to be genuine and to have

ATTACHMENT C

been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of any Bond containing an endorsement or any instruction or power of transfer which the Bank believes to be signed by the proper party or parties.

(e) The Bank may consult with counsel, and the advice or opinion of counsel shall be full authorization and protection with respect to any action taken or omitted by it hereunder in good faith reliance thereon. The Bank may exercise any of the powers and perform any duties hereunder directly or by agents and shall not be liable for the actions of such agent appointed in good faith. The Bank shall not be responsible for delays or failures in performance resulting from acts beyond its control, including without limitation acts of God, strikes, acts of war or terror, governmental regulations, fire, communication line failures, computer viruses, power failures, or other disasters. The Bank is authorized to comply with orders issued or process entered by any court.

Section 8. May Own Bonds. The Bank in any capacity may become the owner or pledgee of Bonds and may be interested in any financial or other transaction with the Issuer.

Section 9. Money held by Bank. Money held by the Bank hereunder shall be held uninvested in a non-interest bearing, non-segregated account. Any money held by the Bank to pay the principal, redemption premium, if any, or interest on any Bond and remaining unclaimed by the Registered Owner or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment will be escheated pursuant to applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 10. [Reserved]

Section 11.1 Notices. Any request, demand, authorization, direction, notice, consent, waiver or other communication hereunder shall be delivered in a manually signed document mailed, sent by fax or email or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

If to the Issuer:
County of Prince George, Virginia
6602 Courts Drive, 3rd Floor
P.O. Box 68
Prince George, Virginia 23875
Attention: County Administrator

If to the Bank:
U.S. Bank National Association
1021 East Cary Street, Suite 1850
Richmond, Virginia 23219
Attention: Becky D. Burton,
Assistant Vice President

Section 12 Entire Agreement, etc. This Agreement (a) shall constitute the entire agreement between the parties hereto concerning the subject hereof and contains nothing, express or implied, that is intended to or shall confer upon any person or entity, other than the signatory parties hereto, any right, benefit or remedy under this Agreement, (b) may be amended only by an agreement in writing signed by both of the parties hereto and (c) shall be construed in accordance with and shall be governed by the laws of the Commonwealth of Virginia without reference to conflict of laws principles. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. To the extent of any conflict between the terms of this Agreement and those of the Authorizing Document, the terms of this Agreement shall control.

Section 13. Term and Termination. Either party may terminate this Agreement by written notice mailed to the other party at least thirty (30) days prior to termination date, upon which event the

ATTACHMENT C

Bank shall return all cash and Bonds in its possession to the Issuer or pursuant to its order, after deduction and payment to the Bank of its unpaid fees and non-reimbursed expenses, together with a copy of the Bond Register. The provisions of Section 3 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 14. Documents to be filed with the Bank. The Issuer shall file with the Bank: (a) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Bonds and (b) such other documents that the Bank may request, including, if applicable, a specimen Bond certificate and a copy of the Authorizing Document.

Section 15. Identifying Information. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a legal entity, the Bank requires documentation to verify its formation and existence. The Bank may ask to see financial statements, licenses, and identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Remainder of Page Intentionally Left Blank]

ATTACHMENT C

IN WITNESS WHEREOF, the parties herto have caused this Paying Agent, Registrar and Transfer Agent Agreement to be duly executed by their duly authorized officers, all as of the date and year first above written.

ISSUER:

**COUNTY OF
PRINCE GEORGE, VIRGINIA**

By: _____
Name: Percy C. Ashcraft
Title: County Administrator

BANK:

U.S. BANK, NATIONAL ASSOCIATION

By: _____
Name: Becky D. Burton
Title: Assistant Vice President

43793758_2

ATTACHMENT C

Exhibit A
CURRENT FEE SCHEDULE
(See Attached)

Board of Supervisors
County of Prince George, Virginia

Resolution

At a monthly meeting of the Board of Supervisors of the County of Prince George, Virginia held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 24th day of November 2020.

Present:

Donald R. Hunter, Chairman
Floyd M. Brown, Jr., Vice-Chairman
Alan R. Carmichael
Marlene J. Waymack
T.J. Webb

Vote:

A-3

On motion of _____, seconded by _____, which was approved with a vote of all members of the Board of Supervisors, the following Resolution was adopted:

**RESOLUTION AUTHORIZING THE ISSUANCE OF
THE COUNTY OF PRINCE GEORGE, VIRGINIA
\$ _____ GENERAL OBLIGATION REFUNDING BONDS
SERIES 2020
(TAX-EXEMPT)**

WHEREAS, the County of Prince George, Virginia (**the “County”**) is a political subdivision of the Commonwealth of Virginia, and pursuant to the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (**the “Act”**) the Board of Supervisors of the County (**the “Board of Supervisors”**) is authorized to contract debts on behalf of the County and to issue, as evidence thereof, notes, bonds or other obligations; and

WHEREAS, following the approval of the affirmative vote of the qualified voters of the County in an election on the question, the County elected on September 19, 1985 to be treated as a city for the purpose of issuing its bonds or notes under the Act, and to therefore be able to secure certain indebtedness on a general obligation basis whereby the full faith and credit of the County is pledged to secure payment of bonds or notes without a referendum; and

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Virginia, set forth in the Code of Virginia of 1950, as amended (the “Virginia Code”) including the Act, the County is empowered to acquire, construct, reconstruct, improve, extend, enlarge, equip, maintain, repair and operate any project which is a public improvement or undertaking for which the County is authorized by law to appropriate money (collectively the “Projects”), and the County is authorized to contract debts and to issue, as evidence thereof, bonds, notes or other instruments of

indebtedness payable from pledges of the full faith and credit of the County to refinance Projects previously funded through the issuance of bonds; and

WHEREAS, the proposed public building facilities and other capital improvement projects of the County that may be refinanced and redeemed through the issuance by the County of its refunding bonds include the outstanding bonds and notes identified in Exhibit A attached hereto (the “**Refunded Bonds**”), together with costs of issuance (“**COI**”), which are to be financed by the County with its General Obligation Refunding Bonds, Series 2020 in an amount not to exceed \$50,000,000 (the “**Series 2020 Bonds**”); and

WHEREAS, no public hearing is required for the issuance of the Series 2020 Bonds under the Virginia Code, since the proceeds will be used to refinance existing debt; and

WHEREAS, the County intends to issue its Series 2020 Bonds, which are to be sold by the County in a direct placement structured as a request for competitive electronic, bids from interested purchasers solicited through a Notice of Sale publicly posted on the Parity Electronic Bid Submission System (the “**Notice of Sale**”) and the use of a Preliminary Official Statement setting forth information regarding the County for prospective investors (the “**Preliminary Official Statement**”, or, as finalized to incorporate pricing information and other details, the “**Official Statement**”); and

WHEREAS, Davenport & Company LLC, the County's financial advisor (the “**Financial Advisor**”), as directed and supported by County representatives, prepared a Credit Report dated November 12/13, 2020 (the “**Rating Agency Report**”) for use in the solicitation of credit ratings from Moody’s and S&P in connection with the issuance of the Series 2020 Bonds ; and

WHEREAS, the Board of Supervisors, based upon the recommendations of County officials and the Financial Advisor, has agreed to move forward with a sale of the Series 2020 Bonds through a direct placement of such debt instruments to the bidder which provides the lowest cost of capital offered through a competitive bid to refinance the Refunded Bonds and realize the anticipated debt service cost savings described to the Board; and

WHEREAS, there have been presented to the Board of Supervisors at this meeting the following documents with regard to the financing in substantially final form: (i) the form of the Series 2020 Bonds attached as Exhibit B (the “**Form of Bond**”), (ii) the Notice of Sale (iii) the Preliminary Official Statement, (iv) the Official Statement, (v) the Continuing Disclosure Agreement, and (vi) the Paying Agent, Registrar and Transfer Agent Agreement (collectively, together with such other contracts, certificates and closing papers to be executed in connection with the issuance and sale of the Series 2020 Bonds, the “**Financing Documents**”).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE GEORGE, VIRGINIA:

1. **Authorization of the Issuance of the Series 2020 Bonds and the Execution of the Financing Documents.** The Board of Supervisors hereby finds and determines that it is advisable and in the best interests of the County to incur debt and issue its Series 2020 Bonds for the purpose of refinancing all or a portion of the Refunded Bonds, along with the costs of issuing the Series 2020 Bonds. The Board of Supervisors now hereby authorizes the issuance of the

Series 2020 Bonds and the placement of such debt instruments in accordance with the terms approved by the Board of Supervisors herein. The form of Series 2020 Bond is attached hereto as Exhibit B, and all such financing documents are hereby approved in accordance with the authority delegated to the Chairman and Vice-Chairman of the Board of Supervisors and the County Administrator in Section 13 of this Resolution.

2. **General Obligation of the County.** The Series 2020 Bonds shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia. The Series 2020 Bonds shall be a general obligation of the County, the principal of and interest on which are payable from ad valorem taxes to be levied without limitation as to rate or amount on all property in the County subject to taxation and a pledge of the full faith and credit of the County; and in each year while any amount payable with respect to the Series 2020 Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount, together with all other funds lawfully appropriated and available therefor, to provide for the payment of the principal of and premium, if any, and the interest on the Series 2020 Bonds as such principal, premium, if any, and interest shall become due.

3. **Use of Proceeds from the Series 2020 Bonds.** The proceeds derived from the issuance of the Series 2020 Bonds, after the payment of the costs of issuance of the Series 2020 Bonds, are expected to be applied to the payment of all or a portion of the costs of the Projects originally financed with the Refunded Bonds identified, in Exhibit A attached hereto.

4. **Refinancing of the Refunded Bonds.** The refinancing of the Refunded Bonds shall be executed as follows:

(a) the Board of Supervisors hereby authorizes and directs the County Administrator to select the particular Refunded Bonds to be refunded provided, that the refinancing of the Refunded Bonds selected shall result in an aggregate net present value debt service savings of not less than three percent (3%) of the par amount of the Refunded Bonds to be refinanced;

(b) the Board of Supervisors hereby authorizes the County Administrator to cause each of the Refunded Bonds refinanced to be called for optional redemption on or after its earliest optional redemption date required under applicable federal tax law;

(c) the redemption proceedings, including the giving of redemption notices to the holders of the Refunded Bonds, shall be done pursuant to the terms of the Refunded Bonds; and

(d) the Board of Supervisors hereby authorizes the County Administrator to cause to be prepared and to execute and deliver an escrow agreement or agreements, if needed, between the County and an escrow agent or escrow agents to be selected by the County Administrator providing for the irrevocable deposit of the proceeds of the Refunded Bonds in amounts sufficient, when invested as set forth in the escrow agreement(s), to provide for the payment of the principal of, premium, if any, and interest on the Refunded Bonds, provided that such escrow arrangement shall be in place for no more than ninety (90) days following the issuance of the Series 2020 Bonds.

5. Sale of Bonds; Terms and Conditions. The Board of Supervisors hereby authorizes the sale of the Series 2020 Bonds to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities (the "Underwriter") to be selected by the County Administrator or, if the County Administrator so elects, at public bid to the bidder with the lowest true interest cost to the County; provided however, that the County Administrator is hereby authorized to reject any or all bids.

6. Provisions of Series 2020 Bonds. The Series 2020 Bonds shall evidence the County's obligation to repay a loan in an aggregate principal amount not to exceed \$50,000,000, exclusive of any original issue premium payable to the County, at a true interest rate not to exceed 2.75%. The Series 2020 Bonds are expected to have a final maturity date of August 1, 2035 but such timeframe may be adjusted downward or upward at the discretion of the County officials hereafter authorized in Section 13 to execute the Financing Documents; provided, however, that the final maturity date shall not go beyond December 31, 2035. The Series 2020 Bonds may limit the timeframe during which such obligations may be prepaid at the election of the County; provided, however, that any such duration established with respect to prepayment limitations shall not go beyond August 1, 2030, unless County officials delegated with the authority set forth in Section 13 of this Resolution to act on behalf of the County determine otherwise in their discretion. Such County officials are also hereby directed to select the particular Refunded Bonds identified in Exhibit A, or any particular portion or portions thereof to be refunded, provided, however, that the refunding of the Refunded Bonds selected shall result in an aggregate net present value debt service cost savings to the County of not less than three percent (3%) of the Refunded Bonds to be refinanced. The execution of the Series 2020 Bonds by the County officials identified in Section 13 of this Resolution shall conclusively evidence the approval and acceptance by the County of all of the details of the financing arrangement.

7. Form of Bonds. The Series 2020 Bonds shall be in substantially the form attached to this Resolution as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. There may be endorsed on the Series 2020 Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

8. Book-Entry-Only Form. If sold in a public sale, whether negotiated or competitive, the Series 2020 Bonds shall be issued in book-entry-only form in accordance with this paragraph. The Series 2020 Bonds shall be issued in fully-registered form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Series 2020 Bonds, and immobilized in the custody of DTC. One fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Series 2020 Bonds shall be registered to Cede & Co. Beneficial owners of the Series 2020 Bonds shall not receive physical delivery of the Series 2020 Bonds. Principal, premium, if any, and interest payments on the Series 2020 Bonds shall be made to DTC or its nominee as registered owner of the Series 2020 Bonds on the applicable payment date.

Transfers of ownership interests in the Series 2020 Bonds shall be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Series 2020 Bonds in accordance with rules specified by DTC and its Participants. The County shall notify DTC of any notice required to be given pursuant to this Resolution or the Series 2020 Bonds on or before the date upon which such notice is required to be given. The County shall also comply with the agreements set forth in the County's Letter of Representations to DTC.

Replacement Bonds (the "Replacement Bonds") shall be issued directly to beneficial owners of the Series 2020 Bonds rather than to DTC or its nominee but only in the event that:

- a. DTC determines not to continue to act as securities depository for the Series 2020 Bonds; or
- b. The County has determined to use a securities depository other than DTC; or
- c. The County has determined that it is in the best interest of the beneficial owners of the Series 2020 Bonds or the County not to continue the book-entry system of transfer.

Upon occurrence of the events described in (i) or (ii) above, the County shall attempt to locate another qualified securities depository. If the County fails to locate another qualified securities depository to replace DTC, or if the County makes the determination noted in (iii) above, and has made provisions to notify the beneficial owners of the Series 2020 Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the County shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit B attached hereto. Principal of and interest on the Replacement Bonds shall be payable as provided in this Resolution and in the Series 2020 Bonds and such Replacement Bonds will be transferable in accordance with the provisions of paragraphs 11 and 12 of this Resolution and the Series 2020 Bonds.

The provisions of this paragraph shall apply to Bonds sold in a public sale and not to Bonds sold in a direct placement.

9. Appointment of Bond Registrar and Paying Agent. The County is authorized to appoint a Bond Registrar and Paying Agent for the Series 2020 Bonds and hereby engages U.S. Bank, National Association, Richmond, Virginia (the "Bond Registrar"). As long as the Series 2020 Bonds are in book-entry-only form, the Bond Registrar may be the County Administrator or another officer of the County.

The County Administrator is authorized to appoint a subsequent registrar and/or one or more paying agents for the Series 2020 Bonds upon giving written notice to the owners of the Series 2020 Bonds specifying the name and location of the principal office of any such registrar or paying agent.

10. CUSIP Numbers. If sold in a public sale, the Bonds shall have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Series 2020 Bond on which it is imprinted and no liability shall attach to the County, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the County and any officer or agent of the County, by reason of any inaccuracy, error or omission with respect to such numbers.

11. **Registration, Transfer and Exchange.** Upon surrender for transfer or exchange of any Series 2020 Bond at the principal office of the Bond Registrar, the County shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Series 2020 Bond or Series 2020 Bonds of any authorized denomination in an aggregate principal amount equal to the Series 2020 Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Series 2020 Bond surrendered, subject in each case to such reasonable regulations as the County and the Bond Registrar may prescribe. All Series 2020 Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the County and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Series 2020 Bond may be registered to bearer.

New Series 2020 Bonds delivered upon any transfer or exchange shall be valid obligations of the County, evidencing the same debt as the Series 2020 Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Series 2020 Bonds surrendered.

12. **Charges for Exchange or Transfer.** No charge shall be made for any exchange or transfer of Series 2020 Bonds, but the County may require payment by the registered owner of any Series 2020 Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Series 2020 Bond.

13. **Delegation of Authority to Finalize the Series 2020 Bonds and Financing Documents.** Subject to the satisfaction of the financing parameters established by the Board of Supervisors in Section 4 of this Resolution, the final terms of the Series 2020 Bonds shall be determined by the Chairman or the Vice-Chairman of the Board of Supervisors or the County Administrator and evidenced conclusively by the execution and delivery of the Series 2020 Bonds by any party, together with all other Financing Documents and closing papers associated with the issuance of the Series 2020 Bonds, including but not limited to a Certificate regarding the Official Statement whereby the Preliminary Official Statement is deemed a “final” Official Statement for purposes of Rule 15(c)(2)-12 of the Municipal Securities Rulemaking Board, a Tax and Non-Arbitrage Certificate and IRS Form 8038G, and no further action of the Board of Supervisors shall be required. Subject to the parameters set forth in paragraph 4 of this Resolution the Chairman of the Board of Supervisors or Vice-Chairman is hereby authorized to execute the Series 2020 Bonds to have such instruments delivered to U.S. Bank, National Association as the Paying Agent, and the Clerk of the Board of Supervisors is hereby authorized to affix and attest the Seal of the County thereon.

14. **Tax Covenants.** The County covenants and agrees to comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable Treasury Regulations promulgated thereunder at all times during which the tax-exempt Series 2020 Bonds are outstanding to maintain the tax-exempt status of such debt obligations. In furtherance of this covenant, the County agrees to comply with such written instructions as may be provided by the County’s bond counsel. In furtherance of the covenant

contained in the preceding sentence, the County agrees to comply continuously with the provisions of the federal tax and non-arbitrage certificate or compliance agreement to be executed by the County in connection with the execution and delivery of the Series 2020 Bonds, as amended from time to time.

The County covenants that no part of the proceeds of any of the Series 2020 Bonds shall be used, directly or indirectly, to acquire any "investment property", as defined in Section 148 of the Code, which would cause the Series 2020 Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirement of Section 148 of the Code, the County further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of Section 148(f) of the Code, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with the requirements of Section 148 of the Code.

15. Disclosure Documents. The County Administrator, and such officers and agents of the County as the County Administrator may designate, are hereby authorized and directed to prepare, execute and deliver, as appropriate, the Preliminary Official Statement, an Official Statement and such other disclosure documents as may be necessary to facilitate the sale of the Series 2020 Bonds. The Preliminary Official Statement, the Official Statement or other disclosure documents shall be published and distributed in such manner and at such times as the County Administrator, or such officers or agents of the County as the County Administrator may designate, shall determine. The County Administrator is authorized and directed to deem the Preliminary Official Statement final prior to delivery to the Underwriter pursuant to Rule 15c2-12 (the "SEC Rule") of the Securities and Exchange Commission.

16. Continuing Disclosure. The County desires to comply with the provisions of Section (b)(5)(i) of the SEC Rule providing for continuing disclosure and therefore covenants in accordance with the SEC Rule, as it may be modified or amended, to provide: (a) certain annual financial information, including audited financial statements, prepared in accordance with generally accepted accounting principles; (b) annual operating data with respect to the County as determined by the County Administrator; and (c) notice as required of the occurrence of certain specified events with respect to the Series 2020 Bonds. The County Administrator is hereby authorized to execute a Continuing Disclosure Agreement or execute and enter into a Continuing Disclosure Agreement with one or more parties, including an entity selected by the County Administrator to serve as the County's information dissemination agent, in order to comply with the SEC Rule.

17. Other Actions. All other actions of officers of the County taken heretofore or hereafter conforming with the purposes and intent of this Resolution are approved, ratified and confirmed. The Board of Supervisors hereby approves, authorizes and directs Williams Mullen, Bond Counsel to the County, the Financial Advisor and County staff to take such actions as are necessary or appropriate in connection with the issuance of the Series 2020 Bonds.

18. SNAP Investment Authorization. The County authorizes the investment of all or any portion of the proceeds of the Series 2020 Bonds and any unspent proceeds with respect to the Refunded Bonds pursuant to the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP"). SNAP shall maintain all transferred proceeds from the Refunded Bonds in segregated accounts designated only for the specific projects for which such funds were originally borrowed.

19. Filing of Resolution. The Clerk or any Deputy Clerk of the Board of Supervisors or other agent or employee of the County, is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County of Prince George, Virginia.

20. Effective Date. This Resolution and the provisions contained herein shall become effective immediately upon adoption.

Adopted: November 24, 2020

[Remainder of this Page Intentionally Left Blank]

CERTIFICATE

The undersigned Clerk of the Board of Supervisors of the County of Prince George, Virginia hereby certifies that the foregoing is a true, correct and complete copy of a resolution duly adopted by a majority of the members of the Board of Supervisors of the County of Prince George, Virginia present and voting during the meeting duly called and held on November 24, 2020, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Member Name	Attendance		Voting		
	Present	Absent	Yes	No	Abstaining
Donald R. Hunter					
Floyd M. Brown, Jr.					
Alan R. Carmichael					
Marlene J. Waymack					
T. J. Webb					

WITNESS my hand and seal of the County this ____ day of November, 2020.

 Clerk, Board of Supervisors of the
 County of Prince George, Virginia

(SEAL)

43787767_1

The Refunded Bonds

Refunded Bond Information

	Description	Purpose	Final Maturity	Rem. Term (in Years)	Original Par Amount	Outstanding as of 6/30/2020
1	VML/VACo RZED Bond, Series 2010A	Animal Shelter	2/15/2025	4.6	\$1,650,000	\$635,000
2	GO Refunding Note, Series 2012B	Refund 2003B and 2009A (General County Purposes)	2/1/2024	3.6	\$9,009,000	\$2,911,000
3	GO Public Facilities Note, Series 2014A	PG High Tennis Courts, Disputanta Fire Station, & Temple Field Lights	2/1/2024	3.6	\$943,000	\$408,000
4	GO Public Facilities Note, Series 2014B	New Carson Volunteer Fire Station	2/1/2029	8.6	\$2,257,000	\$1,465,000
5	GO Bond, Series 2014C	Courthouse HVAC upgrades	8/1/2024	4.1	\$1,218,000	\$641,000
6	GO and Refunding Bond, Series 2015A	Refund 2006C and finance vehicles for police use & school buses, Wastewater	8/1/2021	.1	\$2,274,000	\$586,000
7	GO Bond, Series 2015B	School roof reno., courthouse reno., fire & rescue prop. acq., Wastewater Refund a portion of 2008A Bonds	8/1/2030	10.1	\$5,541,000	\$4,256,000
8	GO Refunding Bond, Series 2016A	Refund a portion of 2008A Bonds	2/1/2031	10.6	\$4,457,000	\$3,712,000
9	GO Refunding Bond, Series 2016B	Refund a portion of 2008A Bonds (Literary Loan)	4/1/2033	12.8	\$7,500,000	\$6,715,000
10	GO Note, Series 2017A	Public safety radio system, police vehicles, parks & rec. Rt. 10 Fire Station	2/1/2032	11.6	\$9,000,000	\$8,752,000
11	GO Bond, Series 2019	Police vehicles, utility improvements, security systems, assessor software, new fire station, parks & rec	2/1/2034	13.6	\$9,450,000	\$8,840,000
12	Tax-Exempt GO Bond, Fall Series 2019	Police vehicles, fire apparatus, wellness center, stormwater	8/1/2034	14.1	\$6,278,000	\$6,278,000
13	Taxable GO Bond, Fall Series 2019	Broadband	8/1/2026	6.1	\$1,017,000	\$1,017,000

Form of Bond

FORM OF BOND

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

No. R-__

\$ _____

**COUNTY OF PRINCE GEORGE, VIRGINIA
General Obligation Refunding Bonds
(Series 2020)
(Tax-Exempt)**

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
__ %	_____ 1, 20__	December __, 2020	_____

REGISTERED OWNER: CEDE & Co.

**PRINCIPAL AMOUNT: _____ MILLION _____ THOUSAND DOLLARS
(\$ _____)**

The County of Prince George, Virginia (the "County"), for value received, hereby acknowledges itself indebted and promises to pay to the registered owner named above, or registered assigns or legal representative, the principal amount stated above on the maturity date set forth above (the "Maturity Date") and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on February __ and August __ (each an "Interest Payment Date," and together with the Maturity Date, each a "Payment Date"), beginning on February, 2021. This Bond shall bear interest from the Dated Date set forth above or the date on which this Bond is authenticated. Principal on this Bond shall be payable on each August, 1 until the Maturity Date, unless the Bond is otherwise paid in full beforehand. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of U.S. Bank, National Association, Richmond, Virginia, as Bond Registrar and Paying Agent (the "Bond Registrar"). Interest on this Bond is payable by wire transfer or check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond; provided that as long as Cede & Co. is the registered owner of this Bond, interest shall be paid by wire transfer. All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each Interest Payment Date. If a Payment Date or date fixed for prepayment or redemption of this Bond is not a business day for commercial banks conducting business in the Commonwealth of Virginia (the "Commonwealth"), then the payment of principal of or interest on this Bond shall be made in immediately available funds on the business day next succeeding the scheduled Payment Date or date fixed for prepayment or redemption.

This Bond has been duly authorized by the Board of Supervisors of the County (the "Board of Supervisors") and is issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia (the "Commonwealth") for the purpose of providing funds to pay the costs described below.

This Bond is one of an issue of the County's \$ _____ General Obligation Refunding Bonds, Series 2020 (Tax-Exempt) of like date and tenor, except as to rate of interest, maturity, denomination and number (collectively, the "Bonds"), that have been authorized by a resolution duly adopted by the Board of Supervisors of the County on November 24, 2020 (the "Resolution"), and are issued pursuant to Article VII, Section 10(a) of the Constitution and applicable statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended), to provide funds, together with other funds that may be available, for the (i) refunding and redemption of various outstanding debt obligations of the County previously issued to finance or refinance various public facility buildings and other capital projects, and (ii) the costs of issuance with respect to the Bonds. Copies of the Resolution are on file at the office of the Clerk of the Board of Supervisors in Prince George, Virginia.

The Bonds and the principal and interest thereon are payable from funds available and appropriated for payment of the Bonds, an ad valorem tax to be levied without limitation as to rate or amount on all property in the County subject to taxation and a pledge of the full faith and credit of the County. This Bond and the interest hereon shall not be deemed to constitute a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, except the County. Neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, except the County, is pledged to the payment of the principal of or interest on this Bond.

Bonds maturing on or before _____ 1, 20__, are not subject to redemption prior to maturity. Bonds maturing on or after _____ 1, 20__, are subject to redemption prior to maturity at the option of the County on or after _____ 1, 20__, in whole or in part (in \$5,000 integrals) at any time, or from time to time upon payment of 100% of the principal amount of Bonds to be redeemed plus interest accrued and unpaid to the redemption date. If less than all of the Bonds are called for redemption by the County the principal components of such Bonds to be redeemed shall be selected by the County in its sole discretion, either in reverse order, pro rata or as otherwise determined by the County.

Bonds maturing on February 1, _____, are subject mandatory redemption prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date without premium, in the amounts and on the dates as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
20__	\$ _____	20__	\$ _____*
		20__	

*Final Maturity

Bonds maturing on February 1, 20__, are required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on February 1 in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
	\$	20__	\$
		20__	*

*Final Maturity

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the County in such manner as it may determine to be in the best interest of the County. If less than all the Bonds of any particular maturity are called for redemption, the Bonds or portions thereof within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, shall be selected by the Registrar by lot or in such other manner as the Registrar, in its discretion, may determine to be fair. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The County shall cause notice of the call for redemption identifying the Bonds by serial or CUSIP numbers or portions thereof to be redeemed and identifying the redemption date and place where the bonds are to be surrendered for payments to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 15 nor more than 60 days prior to the redemption date, to DTC or its nominee as the registered owner of the Bonds. If a portion of this Bond is called for redemption, a new Bond in the principal amount of the unredeemed portion hereof shall be issued to the registered owner upon surrender hereof.

The County 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. On presentation and surrender of the Bonds called for redemption at the place or places of payment, such Bonds shall be paid and redeemed.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation and surrender hereof and the County shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The County may designate a successor Bond Registrar and/or paying agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owners of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the paying agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to receive payment of principal of, premium, if any, and interest on the Bonds and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

Notwithstanding any other provision hereof, this Bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC"), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the County's Blanket Letter of Representation to DTC.

This Bond shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth to happen, exist or be performed precedent to and in connection with the issuance of this Bond have happened, exist and have been performed on a timely basis, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth.

This Bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Resolution or be valid until the Authentication Agent shall have executed the Certificate of Authentication appearing hereon.

IN WITNESS WHEREOF, the County has caused this Bond to bear the manual or facsimile signature of the Chairman of the Board of Supervisors of the County and its seal to be imprinted or impressed hereon and attested by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County of Prince George, Virginia, and this Bond is to be dated December __, 2020.

COUNTY OF PRINCE GEORGE, VIRGINIA

BY: _____
Chairman, Board of Supervisors

BY: _____
Clerk, Board of Supervisors
County of Prince George, Virginia

[SEAL]

[Signature Page of the Bond]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed.)

Registered Owner
(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the books kept for registration of this Bond in every particular, without alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of the Series 2020 Bonds of the County of Prince George, Virginia described in the within-mentioned Resolution.

U.S. BANK, NATIONAL ASSOCIATION

Authentication Date:

December __, 2020

By: _____
Becky Burton, Assistant Vice President