FINANCIAL STATEMENTS

CITY OF RADFORD, VIRGINIA

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

CITY OF RADFORD, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

Prepared By:
Department of Financial Services

CITY OF RADFORD, VIRGINIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION

RADFORD VA
CITY ADMINISTRATION

January 4, 2022

The Honorable Mayor and Members of City Council and the Citizens of Radford, VA

The Annual Comprehensive Financial Report (Annual Report) for the City of Radford for the fiscal year ended June 30, 2021 is hereby submitted. State statues require that the City of Radford issue annually a report on its financial position and activity and that this report be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Radford. The data as presented is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds and component units. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

The Annual Report is presented in four sections: Introductory, Financial, Supplementary Information, and Compliance. The Introductory Section, which is not audited, includes this letter of transmittal, a list of the City's principal officials, and the organizational chart. The Financial Section includes management's discussion and analysis (MD&A), basic financial statements, and required supplementary information. The basic financial statements consist of government-wide and fund financial statements, and notes to the basic financial statements. The Other Supplementary Information section, which is not audited, includes supplementary financial statements, supporting schedules of revenues and expenditures, and other statistical information which includes selected financial and demographic information, generally presented on a multi-year basis. Most readers will find it helpful to proceed directly to the MD&A as a summary overview into the June 30, 2021 City of Radford Annual Report.

The City of Radford is required to conduct an annual single audit in conformity with the provisions of Uniform Guidance. The Schedule of Expenditures of Federal Awards and the independent auditor's report on internal controls and compliance with applicable laws and regulations are included in the Compliance Section of the Annual Report.

The financial reporting entity, includes all the funds of the primary government (i.e. the City of Radford as legally defined), as well as the Radford School Board and the Radford Economic Development Authority. The Radford School Board is presented in separate columns in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position and results of operations from the primary government. The Radford Economic Authority is treated as a component unit. Component units are legally separate entities for which the primary government is financially accountable.

Economic Condition and Outlook

Chartered in 1892 the City of Radford is located in the New River Valley of Southwestern Virginia, just off interstate 81 at exits 105 and 109. Radford encompasses a land area of 9.63 square miles and has a population of 18,399.

The City of Radford provides a range of public services that include general administration, public safety, public works, recreation, judicial functions, health and welfare activities, transit operations, and community development. The City also provides electric, water, wastewater, and solid waste collection services through self-supporting enterprise operations.

The City is home to Radford University, a State supported institution of higher education with 10,000 students, as well as approximately 1,835 faculty and staff. As the City's largest employer, Radford University has a significant positive influence on our community. Although nontaxable, the University generates an estimated $313 million dollars annually for the region's economy per the University's 2016 Economic Impact Study. The University continues to move forward with investments in new and remodeled facilities, as well as growth in enrollment and program offerings. These investments and its overall presence, make the University an important economic engine for the City.

The City is committed to providing a community conducive to a high quality of life for its citizens and a strong workforce for its businesses. The City's close proximity to I-81, as well as its central location between northern and southern markets, places it in an ideal geographic location for economic activities. Through the years, this has enabled the City to attract such industries and research companies as Danaher, Moog Aspen Motion Technologies, Huntington Solutions, TechLab, and Alexander Industries. The City's unemployment rate is currently 2.5% and has a workforce of 8,694. Unemployment has improved substantially since the initial Coronavirus pandemic.

Radford, like many communities throughout the Commonwealth and the United States, have felt the effects of a sluggish economy and changing consumer trends over the past eighteen months. These aspects became increasingly apparent due to the COVID-19 virus. State and local trends reflected weak consumer spending, slow private investment, increased cost of providing services and stagnant revenues. As a result, revenue projections and expenditures have been constantly re-evaluated to minimize the overall impact on the established budget to preserve the financial health of the City and its services. Radford has experienced economic growth over the past several quarters from private investment, gains in property

values and new construction. To keep cost stable for our households and businesses, some reorganization, conservative spending, and modest growth have been big contributors to keeping our rate and tax structure.

City leaders continued to make practical and programmed capital investments in the community's infrastructure (water, electric utilities, public parks, as well as streets and sidewalks) to keep the City strong, services reliable, aesthetics attractive, as well as support growth and private investment. Staff plans wisely on the purchase of materials to keep cost down and promote continued investment in community facilities.

Over the past year, the City has invested resources in economic recruitment, revitalization and retention efforts through its commissions and staff teams. Moderate increases in private investments are visible in housing growth, job announcements, commercial revitalization and small business investment. Modest increases have occurred in the categories of general property taxes, other local taxes and utility sales. Radford population has continued to increase and the unemployment rate had been declining.

Accounting System and Budgetary Controls

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (a) the safeguarding of assets against loss from unauthorized use or disposition, and (b) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that: (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. The City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

The encumbrance method of estimating purchase amounts prior to the release of purchase orders to vendors or the execution of contracts maintains budgetary control at the department level. Purchase orders greater than $2,500 are approved by the City Finance Department. Year-end outstanding encumbrances are re-appropriated in the succeeding year. As required by law, the City Manager submits to the City Council a recommended budget for the fiscal year beginning July 1. After an extensive budget study process and public hearing to receive citizen input, City Council makes its decision on the adopted budget and appropriate funds. The budget must be adopted and funds appropriated by July 1 of each year.

Pension Benefits

The City of Radford participates in the Virginia Retirement System (VRS), which covers all full time, salaried employees. Contributions to the VRS are determined

on an actuarial basis. The contributions required during the 2020-2021 fiscal year totaled $1,376,859. As of the plan's most recent actuarial valuation on June 30, 2020, the City's pension obligation was not fully funded. Please see Note 8 and Exhibits 16 and 17 for additional information on the City's retirement plan.

Capital Financing and Debt Service

At June 30, 2021 the City's legal debt limit is $88,325,415. Net direct tax supported debt totaled $31,607,583. Additional information about the City's legal debt limit can be obtained from Table 13. Long-term liabilities, excluding compensated absences, net pension liabilities, and OPEB obligations for all funds of the primary government as of June 30, 2021 totaled $35,207,774 of which $2,511,123 for Enterprise Fund activity is considered self-supporting as revenues for services are anticipated to cover operating and debt service needs. See Note 7 for more information on the City's long-term borrowing.

Cash Management

The City follows the pooled cash concept, which allows for greater flexibility in managing cash flow amongst the different funds. Idle cash is invested in instruments as allowed by the Code of Virginia, Chapter 3, Title 26. Currently, idle cash is held in money market funds with SunTrust Securities Corporation.

Auditing

Each year, City Council hires an independent public accounting firm to perform an audit of the City's annual financial statements including a single audit of federal awards and an audit of compliance with state requirements. The current year independent auditor's reports are included in the Financial and Compliance Sections of the report.

Acknowledgements

We would like to express our appreciation to the "Finance Team" for their dedication in assuring the financial integrity of the City and the preparation of this report. Appreciation is also expressed to the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

David Ridpath
David Ridpath, City Manager

Chelista Linkous
Chelista Linkous, Director of Finance

CITY OF RADFORD, VIRGINIA

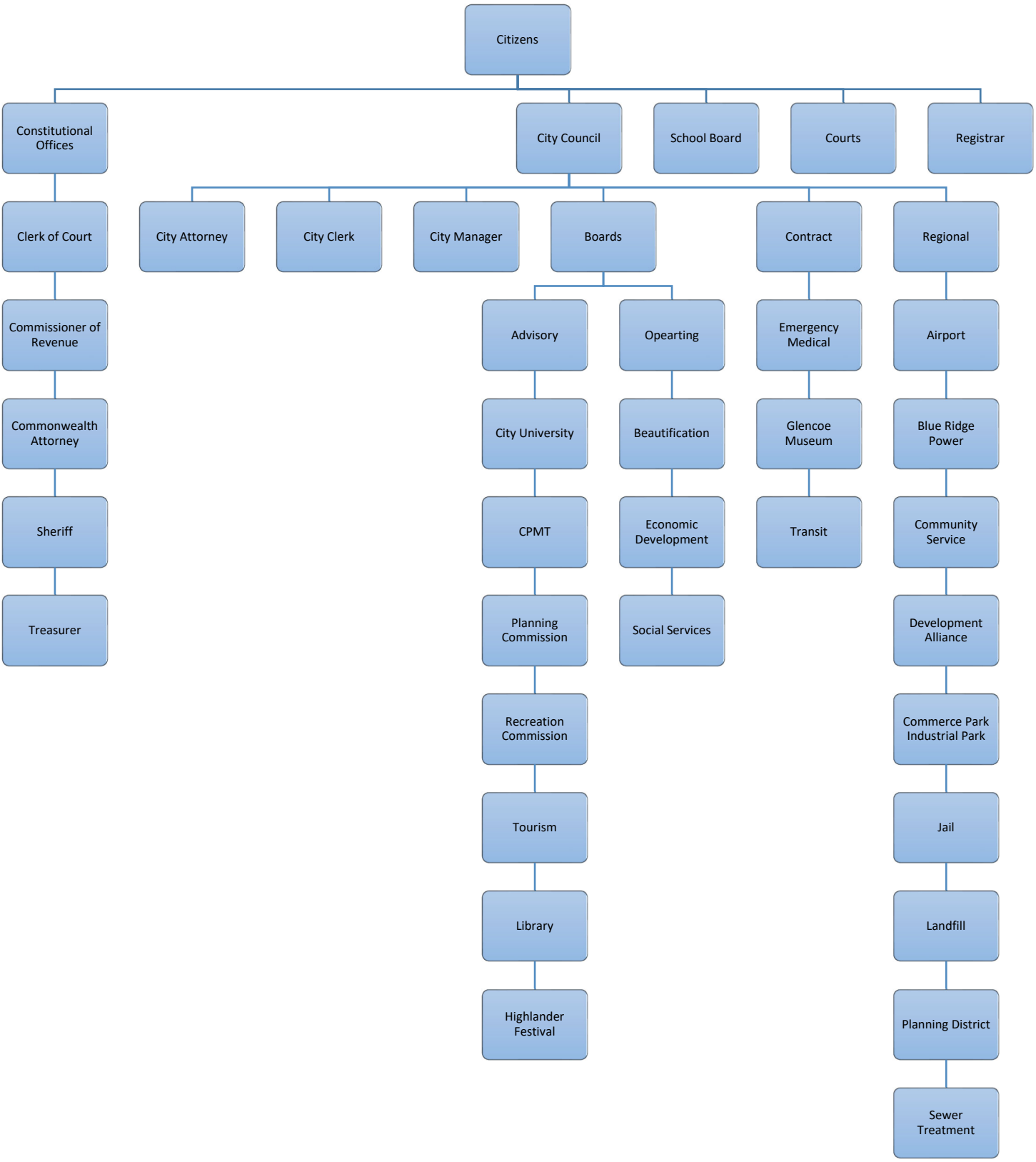
CITY COUNCIL

David Horton, Mayor

Naomi Huntington, Vice Mayor
Jessie Foster
Onassis Burress
Forrest Hite

OTHER OFFICIALS

City Manager ..... David Ridpath
City Clerk ..... Jennifer Goodman
Finance Director ..... Chelista Linkous


Citizens
Constitutional Offices
City Council
School Board
Courts
Registrar
Clerk of Court
City Attorney
City Clerk
City Manager
Boards
Contract
Regional
Commissioner of Revenue
Advisory
Opearting
Emergency Medical
Airport
Commonwealth Attorney
City University
Beautification
Glencoe Museum
Blue Ridge Power
Sheriff
CPMT
Economic Development
Transit
Community Service
Treasurer
Planning Commission
Social Services
Development Alliance
Recreation Commission
Commerce Park Industrial Park
Tourism
Jail
Library
Landfill
Highlander Festival
Planning District
Sewer Treatment

FINANCIAL SECTION

Independent Auditors' Report

To the Honorable Members of
City Council of the
City of Radford, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Radford, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities, and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Radford, Virginia, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 24 to the financial statements, in 2021, the City adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Restatement of Beginning Balances

As described in Note 24 to the financial statements, in 2021, the City restated beginning balances to reflect the requirements of GASB Statement No. 84. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension and OPEB funding on pages 10-23, 105-108, and 109-122 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Radford, Virginia's basic financial statements. The introductory section, other supplementary information, and statistical information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

Other Matters (Continued)

Supplementary and Other Information (Continued)

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the City of Radford, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Radford, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Radford, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 10, 2021

CITY OF RADFORD, VIRGINIA

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2021

The following discussion and analysis of the City of Radford's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. The MD&A should be considered in conjunction with the transmittal letter and the City's basic financial statements.

It is important to note that the MD&A is predicated on the substantial impact that COVID-19 has had on our national, state, and local perspective since March 1, 2020. The pandemic affected nearly all aspects of the budget in the fourth quarter of FY20 and extended into the entirety of FY 2021. Overall, revenues decreased, and expenses increased due to the effects of the illness and governmental response.

Locally, revenues were flattened or fell short of budget expectations due to state imposed stay at home orders, the absence of Radford University students and faculty due to remote learning, diminished tourism, cancelled special events and resulted in business closings. All of these impact revenues including general property taxes, utilities and other local taxes. Where possible, the expenses were reduced across all areas of governmental operations including governmental and business type activities.

Federal and State Aid came in May 2020 and was extended into FY2021 through the Coronavirus Aid Relief and Economic Security Act (CARES), from the public health emergency in the amount of $3,369,469. The funding was appropriated for specific purposes associated with workplace safety modifications, technology upgrades to accommodate remote employee access and broadened Zoom capabilities, cleaning contracts and supplies, personal protective equipment, an economic stimulus, equipment for first responders, required "Task Force" support of the Be Committed, Be Well Initiative, as well as personnel costs to name a few. $2,470,757 in CARES Act funding was spent in FY21. In July 2021, $4,114,196 was provided from the American Rescue Plan Act (ARPA) of 2021.

The pandemic has affected all City operations impacting the economy, finances, and local response. Recovery has been underway since late in the fourth quarter of FY2020.

FINANCIAL HIGHLIGHTS

The City's net position excluding those of its component units, on the government-wide basis, totaled $49,792,263 on June 30, 2021. $49,929,258 is invested in capital assets, net of related debt. Net position of $2,480,752 is restricted.

On a government-wide basis for governmental activities, the City had expenses net of program revenues of $22,991,763, which totaled $6,150,124 more than the general revenues, net of transfers, of $16,841,639.

On June 30, 2021, the City's governmental funds balance sheet reported total ending fund balance of $10,273,353. Of this amount, $88,460 remains in the general fund of the City as unassigned, a decrease of $955,191 from FY 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the City as a whole using the accrual basis of accounting, which is the method used by most private-sector enterprises. All current year revenues and expenses are reported in the Statement of Activities regardless of when cash is received or paid. These statements allow readers to answer the question, "Is the City's financial position, as a whole, better, or worse as a result of the year's activities?"

One of the main goals of these two statements is to report the City's net position and changes that affected net position during the fiscal year. The change in the City's net position, the differences between assets and deferred outflows and liabilities and deferred inflows, is a way to measure the City's financial health, or financial position. Increases or decreases in net position are indicators of whether the City's financial health is improving or deteriorating. Other non-financial factors, such as changes in the City's property tax base and the condition of the City infrastructure should also be considered in assessing the overall financial health of the City.

In the Statement of Net Position and Statement of Activities, the City's fund-based activity is classified as follows:

Governmental activities – Most of the City's basic services are reported here, including general government, judicial administration, public safety, public works, health and welfare, parks and recreation, and community development departments. Property taxes, other local taxes, and federal and state grants finance most of these activities.

Business-type activities – The City's electric, water and wastewater, and solid waste departments are reported here as the City charges a fee to customers designed to cover all or most of the cost of services it provides.

Component units – The City includes two discretely presented component units in this report, the School Board and Economic Development Authority of the City of Radford. Although legally separate, the component units are attached to the City through financial accountability. Complete financial statements for these component units may be obtained at the school board administrative office and the Economic Development office at the City, respectively.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements begin on page 26 and provide detailed information about the most significant funds. The City has three types of funds:

Governmental Funds - Most of the City's basic services are included in the governmental funds. Fund-based statements for these funds focus on how resources flow into and out of those funds and the balances left at year-end that are available for future spending. These funds are reported on the modified accrual basis of accounting, which measures cash and other liquid assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term overview that helps the reader determine the financial resources that can be spent in the near future to finance the City's programs. The differences between governmental activities as reported in the government-wide and fund financial statements are reconciled in Exhibits 4 and 6 on pages 27 and 29.

Proprietary Funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds, like governmental-wide statements, utilize the accrual basis of accounting, and the statements provide both short and long-term financial information.

The City's enterprise funds, one type of proprietary fund, are the same as the government-wide business type activities. However, the fund financial statements provide more detail and additional information, such as cash flows. The City's enterprise funds include the electric, the water and wastewater, and the solid waste operations.

The City uses an Internal Service fund, another type of proprietary fund, to report activities that provide supplies and services by one City department to other City departments on a cost reimbursement basis. The City accounts for its garage operations in an internal service fund. Internal service fund activities are reported as governmental activities on the government-wide statements.

Fiduciary Funds – Assets held for the benefit of other governments, agencies, or individuals, not part of the City, are reported in a fiduciary fund. These activities are excluded from the government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. Certain federal and state revenues collected and held by the Department of Social Services for the benefit of certain individuals are accounted for in the Special Welfare Fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on page 35 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Radford, assets exceeded liabilities by $49,792,263 at the close of the FY2021 fiscal year.

By far the largest portion of the City of Radford's net position (100.28%) reflects its investment in capital assets (land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position:

An additional portion of the City's net position, $2,480,752 represents resources that are subject to external restrictions on how they can be used.

At the end of the current fiscal year, the City is unable to report positive balances in all three categories of net position for the government as a whole, as unrestricted net position for governmental activities was negative at year end.

The City's combined net position decreased from $53,955,017 to $49,792,263 as a result of a decrease in net position of Governmental-type activities in the amount of $4,576,544, and an increase of Business-type activities in the amount of $413,790. The decrease in net position of governmental-type activities is largely due to a transfer of funds to the Electric Fund and the impacts of COVID-19.

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The following table presents a condensed summary of net positions at June 30, 2021:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	18,203,510	12,373,757	10,224,344	8,652,208	28,427,854	21,025,965
Capital assets, net	63,907,276	57,967,980	13,883,280	15,234,158	77,790,556	73,202,138
Total assets	82,110,786	70,341,737	24,107,624	23,886,366	106,218,410	94,228,103
Deferred Outflows of Resources	4,786,721	2,850,692	1,170,428	625,913	5,957,149	3,476,605
Other liabilities	4,183,729	3,262,550	2,182,799	2,256,724	6,366,528	5,519,274
Long-term liabilities	45,903,114	28,411,545	5,883,695	5,303,561	51,786,809	33,715,106
Total liabilities	50,086,843	31,674,095	8,066,494	7,560,285	58,153,337	39,234,380
Deferred Inflows of Resources	4,142,965	4,274,091	86,994	241,220	4,229,959	4,515,311
Net Position:						
Invested in capital assets, net of related debt	38,255,666	39,537,395	11,673,592	12,739,637	49,929,258	52,277,032
Restricted	2,480,752	2,177,568	-	-	2,480,752	2,177,568
Unrestricted	(8,068,719)	(4,470,720)	5,450,972	3,971,137	(2,617,747)	(499,583)
Total net position	32,667,699	37,244,243	17,124,564	16,710,774	49,792,263	53,955,017

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Summary of Changes in Net Position:

The following table shows the revenues and expenses of the government at June 30, 2021:

Summary of Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	910,440	971,097	26,533,913	25,604,149	27,444,353	26,575,246
Operating grants and contributions	12,131,040	9,258,531	-	-	12,131,040	9,258,531
Capital grants and contributions	212,585	112,137	-	-	212,585	112,137
General Revenues:						
Property Taxes	9,028,317	8,619,689	-	-	9,028,317	8,619,689
Local sales and use taxes	1,329,272	1,127,441	-	-	1,329,272	1,127,441
Consumers' utililty taxes	547,405	551,225	-	-	547,405	551,225
Business license taxes	461,847	457,875	-	-	461,847	457,875
Motor Vehicle Taxes	202,035	196,764	-	-	202,035	196,764
Restaurant food taxes	1,134,135	973,499	-	-	1,134,135	973,499
Other local taxes	715,318	638,889	-	-	715,318	638,889
Interest and rent income	174,384	201,109	2,245	65,272	176,629	266,381
Other income	531,254	694,009	183,138	-	714,392	694,009
Payments from business-type activities	1,456,547	1,456,547	-	-	1,456,547	1,456,547
Grants /contributions not restricted to specific programs	1,261,125	1,351,266	-	-	1,261,125	1,351,266
Gain/(loss) on disposal of capital assets	-	-	-	12,070	-	12,070
Total Revenues	30,095,704	26,610,078	26,719,296	25,681,491	56,815,000	52,291,569
Expenses						
General Government	3,531,619	3,222,986	-	-	3,531,619	3,222,986
Judicial administration	1,419,933	1,350,882	-	-	1,419,933	1,350,882
Public Safety	10,385,472	9,258,911	-	-	10,385,472	9,258,911
Public Works	3,902,753	4,468,961	-	-	3,902,753	4,468,961
Health and Welfare	4,757,503	3,862,806	-	-	4,757,503	3,862,806
Education	5,434,861	5,682,556	-	-	5,434,861	5,682,556
Parks, recreation, and cultural	2,341,084	2,409,129	-	-	2,341,084	2,409,129
Community Development	3,307,830	2,758,561	-	-	3,307,830	2,758,561
Interest on long-term debt	1,164,773	773,400	-	-	1,164,773	773,400
Electric Operation	-	-	17,441,321	16,758,157	17,441,321	16,758,157
Water/Wastewater Operation	-	-	5,921,924	5,530,622	5,921,924	5,530,622
Solid Waste Operation	-	-	1,368,681	1,352,403	1,368,681	1,352,403
Total Expenses	36,245,828	33,788,192	24,731,926	23,641,182	60,977,754	57,429,374
Transfers	1,573,580	4,083,717	(1,573,580)	(4,083,717)	-	-
Increase (Decrease) in Net Position	(4,576,544)	(3,094,397)	413,790	(2,043,408)	(4,162,754)	(5,137,805)
Net Position, Beginning	37,244,243	40,338,640	16,710,774	18,754,182	53,955,017	59,092,822
Net Position, Ending	32,667,699	37,244,243	17,124,564	16,710,774	49,792,263	53,955,017

Operating grants and contributions, which is state and federal categorical aid, makes up about 40.3% of total revenue generated by governmental activities. This revenue source increased slightly during the fiscal year.

The property tax classification, which comprises approximately 30.0% of total revenue generated by governmental activities, includes real estate taxes, local portion of personal property taxes, and public service corporation taxes. Personal property taxes saw growth of .05%; while real estate taxes increased by 7.4%, due to a small increase in the real estate tax rate

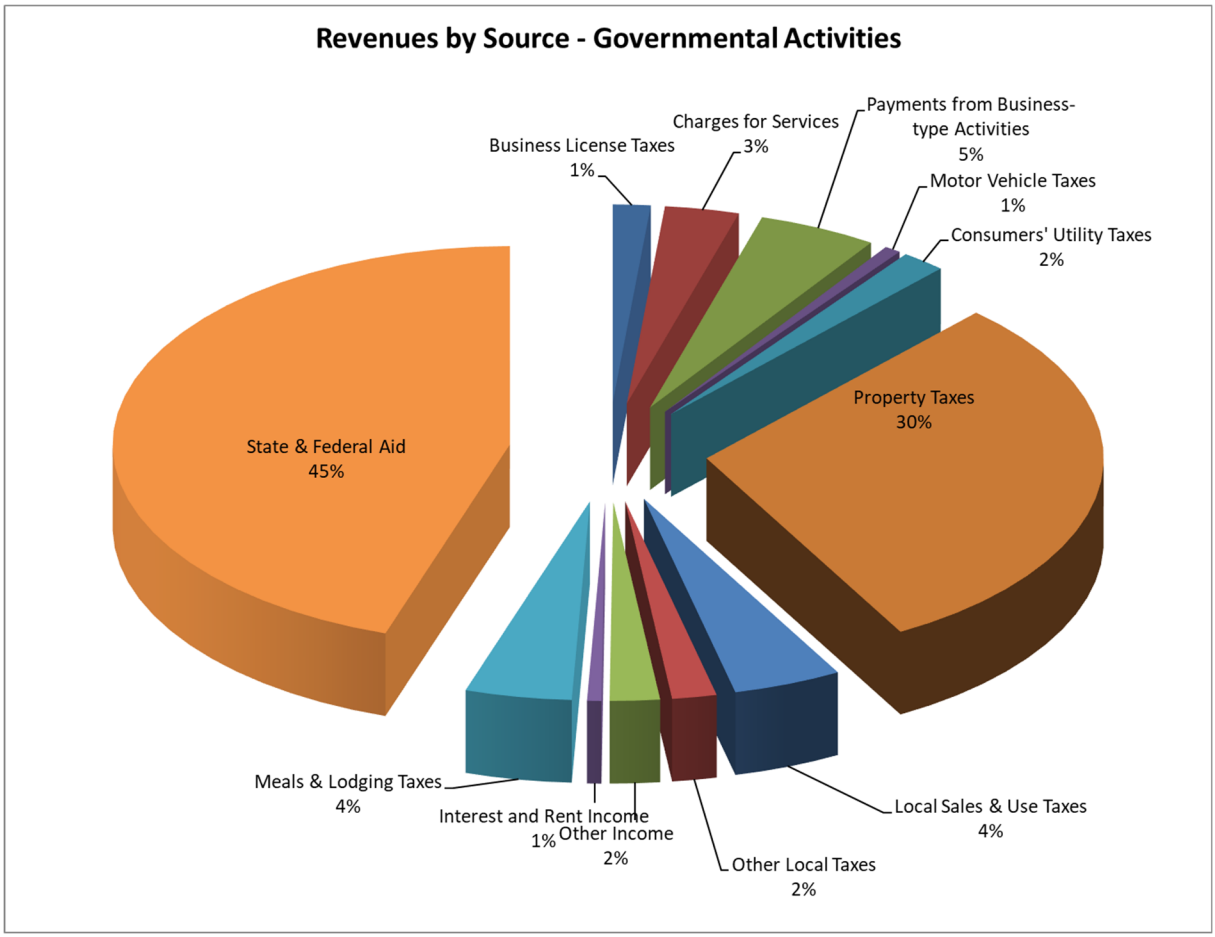
Capital grants and contribution increased due to VDOT increases during the current fiscal year and contribution of land from the Component Unit Economic Development Authority.

Local sales and use tax increased due to the tax on online shopping which has significantly increased during the pandemic. Restaurant taxes increased with outdoor and takeout dining options.

Payments from business-type activities remained the same due to the payment in lieu of tax charge during the current fiscal year.

Net transfers from other funds decreased in FY2021. In FY2021, $1,573,580 was transferred from Business-Type Activities to Governmental Activities compared to $4,083,717 in FY2020.

Revenue generated for governmental activities are presented below by category:



Expenses for governmental activities totaled $36,245,828 for the year, which is up 7.27% from the previous year. No cost-of-living adjustment was made to salaries in FY 2021. Health insurance premiums increased 2.1%. Dental premiums increased 3.9% and vision rates did not change. Rates from the Virginia Retirement System increased 1.5% from FY 2020.

Public Safety expenses continue to comprise the largest portion of governmental expenses at 29%. This includes police, fire, EMS, and jail and juvenile detention operations along with building official, code enforcement, and GIS. This category showed a 12.2% increase over the previous fiscal year.

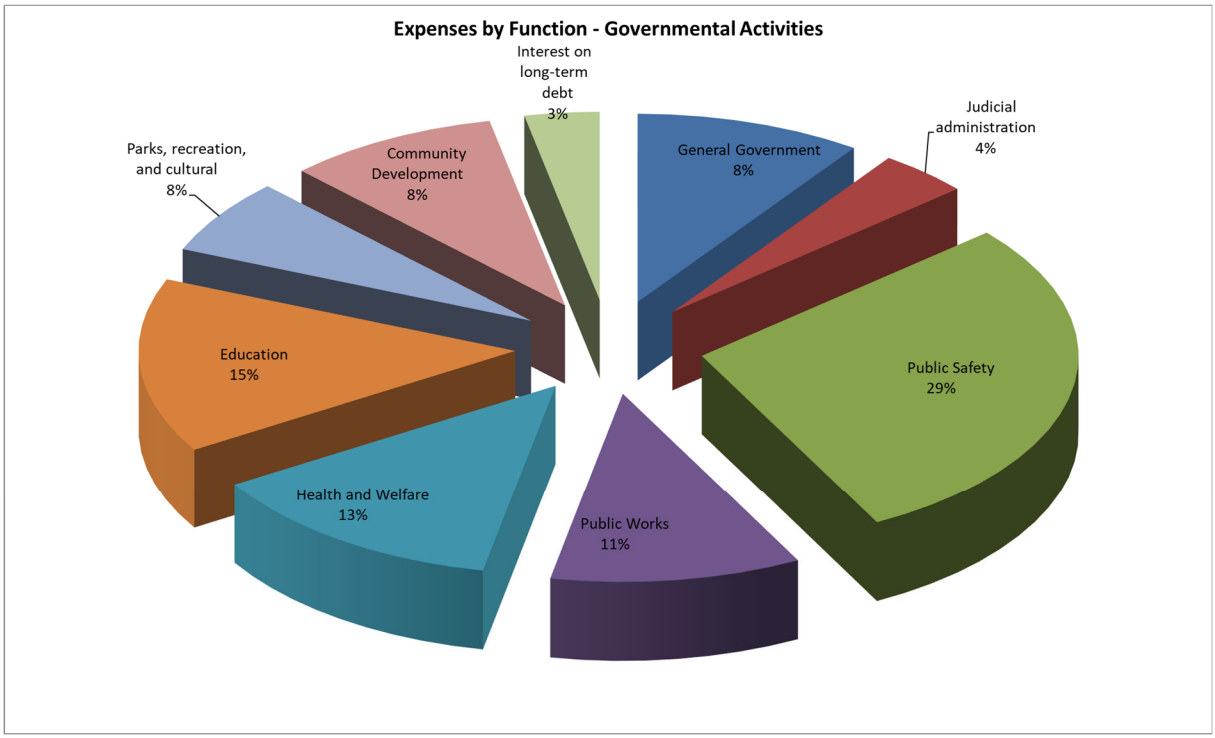
Funding for education is the second largest portion of expenses at 15%.

Health & Welfare expenses make up 13% of governmental expenses. The largest expense in this category is CSA and DSS. CSA costs have increased $265,293 over the last year.

DSS expenses increased slightly from compared to FY 2020.

Expenses for Public Works are another large portion, by function, of the City's governmental activities at 11%. Expenses for street paving and maintenance, as well as maintenance of general buildings and engineering are included in this category.

Expenses of the governmental activities are shown below by function:



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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds:

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the fiscal year ended June 30, 2021, the governmental funds reflect a total fund balance of $10,273,353. Of this amount, $243,313 is nonspendable as it covers prepaid expenses. $9,525,793 is restricted by grantors, higher levels of government, or law. $415,787 is committed by Council. The remainder, $88,460, is unassigned and available for any purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund unassigned fund balance was $88,460, while the total General Fund balance was $9,011,498. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 0.2% of the total General Fund expenditures, while total fund balance represents 24.8% of that same amount.

The City adopted a fund balance policy in 2011. It states "The City will maintain an unassigned fund balance in the general fund equal to 10% of the City's and School Board's operating expenditures." It goes on to say "Should the unassigned fund balance for the general fund fall below this threshold per the audited financial statements as of June 30th of any fiscal year, Council must approve and adopt a plan to restore this balance to the target level within three years. If restoration cannot be accomplished within this timeframe without severe hardship to the City, Council will establish a different time period." The City's unassigned fund balance in the general fund has been below 10% since FY 2009. The fund balance has decreased due to the effects of the COVID-19 pandemic.

The fund balance of the General Fund increased by $5,067,288 during the current fiscal year due to the issuance of debt earmarked for school construction. The unassigned portion decreased $955,191. Again, largely due to the effects of revenues decreasing and expenses increasing during the pandemic.

General property and other local taxes make up a large portion of General Fund revenues, totaling $13,483,694 in fiscal year 2021. Property taxes make up 67% of general property and other local taxes and were level compared to the prior year. The real estate tax rate increased during FY21, which increased revenue slightly over the prior fiscal year. Other local taxes had some modest increases from 2020. Radford University had a significant amount of construction during the past few years that has slowed locally generated taxes.

The Street Maintenance Fund accounts for revenues and expenditures related to the maintenance of the City's streets and related properties. Each year the City receives funds under the Virginia Department of

Transportation Urban Street Maintenance program which are specifically restricted to be spent on streets and maintenance activities qualifying under the program. The City received $2,314,055 during the fiscal year, an increase of 0.25%. This fund is reported as a major fund along with the Grants Fund and Transit Fund.

The Grants Fund accounts for federal and state grants received and expended. The entire fund balance of this fund is reserved for expenditures related to grants received. During the year, the City applied for and received grants from state and federal agencies totaling $975,948.

The Radford Transit system is a partnership between Radford University and the City of Radford that serves the citizens of Radford, the Radford University community, and provides a connection to the surrounding areas of the New River Valley. Operated by New River Valley Community Services, the busses transport passengers to points throughout the Radford and Fairlawn areas connecting passengers with Christiansburg, Blacksburg, Pulaski County, and services such as the MegaBus and Pulaski Area Transit. The system receives funding from charging fares, state and federal funding from the Department of Rail and Public Transportation and Radford University. Operating and capital expenditures totaled $1,678,235.

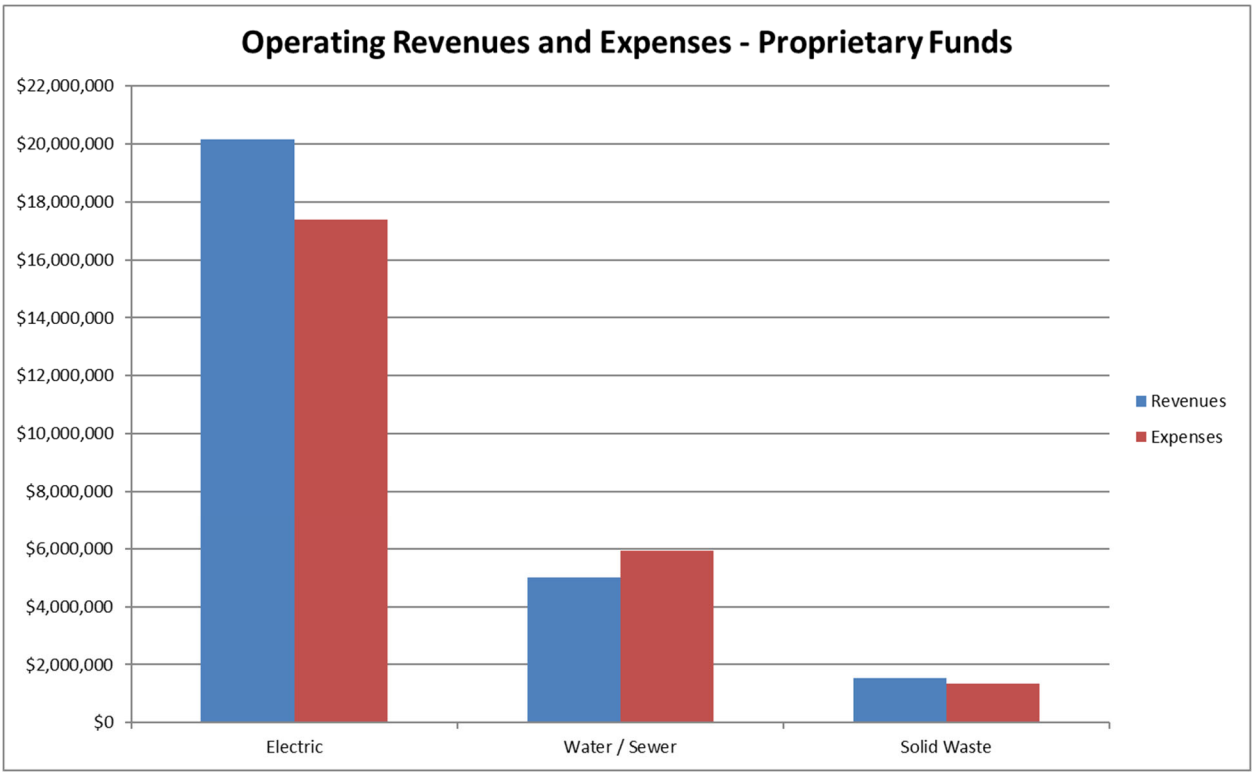
Proprietary Funds:

Exhibits 7, 8, and 9 provide the same type of information found in the government-wide financial statements on the City proprietary funds, but in more detail.

Unrestricted net position for the Electric Fund totaled $3,782,731 at the end of the year, an increase of $360,627 from the prior year or about 10.5%. The net investment in capital assets decreased by $510,116 mainly due to depreciation charges during the fiscal year.

Unrestricted net position for the Water/Wastewater Fund amounted to $1,358,828 at the end of the year, which is an increase of $932,994. Change in net position was an increase of $384,641. The net investment in capital assets decreased by $548,353 due to depreciation being more than the reduction in bonds payable.

Unrestricted net position for the Solid Waste Fund was $309,413. This is more than the unrestricted net position of 2020 of $123,199. This is a total increase in the unrestricted net position of $186,214.



GENERAL FUND BUDGETARY HIGHLIGHTS

There were forty amendments to the original budget during the 2020-2021 fiscal year. Significant increases in appropriations for the general fund budget are highlighted below:

- $1,592,155 CARES Act Funding – Round Two
- $70,000 CARES Neighbor to Neighbor Funding
- $182,159 CARES Municipal Utility Relief Program Funding
- $180,341 HUD COVID CARES Funding

CAPITAL ASSETS

As of June 30, 2021, the City's capital assets for its governmental and business-type activities amounted to $77,790,556 (net of accumulated depreciation). This investment includes land, buildings and improvements, machinery and equipment, infrastructure and utility plants, and construction in progress. The total net increase (additions less retirements and depreciation) in the City's investment in capital assets for the current year was $4,588,418.

Major capital assets events during the year included the following:

- McHarg renovations
- Ambulance (COVID related)
- Vehicles (COVID related)

Capital Assets, Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	2,930,969	2,850,969	712,498	712,498	3,643,467	3,563,467
Construction in Progress	8,631,884	966,529		-	8,631,884	966,529
Building & Improvements	26,095,578	26,855,596	326,729	330,614	26,422,307	27,186,210
Machinery & Equipment	5,289,538	5,428,640	1,201,013	1,389,363	6,490,551	6,818,003
Plant & Infrastructure	20,959,307	21,866,246	11,643,040	12,801,683	32,602,347	34,667,929
Total	63,907,276	57,967,980	13,883,280	15,234,158	77,790,556	73,202,138

The changes in each category of Capital Assets are presented in detail in Note 16 to the Basic Financial Statements.

LONG-TERM DEBT

At June 30, 2021, the City's long-term liabilities, not including compensated absences, net pension liabilities, and OPEB obligations, totaled $35,207,774 comprised of $32,696,651 related to governmental activities, and $2,511,123 related to business-type activities. Total debt increased by $13,942,609 during the year. The City issued debt during the fiscal year totaling $16,684,961 and made principal payments of $2,742,352.

The Charter of the City of Radford and Code of Virginia limits the City's net debt to 10% of the assessed valuation of real estate within the City limits. This limit applies to general obligation debt only. Long-term liabilities of business-type funds will be met by revenues generated from those funds. The City's net debt of $31,607,583 applicable to the limit is below the legal debt limit of $88,325,415.

The Component Unit School Board relies upon the City to provide full faith and credit for any debt obligations incurred. Therefore, the City reports the Component Unit School Board long-term liabilities, other than compensated absences, as its own. At June 30, 2021, $8,109,753 of the governmental long-term debt was attributable to the Component Unit School Board for the construction of the new Belle Heth Elementary School. In FY 2021, the interim bond financing was paid off in the amount of $1,475,434 and permanent bond financing obtained for the McHarg renovation for 25 years for $14,510,000. In addition to bonded debt and capital lease obligations, the City's long-term obligations include compensated absences and the OPEB obligation. Additional information concerning the City's long-term liabilities is presented in Note 7 of the Basic financial statements.

OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	30,169,753	17,267,905	1,437,830	1,545,780	31,607,583	18,813,685
Revenue Bonds	-	-	623,736	662,173	623,736	662,173
Unamortized Premium	2,048,560	599,702	-	-	2,048,560	599,702
Capital Lease	478,338	562,978	148,122	286,568	626,460	849,546
Due to Pulaski County	-	-	301,435	340,059	301,435	340,059
Total	32,696,651	18,430,585	2,511,123	2,834,580	35,207,774	21,265,165

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Radford's financial statements are impacted by overall economic conditions. Radford was trending upward in economic activity with several new businesses including the opening of Food City and investment in single family developments, prior to the pandemic. Growth was occurring in sales and private investment. The FY2021 budget reflects sluggish spending and investment, as well as a much slower economy due to the pandemic. The outlook for Radford is stabilizing as the local economy recovers and adjusts to the pandemic response. The City is influenced by national and state trends, as well as private investments. Locally, the budget is impacted by the growing costs of the delivery of services, materials expenses, stagnant revenues, and the cost of employee benefits related to health insurance and retirement as well as debt service.

The City's unemployment rate was 11.5% last spring with a workforce of 8,136. Unemployment averaged nearly 3% before the pandemic. This City's rate is slightly higher than the state average of 11%, but is lower than the national average of 12%. The City's largest employer, Radford University, comprises 204 acres of land and sixty-one buildings. Its 10,000 students, faculty and staff bring significant purchasing power to the community and the area helping many revenue sources associated with sales, taxes, and fees. The Coronavirus significantly reduced the residential number to under 8,000. Other industrial business interests and construction are reflecting stable job growth and investment. Ongoing efforts will focus on business expansion, business recruitment, private investment, and university interest.

The City's inflationary trends in the region compare favorably to national reports. General property and other local tax collections are a focal point in their significance to our budget, as well as a reflection of overall economic growth. The FY 2021 budget had seen positive highlights with savings realized from employee vacancies, improved efficiency, and growth in building permits.

Issues impacting the future relate to the impact of the ongoing COVID-19 pandemic, energy regulation, limited land area for growth, capital equipment needs, school system needs, as well as state and national economic and inflationary trends. 2021 real property values increased, growing private investment, new sales opportunities brisk sales and continued population growth.

FY 2022 has been looking much improved with unemployment down to 2.5%, building permits approaching $40 million and business and industry investments in machinery and tools and workforce. New housing developments are planned and new commercial projects targeted. Oranzi, an international air purification company, has purchased a former Wachovia building and is moving its operation to Radford in 2022. Economic indications associated with real property, meals and sales and business licenses are all rising as business, citizens and local government adapt to the pandemic and new ways to deliver and expand services.

CONTACTING THE CITY'S FINANCIAL DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives and their uses. Questions concerning this report or requests for additional information should be directed to the Director of Finance, 10 Robertson Street, Radford, VA 24141, telephone (540) 731-3614. The City's website is www.radfordva.gov.

Basic Financial Statements

Exhibit 1

City of Radford, Virginia
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit	Component Unit
	Governmental Activities	Business-type Activities	Total	School Board	EDA
ASSETS					
Cash and cash equivalents	$ 3,137,107	$ 6,721,747	$ 9,858,854	$ 1,540,695	$ 233,031
Receivables (net of allowance for uncollectibles):					
Taxes receivable	3,957,754	-	3,957,754	-	-
Accounts receivable	573,397	2,695,201	3,268,598	63,423	-
Due from other governmental units	1,505,225	-	1,505,225	543,244	-
Due from primary government	-	-	-	1,645,867	-
Inventories	80,685	757,531	838,216	24,454	586,174
Prepaid items	258,433	49,865	308,298	4,277	-
Restricted assets:					
Cash and cash equivalents	8,690,909	-	8,690,909	-	-
Capital assets (net of accumulated depreciation):					
Land	2,930,969	712,498	3,643,467	211,699	-
Buildings and improvements	26,095,578	326,729	26,422,307	6,337,728	-
Machinery and equipment	5,289,538	1,201,013	6,490,551	1,533,584	-
Infrastructure and utility plants	20,959,307	11,643,040	32,602,347	-	-
Construction in progress	8,631,884	-	8,631,884	-	-
Total assets	$ 82,110,786	$ 24,107,624	$ 106,218,410	$ 11,904,971	$ 819,205
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	$ 3,418,021	$ 1,082,569	$ 4,500,590	$ 3,858,808	$ -
OPEB related items	1,368,700	87,859	1,456,559	423,895	-
Total deferred outflows of resources	$ 4,786,721	$ 1,170,428	$ 5,957,149	$ 4,282,703	$ -
LIABILITIES					
Accounts payable	$ 1,119,546	$ 1,694,447	$ 2,813,993	$ 1,859,247	$ 2,890
Accrued wages	395,345	120,164	515,509	137,331	-
Accrued health claims	-	-	-	298,797	-
Customers' deposits	-	350,265	350,265	-	-
Amount held for others	98,921	-	98,921	-	-
Accrued interest payable	616,180	17,923	634,103	-	-
Due to component unit	1,645,867	-	1,645,867	-	-
Unearned revenue	307,870	-	307,870	318,055	-
Long-term liabilities:					
Due within one year	2,442,886	437,695	2,880,581	507,083	-
Due in more than one year	43,460,228	5,446,000	48,906,228	18,430,617	-
Total liabilities	$ 50,086,843	$ 8,066,494	$ 58,153,337	$ 21,551,130	$ 2,890
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue-property taxes	$ 3,651,366	$ -	$ 3,651,366	$ -	$ -
Pension related items	72,488	73,248	145,736	1,375,488	-
OPEB related items	419,111	13,746	432,857	215,292	-
Total deferred inflows of resources	$ 4,142,965	$ 86,994	$ 4,229,959	$ 1,590,780	$ -
NET POSITION					
Net investment in capital assets	$ 38,255,666	$ 11,673,592	$ 49,929,258	$ 8,083,011	$ -
Restricted	2,480,752	-	2,480,752	665,163	-
Unrestricted (deficit)	(8,068,719)	5,450,972	(2,617,747)	(15,702,410)	816,315
Total net position	$ 32,667,699	$ 17,124,564	$ 49,792,263	$ (6,954,236)	$ 816,315

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

Exhibit 2

City of Radford, Virginia
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: School Board	Component Units: EDA
PRIMARY GOVERNMENT:									
Governmental activities:									
General government administration	$ 3,531,619	$ 93,375	$ 467,184	$ -	$ (2,971,060)	$ -	$ (2,971,060)	$ -	$ -
Judicial administration	1,419,933	160,012	481,952	-	(777,969)	-	(777,969)	-	-
Public safety	10,385,472	603,009	2,577,630	-	(7,204,833)	-	(7,204,833)	-	-
Public works	3,902,753	23,534	2,319,663	132,585	(1,426,971)	-	(1,426,971)	-	-
Health and welfare	4,757,503	-	3,760,259	-	(997,244)	-	(997,244)	-	-
Education	5,434,861	-	100,000	-	(5,334,861)	-	(5,334,861)	-	-
Parks, recreation, and cultural	2,341,084	30,510	168,341	-	(2,142,233)	-	(2,142,233)	-	-
Community development	3,307,830	-	2,256,011	80,000	(971,819)	-	(971,819)	-	-
Interest	1,164,773	-	-	-	(1,164,773)	-	(1,164,773)	-	-
Total governmental activities	$ 36,245,828	$ 910,440	$ 12,131,040	$ 212,585	$ (22,991,763)	$ -	$ (22,991,763)	$ -	$ -
Business-type activities:									
Water and sewer	$ 5,921,924	$ 4,976,611	$ -	$ -	$ -	$ (945,313)	$ (945,313)	$ -	$ -
Electric	17,441,321	20,010,026	-	-	-	2,568,705	2,568,705	-	-
Solid waste	1,368,681	1,547,276	-	-	-	178,595	178,595	-	-
Total business-type activities	$ 24,731,926	$ 26,533,913	$ -	$ -	$ -	$ 1,801,987	$ 1,801,987	$ -	$ -
Total primary government	$ 60,977,754	$ 27,444,353	$ 12,131,040	$ 212,585	$ (22,991,763)	$ 1,801,987	$ (21,189,776)	$ -	$ -
COMPONENT UNITS:									
School Board	$ 23,996,245	$ 327,493	$ 7,756,464	$ -	$ -	$ -	$ -	$ (15,912,288)	$ -
EDA	483,614	3,649	-	-	-	-	-	-	(479,965)
Total component units	$ 24,479,859	$ 331,142	$ 7,756,464	$ -	$ -	$ -	$ -	$ (15,912,288)	$ (479,965)
General revenues:									
General property taxes					$ 9,028,317	$ -	$ 9,028,317	$ -	$ -
Other local taxes:									
Local sales and use taxes					1,329,272	-	1,329,272	-	-
Consumers' utility taxes					547,405	-	547,405	-	-
Business license taxes					461,847	-	461,847	-	-
Motor vehicle taxes					202,035	-	202,035	-	-
Restaurant food taxes					1,134,135	-	1,134,135	-	-
Bank stock taxes					243,577	-	243,577	-	-
Hotel and motel room taxes					169,982	-	169,982	-	-
Other local taxes					301,759	-	301,759	-	-
Unrestricted revenues from the use of money and property					174,384	2,245	176,629	-	-
Miscellaneous					1,987,801	183,138	2,170,939	112,937	-
Contributions from the City of Radford					-	-	-	5,377,095	370,026
Grants and contributions not restricted to specific programs					1,261,125	-	1,261,125	10,421,764	-
Transfers					1,573,580	(1,573,580)	-	-	-
Total general revenues and transfers					$ 18,415,219	$ (1,388,197)	$ 17,027,022	$ 15,911,796	$ 370,026
Change in net position					$ (4,576,544)	$ 413,790	$ (4,162,754)	$ (492)	$ (109,939)
Net position - beginning, as restated					37,244,243	16,710,774	53,955,017	(6,953,744)	926,254
Net position - ending					$ 32,667,699	$ 17,124,564	$ 49,792,263	$ (6,954,236)	$ 816,315

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

Exhibit 3

City of Radford, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

	General	Transit	Grants	Highway Maintenance	Capital Projects	Total
ASSETS						
Cash and cash equivalents	$ 1,692,923	$ -	$ 33,562	$ 1,666,682	$ 56,892	$ 3,450,059
Receivables (net of allowance for uncollectibles):						
Taxes receivable	3,957,754	-	-	-	-	3,957,754
Accounts receivable	558,116	7,120	-	-	-	565,236
Due from other governmental units	790,715	250,172	464,338	-	-	1,505,225
Prepaid items	216,285	470	7,155	19,403	-	243,313
Restricted assets:						
Cash and cash equivalents	8,690,909	-	-	-	-	8,690,909
Total assets	$ 15,906,702	$ 257,762	$ 505,055	$ 1,686,085	$ 56,892	$ 18,412,496
LIABILITIES						
Accounts payable	$ 419,360	84,920	$ 92,540	$ 449,404	$ 10,548	$ 1,056,772
Accrued wages and benefits	345,929	1,343	14,810	27,032	-	389,114
Accrued vacation and sick pay	141,054	842	2,648	14,026	-	158,570
Amounts held for others	98,921	-	-	-	-	98,921
Reconciled overdraft	-	53,205	387,902	-	-	441,107
Due to component unit	1,645,867	-	-	-	-	1,645,867
Unearned revenue	203,151	104,719	-	-	-	307,870
Total liabilities	$ 2,854,282	$ 245,029	$ 497,900	$ 490,462	$ 10,548	$ 4,098,221
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	$ 4,029,713	$ -	$ -	$ -	$ -	$ 4,029,713
Unavailable revenue-ambulance billings	11,209	-	-	-	-	11,209
Total deferred inflows of resources	$ 4,040,922	$ -	$ -	$ -	$ -	$ 4,040,922
FUND BALANCES						
Nonspendable	$ 216,285	$ 470	$ 7,155	$ 19,403	$ -	$ 243,313
Restricted (Note 23)	8,290,966	12,263	-	1,176,220	46,344	9,525,793
Committed (Note 23)	415,787	-	-	-	-	415,787
Unassigned	88,460	-	-	-	-	88,460
Total fund balances	$ 9,011,498	$ 12,733	$ 7,155	$ 1,195,623	$ 46,344	$ 10,273,353
Total liabilities, deferred inflows of resources, and fund balances	$ 15,906,702	$ 257,762	$ 505,055	$ 1,686,085	$ 56,892	$ 18,412,496

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

Exhibit 4

City of Radford, Virginia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances per Exhibit 3 - Balance Sheet - Governmental Funds		$ 10,273,353
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	$ 2,930,969	
Buildings and improvements (excludes $39,350 in Internal Service Fund)	26,056,228	
Infrastructure	20,959,307	
Machinery and equipment (excludes $22,403 in Internal Service Fund)	5,267,135	
Construction in progress	8,631,884	63,845,523
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Unavailable revenue-property taxes	$ 378,347	
Unavailable revenue-ambulance billings	11,209	389,556
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		107,884
Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		
Pension related items (excludes $47,068 in Internal Services Fund)	$ 3,370,953	
OPEB related items (excludes $4,478 in Internal Services Fund)	1,364,222	4,735,175
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
General obligation bonds and capital leases	$ (30,648,091)	
Accrued interest payable	(616,180)	
Unamortized bond premium	(2,048,560)	
Compensated absences (net of fund liabilities of $158,570 and excludes $11,610 in Internal Services Fund)	(772,741)	
Net OPEB liabilities (excludes $20,632 in Internal Services Fund)	(3,275,007)	
Net pension liability (excludes $117,962 in Internal Services Fund)	(8,849,941)	(46,210,520)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.		
Pension related items (excludes $17,714 in Internal Services Fund)	$ (54,774)	
OPEB related items (excludes $613 in Internal Services Fund)	(418,498)	(473,272)
Net position of governmental activities		$ 32,667,699

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

Exhibit 5

City of Radford, Virginia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General	Transit	Grants	Highway Maintenance	Capital Projects	Total
REVENUES						
General property taxes	$ 9,093,682	$ -	$ -	$ -	$ -	$ 9,093,682
Other local taxes	4,390,012	-	-	-	-	4,390,012
Permits, privilege fees, and regulatory licenses	88,871	-	-	-	-	88,871
Fines and forfeitures	133,220	-	-	-	-	133,220
Revenue from the use of money and property	174,092	-	-	292	-	174,384
Charges for services	687,914	4,262	-	21,459	-	713,635
Miscellaneous	1,973,168	4,720	2,496	-	-	1,980,384
Recovered costs	7,417	-	-	-	-	7,417
Intergovernmental	8,422,778	1,679,384	975,948	2,314,055	132,585	13,524,750
Total revenues	$ 24,971,154	$ 1,688,366	$ 978,444	$ 2,335,806	$ 132,585	$ 30,106,355
EXPENDITURES						
General government administration	$ 3,320,813	$ -	$ 37,555	$ -	$ -	$ 3,358,368
Judicial administration	1,382,662	-	-	-	-	1,382,662
Public safety	9,148,610	-	742,214	-	-	9,890,824
Public works	637,813	-	4,314	2,621,865	-	3,263,992
Health and welfare	4,655,074	-	21,832	-	-	4,676,906
Education	12,502,814	-	-	-	-	12,502,814
Parks, recreation, and cultural	2,089,532	-	-	-	-	2,089,532
Community development	869,164	1,678,235	214,601	-	-	2,762,000
Capital projects	-	-	-	-	86,241	86,241
Debt service:						
Principal retirement	885,728	-	-	-	-	885,728
Interest and other fiscal charges	729,859	-	-	-	-	729,859
Bond issuance costs	151,309	-	-	-	-	151,309
Total expenditures	$ 36,373,378	$ 1,678,235	$ 1,020,516	$ 2,621,865	$ 86,241	$ 41,780,235
Excess (deficiency) of revenues over (under) expenditures	$ (11,402,224)	$ 10,131	$ (42,072)	$ (286,059)	$ 46,344	$ (11,673,880)
OTHER FINANCING SOURCES (USES)						
Transfers in	$ 3,163,477	$ 2,602	$ 49,475	$ 853,537	$ 317,440	$ 4,386,531
Transfers out	(1,957,052)	-	(248)	(538,211)	(317,440)	(2,812,951)
Issuance of refunding bond	1,475,434	-	-	-	-	1,475,434
Issuance of bond	13,695,472	-	-	-	-	13,695,472
Premium on bond issuance	1,514,055	-			-	1,514,055
Debt service - principal (current refunding)	(1,467,970)	-			-	(1,467,970)
Sale of capital assets	46,096	-	-	-	-	46,096
Total other financing sources (uses)	$ 16,469,512	$ 2,602	$ 49,227	$ 315,326	$ -	$ 16,836,667
Net change in fund balances	$ 5,067,288	$ 12,733	$ 7,155	$ 29,267	$ 46,344	$ 5,162,787
Fund balances - beginning	3,944,210	-	-	1,166,356	-	5,110,566
Fund balances - ending	$ 9,011,498	$ 12,733	$ 7,155	$ 1,195,623	$ 46,344	$ 10,273,353

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

Exhibit 6

City of Radford, Virginia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,162,787
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period.		
Capital outlays (excludes $39,874 in Internal Service Fund)	$ 8,793,289	
Depreciation expense (excludes $6,651 in Internal Service Fund)	(2,967,216)	5,826,073
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, trade-ins, and donations) is to decrease net position.		
Transfer of asset from EDA		$ 80,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	$ (65,365)	
Rescue squad charges	(25,286)	(90,651)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issued or incurred:		
Issuance premium (to be amortized against interest expense)	$ (1,514,055)	
Issuance of bond	(13,695,472)	
Principal repayments:		
General obligation bonds	2,269,058	
Capital leases	84,640	(14,331,263)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in compensated absences (excludes $(7,664) of fund liabilities and excludes $(4,855 in Internal Services Fund)	$ (51,501)	
Change in accrued interest payable	(348,802)	
Amortization of bond premium	65,197	
Change in OPEB related items	(103,771)	
Change in pension related items	(823,688)	(1,262,565)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		39,075
Change in net position of governmental activities		$ (4,576,544)

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

Exhibit 7

City of Radford, Virginia
Statement of Net Position
Proprietary Funds
June 30, 2021

	Enterprise Funds				
	Water and Sewer Fund	Electric Fund	Solid Waste Fund	Total	Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,689,112	$ 4,236,545	$ 796,090	$ 6,721,747	$ 128,155
Accounts receivable, net of allowance for uncollectibles	525,653	2,007,685	161,863	2,695,201	8,161
Inventories	99,806	657,725	-	757,531	80,685
Prepaid items	18,974	21,071	9,820	49,865	15,120
Total current assets	$ 2,333,545	$ 6,923,026	$ 967,773	$ 10,224,344	$ 232,121
Noncurrent assets:					
Capital assets:					
Land	$ 188,734	$ 523,764	$ -	$ 712,498	$ -
Utility plant and lines in service	30,184,969	20,295,948	-	50,480,917	-
Buildings and improvements	129,834	455,653	37,353	622,840	76,691
Machinery and equipment	1,641,978	2,573,141	1,439,986	5,655,105	283,188
Accumulated depreciation	(23,558,316)	(18,921,940)	(1,107,824)	(43,588,080)	(298,126)
Total capital assets	$ 8,587,199	$ 4,926,566	$ 369,515	$ 13,883,280	$ 61,753
Total noncurrent assets	$ 8,587,199	$ 4,926,566	$ 369,515	$ 13,883,280	$ 61,753
Total assets	$ 10,920,744	$ 11,849,592	$ 1,337,288	$ 24,107,624	$ 293,874
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	$ 395,672	$ 545,111	$ 141,786	$ 1,082,569	$ 47,068
OPEB related items	28,762	46,700	12,397	87,859	4,478
Total deferred outflows of resources	$ 424,434	$ 591,811	$ 154,183	$ 1,170,428	$ 51,546
LIABILITIES					
Current liabilities:					
Accounts payable	$ 241,599	$ 1,428,391	$ 24,457	$ 1,694,447	$ 62,774
Salaries and wages payable	39,196	65,763	15,205	120,164	6,231
Customers' deposits	40,021	310,244	-	350,265	-
Accrued interest payable	-	15,374	2,549	17,923	-
Compensated absences - current portion	53,253	124,489	19,839	197,581	8,708
Due to Pulaski County PSA - current portion	-	-	18,280	18,280	-
Capital lease - current portion	-	-	72,446	72,446	-
Bonds payable - current portion	48,388	101,000	-	149,388	-
Total current liabilities	$ 422,457	$ 2,045,261	$ 152,776	$ 2,620,494	$ 77,713
Noncurrent liabilities:					
Compensated absences - net of current portion	$ 17,751	$ 41,496	$ 6,613	$ 65,860	$ 2,902
Due to Pulaski County PSA - net of current portion	-	-	283,155	283,155	-
Capital lease - net of current portion	-	-	75,676	75,676	-
Bonds payable - net of current portion	610,178	1,302,000	-	1,912,178	-
Net OPEB liabilities	138,539	228,479	59,440	426,458	20,632
Net pension liability	860,046	1,456,578	366,049	2,682,673	117,962
Total noncurrent liabilities	$ 1,626,514	$ 3,028,553	$ 790,933	$ 5,446,000	$ 141,496
Total liabilities	$ 2,048,971	$ 5,073,814	$ 943,709	$ 8,066,494	$ 219,209
DEFERRED INFLOWS OF RESOURCES					
Pension related items	$ 4,331	$ 53,843	$ 15,074	$ 73,248	$ 17,714
OPEB related items	4,415	7,449	1,882	13,746	613
Total deferred inflows of resources	$ 8,746	$ 61,292	$ 16,956	$ 86,994	$ 18,327
NET POSITION					
Net investment in capital assets	$ 7,928,633	$ 3,523,566	$ 221,393	$ 11,673,592	$ 61,753
Unrestricted	1,358,828	3,782,731	309,413	5,450,972	46,131
Total net position	$ 9,287,461	$ 7,306,297	$ 530,806	$ 17,124,564	$ 107,884

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

Exhibit 8

City of Radford, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds				Internal Service Funds
	Water and Sewer Fund	Electric Fund	Solid Waste Fund	Total	
OPERATING REVENUES					
Charges for services:					
Water sales	$ 2,321,480	$ -	$ -	$ 2,321,480	$ -
Electric sales	-	19,683,449	-	19,683,449	-
Sanitation charges	-	-	1,547,276	1,547,276	-
Internal service charges	-	-	-	-	814,941
Sewer sales	2,370,242	-	-	2,370,242	-
Tap fees	3,510	-	-	3,510	-
Connection fees	42,215	-	-	42,215	-
Availability fees	117,283	-	-	117,283	-
Penalties	121,881	326,577	-	448,458	-
Miscellaneous revenue	23,002	101,273	-	124,275	-
Other revenues	-	58,863	-	58,863	-
Total operating revenues	$ 4,999,613	$ 20,170,162	$ 1,547,276	$ 26,717,051	$ 814,941
OPERATING EXPENSES					
Personnel	$ 1,572,208	$ 2,315,664	$ 656,681	$ 4,544,553	$ 246,893
Professional services	163,772	164,619	1,553	329,944	11,601
Automotive expenses	99,760	47,390	111,356	258,506	357,348
Office supplies and expenses	1,676	5,086	-	6,762	743
Risk management	27,453	26,090	10,634	64,177	4,150
Postal services	314	185	-	499	-
Telecommunications	40,218	20,698	493	61,409	1,244
Conferences and education	1,564	477	-	2,041	50
Dues and memberships	701	44,909	-	45,610	-
Heating service	7,407	-	-	7,407	1,996
Repairs and maintenance	356,316	81,039	-	437,355	74,478
Janitorial supplies	2,147	2,252	100	4,499	2,141
Tools	12,740	29,605	-	42,345	5,520
Lease/rentals	20,325	3,770	-	24,095	-
Agricultural supplies	1,266	-	-	1,266	-
Uniforms	15,012	18,513	1,780	35,305	736
Building expenses	4,933	-	12,615	17,548	40,077
Solid waste services	2,304	3,048	-	5,352	-
Electrical service	336,560	1,177	1,616	339,353	20,911
Water and waste services	570	685	257	1,512	708
Refuse hauling	-	-	94,617	94,617	-
Supplies	472	-	-	472	-
Purchase of electricity	-	13,148,913	-	13,148,913	-
Services from other governments	1,875,335	-	173,094	2,048,429	-
Payment in lieu of taxes	503,651	754,807	198,089	1,456,547	-
Miscellaneous	4,273	22,459	-	26,732	-
Chemicals and gases	84,575	-	-	84,575	619
Computer equipment and software	31,550	-	-	31,550	-
Depreciation	752,636	712,821	85,562	1,551,019	6,651
Total operating expenses	$ 5,919,738	$ 17,404,207	$ 1,348,447	$ 24,672,392	$ 775,866
Operating income (loss)	$ (920,125)	$ 2,765,955	$ 198,829	$ 2,044,659	$ 39,075
NONOPERATING REVENUES (EXPENSES)					
Interest income	$ 933	$ 1,269	$ 43	$ 2,245	$ -
Interest expense	(2,186)	(37,114)	(20,234)	(59,534)	-
Total nonoperating revenues (expenses)	$ (1,253)	$ (35,845)	$ (20,191)	$ (57,289)	$ -
Income (loss) before transfers	$ (921,378)	$ 2,730,110	$ 178,638	$ 1,987,370	$ 39,075
Transfers in	1,306,019	-	-	1,306,019	-
Transfers out	-	(2,879,599)	-	(2,879,599)	-
Change in net position	$ 384,641	$ (149,489)	$ 178,638	$ 413,790	$ 39,075
Net position - beginning	8,902,820	7,455,786	352,168	16,710,774	68,809
Net position - ending	$ 9,287,461	$ 7,306,297	$ 530,806	$ 17,124,564	$ 107,884

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

Exhibit 9

City of Radford, Virginia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds				Internal Service Funds
	Water and Sewer Fund	Electric Fund	Solid Waste Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 4,889,309	$ 19,817,095	$ 1,534,769	$ 26,241,173	$ -
Receipts from interfund services	-	-	-	-	807,088
Payments to suppliers	(3,583,545)	(14,584,261)	(649,848)	(18,817,654)	(495,530)
Payments to employees	(1,490,012)	(2,213,536)	(630,091)	(4,333,639)	(239,133)
Net cash provided by (used for) by operating activities	$ (184,248)	$ 3,019,298	$ 254,830	$ 3,089,880	$ 72,425
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	$ -	$ (2,879,599)	$ -	$ (2,879,599)	$ -
Transfers from other funds	1,306,019	-	-	1,306,019	-
Net cash provided by (used for) by noncapital financing activities	$ 1,306,019	$ (2,879,599)	$ -	$ (1,573,580)	$ -
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	$ (87,356)	$ (104,705)	$ (8,080)	$ (200,141)	$ (39,874)
Principal payments to Pulaski County PSA	-	-	(38,624)	(38,624)	-
Principal payments on bonds	(48,387)	(98,000)	-	(146,387)	-
Principal payments on capital lease	(68,540)	-	(69,906)	(138,446)	-
Interest expense	(2,186)	(38,188)	(35,136)	(75,510)	-
Net cash provided by (used for) by capital and related financing activities	$ (206,469)	$ (240,893)	$ (151,746)	$ (599,108)	$ (39,874)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	$ 933	$ 1,269	$ 43	$ 2,245	$ -
Net cash provided by (used for) by investing activities	$ 933	$ 1,269	$ 43	$ 2,245	$ -
Net increase (decrease) in cash and cash equivalents	$ 916,235	$ (99,925)	$ 103,127	$ 919,437	$ 32,551
Cash and cash equivalents - beginning	772,877	4,336,470	692,963	5,802,310	95,604
Cash and cash equivalents - ending	$ 1,689,112	$ 4,236,545	$ 796,090	$ 6,721,747	$ 128,155
Reconciliation of operating income (loss) to net cash provided by (used for) by operating activities:					
Operating income (loss)	$ (920,125)	$ 2,765,955	$ 198,829	$ 2,044,659	$ 39,075
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	$ 752,636	$ 712,821	$ 85,562	$ 1,551,019	$ 6,651
(Increase) decrease in accounts receivable	(110,776)	(347,826)	(12,507)	(471,109)	(7,853)
(Increase) decrease in inventories	(12,108)	(119,662)	-	(131,770)	(24,848)
(Increase) decrease in prepaid items	(18,929)	(21,071)	(9,820)	(49,820)	(7,272)
(Increase) decrease in deferred outflows of resources	(240,471)	(239,611)	(64,433)	(544,515)	(22,077)
Increase (decrease) in customer deposits	472	(5,241)	-	(4,769)	-
Increase (decrease) in operating payables	42,386	(67,806)	(33,824)	(59,244)	58,912
Increase (decrease) in salaries and wages payable	697	3,354	2,013	6,064	2,377
Increase (decrease) in compensated absences	(849)	(11,111)	(1,573)	(13,533)	4,855
Increase (decrease) in net pension liability	378,408	418,030	101,032	897,470	31,134
Increase (decrease) in net OPEB liabilities	21,326	(2,484)	812	19,654	1,532
Increase (decrease) in deferred inflows of resources	(76,915)	(66,050)	(11,261)	(154,226)	(10,061)
Total adjustments	$ 735,877	$ 253,343	$ 56,001	$ 1,045,221	$ 33,350
Net cash provided by (used for) by operating activities	$ (184,248)	$ 3,019,298	$ 254,830	$ 3,089,880	$ 72,425

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

Exhibit 10

City of Radford, Virginia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

		Custodial Funds
ASSETS		
Cash and cash equivalents	$	131,713
Total assets	$	131,713
FUND BALANCE		
Restricted		
Held for social services clients	$	2,868
Held for employees		8,645
Held for CSA program		64,719
Held for Highlander Festival		55,481
Total fund balances	$	131,713

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

Exhibit 11

City of Radford, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds
ADDITIONS	
Gifts and donations	$ 3,803
Payments from employees	33,879
Contribution from the City of Radford	9,000
Total additions	$ 46,682
DEDUCTIONS	
Special welfare payments	$ 2,063
Payments for employees	31,666
Total deductions	$ 33,729
Net increase (decrease) in fiduciary net position	$ 12,953
Total net position, beginning of year, as restated	118,760
Total net position, end of year	$ 131,713

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

Note 1-Summary of Significant Accounting Policies:

The financial statements of the City of Radford, Virginia conform to generally accepted accounting principles (GAAP) applicable to governmental units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant policies:

A. Financial Reporting Entity

The City of Radford, Virginia (the City) is a municipal corporation governed by an elected five-member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component units – None

Discretely Presented Component Units – The component unit columns in the financial statements include the financial data of the City's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

The Radford City School Board operates the elementary and secondary public schools in the City. School Board members are popularly elected. The School Board is fiscally dependent upon the City because the City approves all debt issuances of the School Board and provides significant funding to operate the public schools since the School Board does not have separate taxing powers. The School Board is presented as a governmental fund type. A separate report is issued for the School Board and can be obtained from the School Board office.

The Economic Development Authority is authorized to acquire, own, lease and dispose of properties to the end that such activities may promote industry and develop trade by encouraging enterprises to locate and remain in Virginia. The Authority is governed by seven directors appointed by the Council of Radford City, Virginia. A separate report is issued for the Authority and can be obtained at the City offices.

Related Organizations – The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointment.

Jointly Governed Organizations – The City jointly governs the Pepper's Ferry Regional Wastewater Treatment Authority with the Board of Supervisors for the Counties of Pulaski and Montgomery and the Town Councils of the Towns of Dublin and Pulaski. The Authority was created to operate a wastewater equalization, pumping, treatment, and disposal system for its members. The City appoints two members to the Authority's board of directors. During the current fiscal year, the City paid $1,875,335 to the Pepper's Ferry Regional Wastewater Treatment Authority.

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

A. Financial Reporting Entity (Continued)

The City is also a member of the New River Resource Authority, which it jointly governs with the County of Pulaski, the Town of Pulaski, the Town of Dublin, and Counties of Montgomery and Giles. The City appoints two members to the Authority's seven-member board of directors. The City paid $164,088 in tipping fees to the New River Resource Authority during the current fiscal year.

The Counties of Bland, Carroll, Floyd, Giles, Grayson, Pulaski, and Wythe and the City of Radford created the New River Regional Jail Authority to operate a regional jail located in Dublin, Virginia. The primary source of funding for the Authority is a service charge based on the number of inmates from each jurisdiction. The City has no equity interest in the Authority but has offered a moral obligation for 6.6% of the Authority's debt payments. During the current fiscal year, the City paid $865,173 to the New River Regional Jail Authority for incarceration services.

Virginia's First Regional Industrial Facility Authority is a legal authority established under laws of Virginia by 15 local governments for the purpose of providing regional large-scale industrial facilities. The City has opted to participate in the initial phase of the New River Valley Commerce Park Project at a cost equal to a share of the annual debt service. During the current fiscal year, the City paid $56,516 for its equity share of the project.

B. Government-wide and fund financial statements

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

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

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

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

B. Government-wide and fund financial statements (Continued)

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year-end are reflected as unavailable revenues.

Sales and utility taxes, which are collected by the state or utilities and subsequently remitted to the City, are recognized as revenues and receivables upon collection by the state or utility, which is generally in the month preceding receipt by the City.

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

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

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

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in other funds.

The *transit fund* accounts for and reports financial resources that are restricted to expenditure for the benefit of the City's transit system. This fund is considered a major special revenue fund.

The *grants fund* accounts for and reports financial resources that are committed to expenditure for the purpose of grants received by the City. This fund is considered a major special revenue fund.

The *highway maintenance fund* accounts for and reports financial resources that are committed to expenditure for the purpose of constructing and maintaining the City's streets. This fund is considered a major special revenue fund.

The *capital projects fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, except for those financed by proprietary funds or for assets held in trust for individuals, private organizations, or other governments.

The government reports the following major proprietary funds:

The City operates a sewage collection and treatment system and a water distribution system. The activities of the system are accounted for in the Water and Sewer Fund.

The City provides electricity to citizens and businesses in the community. The activities of the electric department are accounted for in the Electric Fund.

The City provides solid waste collection services to citizens and businesses in the community. These activities are accounted for in the Solid Waste Fund.

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

1. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Additionally, the government reports the following fund types:

Internal service funds account for the financing of goods and services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Funds included in this category are for garage services and risk management.

Fiduciary funds account for assets held by the government in a trustee capacity or as agent or custodian for individuals, private organizations, other governmental units, or other funds. Custodial funds include the Social Services, Highlander Festival, CSA Coordinator, and Cafeteria Plan Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's water, sewer, and electric function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and the internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance:

1. Cash and cash equivalents

Cash and cash equivalents include cash on hand, amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. For purposes of the statement of cash flows, the government's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At year end, investments totaling $13,780,354 are reported as cash and cash equivalents in the accompanying financial statements.

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

2. Investments

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

3. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

4. Property Taxes

Property is assessed at its value on January 1. Property taxes attach as an enforceable lien on property when payment is due. Real estate taxes are payable on June 5th and on December 5th. Personal property taxes are due and collectible annually on December 5th. The City bills and collects its own property taxes.

5. Allowance for Uncollectible Accounts

The City calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately $1,303,226 at June 30, 2021. The allowance consists of delinquent taxes in the amount of $117,220, delinquent ambulance bills of $126,893, delinquent utility tax bills of $1,878, delinquent parking tickets of $70,013, delinquent water and sewer bills of $136,397, delinquent solid waste fees of $56,774, and delinquent electric bills of $794,051.

6. Use of Estimates

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

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

7. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment and infrastructure of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements	40
Structures, lines, and accessories	20-40
Machinery and equipment	4-30
Infrastructure	30-40

8. Deferred Outflows/Inflows of Resources

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

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

8. Deferred Outflows/Inflows of Resources (Continued)

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

9. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement. The City accrues salary-related payments associated with the payment of compensated absences. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

10. Pensions

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

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

11. Other Postemployment Benefits (OPEB)

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

12. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

13. Net Position

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

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

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

14. Net Position Flow Assumption

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

15. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

16. Fund balance

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

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

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

D. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance (Continued)

16. Fund balance (Continued)

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

The City establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

Note 2-Stewardship, Compliance, and Accountability:

A. Budgetary information

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

By April 1, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them. All of the City's funds, excluding fiduciary funds, have legally adopted budgets.

E. Public hearings are conducted to obtain citizen comments.

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

1. The Appropriations Resolution places legal restrictions on expenditures at the fund level. Only City Council can revise appropriations for each fund.

2. Formal budgetary integration is employed as a management control device during the year for the General Fund.

3. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

G. Appropriations lapse on June 30 for all City units.

Note 2-Stewardship, Compliance, and Accountability: (Continued)

B. Excess of expenditures over appropriations – For the year ended June 30, 2021, departments in the general, grants, capital projects, water and sewer, electric, and internal service funds' expenditures exceeded appropriations.

C. Deficit fund balance – At June 30, 2021, no funds carried a negative fund balance; however, the Transit Fund and Grants Fund reported reconciled overdrafts (negative cash) at year end.

Note 3-Deposits and Investments:

Deposits

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

Investments

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

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Note 3-Deposits and Investments: (Continued)

Interest Rate Risk

The City has not adopted an investment policy for interest rate risk. Investments subject to interest rate risk are presented below along with their corresponding maturities.

Investment Maturities (in years)

Investment Type	Fair Value	1 Year
Local Government Investment Pool	$ 2,142,174	$ 2,142,174
SNAP	8,690,908	8,690,908
Money Market Funds	2,947,272	2,947,272
Totals	$ 13,780,354	$ 13,780,354

Credit Risk of Debt Securities

The City has not adopted an investment policy for credit risk. The City's rated debt investments as of June 30, 2021 were rated by Standard and Poor's rating scale and the ratings are presented below.

City's Rated Debt Investments' Values

Rated Debt Investments	Fair Quality Ratings
	AAAm
Local Government Investment Pool	$ 2,142,174
SNAP	8,690,908
Money Market Funds	2,947,272

External Investment Pools

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

Note 4-Due from Other Governmental Units:

The following amounts represent receivables from other governments at year-end:

	Primary Government
Commonwealth of Virginia:	
Local sales tax	$ 223,504
Local communication tax	85,683
Categorical aid-other	285,258
Non-categorical aid	32,261
Categorical aid-Virginia Public Assistance	40,082
Categorical aid-Comprehensive Services Act	245,468
Federal Government:	
Categorical aid-Virginia Public Assistance	71,794
Categorical aid-other	521,175
Total	$ 1,505,225

Note 5-Interfund Transfers and Balances:

Interfund transfers for the year ended June 30, 2021, consisted of the following:

Fund	Transfers In	Transfers Out
Primary Government:		
General Fund	$ 3,163,477	$ 1,957,052
Grants Fund	49,475	248
Transit Fund	2,602	-
Capital Projects Fund	317,440	317,440
Highway Maintenance Fund	853,537	538,211
Water and Sewer Fund	1,306,019	-
Electric Fund	-	2,879,599
Total	$ 5,692,550	$ 5,692,550

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

Note 5-Interfund Transfers and Balances: (Continued)

Interfund balances at year end represent amounts that have been transferred between funds in a lending or borrowing capacity and are expected to be repaid by current administration. At June 30, 2021, there were no interfund balances.

Note 6-Component-Unit Contribution and Obligations:

Component unit contributions for the year ended June 30, 2021, consisted of the following:

Component Unit:	
School Board	$ 12,445,048
Economic Development Authority	370,026
Total	$ 12,815,074

At year end, there was a due to the Component Unit-School Board of $1,645,867 related to the McHarg renovation project. Capital transfers, included above, to the School Board totaled $8,248,843 for the fiscal year.

Note 7- Long-Term Obligations:

Primary Government - Governmental Activities Indebtedness (including internal service fund):

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2021.

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
Direct Borrowings and Placements:				
General Obligation Bonds	$ 17,267,905	$ 15,170,906	$ (2,269,058)	$30,169,753
Unamortized Premium	599,702	1,514,055	(65,197)	2,048,560
Capital Leases	562,978	-	(84,640)	478,338
Net OPEB Liabilities	2,923,546	1,670,045	(1,297,952)	3,295,639
Compensated Absences	878,901	723,196	(659,176)	942,921
Net Pension Liability	6,178,513	4,886,646	(2,097,256)	8,967,903
Total	$ 28,411,545	$ 23,964,848	$ (6,473,279)	$45,903,114

For governmental activities, compensated absences are generally liquidated in the General Fund.

Note 7-Long-Term Obligations: (Continued)

Primary Government - Governmental Activities Indebtedness (including internal service fund): (Continued)

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

Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2022	$ 1,064,383	$ 1,262,365
2023	1,223,134	1,091,867
2024	1,282,366	1,028,062
2025	1,342,106	961,782
2026	1,407,380	888,230
2027-2031	7,240,384	3,374,489
2032-2036	6,540,000	1,882,654
2037-2041	5,855,000	989,723
2042-2046	4,215,000	263,759
Totals	$ 30,169,753	$ 11,742,931

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Note 7-Long-Term Obligations: (Continued)

Primary Government - Governmental Activities Indebtedness (including internal service fund): (Continued)

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Governmental Activities	Amount Due Within One Year
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO Bond - VPSA	4.6-5.1%	5/15/2008	2034	$ 8,120,000	$ 5,445,000	$ 305,000
GO Bond - VPSA	3.6-5.35%	12/11/2008	2029	5,797,690	2,664,753	299,383
GO Bond - VRA	3.22%	12/6/2012	2043	2,885,000	2,505,000	75,000
GO Bond - VRA	3.089-5.125%	5/13/2015	2041	5,875,000	5,045,000	160,000
GO Bond - VPSA	2.05-5.05%	11/10/2020	2046	14,510,000	14,510,000	225,000
Subtotal General Obligation Bonds					$ 30,169,753	$ 1,064,383
Add: Bond Premium	n/a	n/a	n/a	n/a	$ 36,094	$ 8,936
Bond Premium	n/a	n/a	n/a	n/a	76,049	14,260
Bond Premium	n/a	n/a	n/a	n/a	86,483	9,561
Bond Premium	n/a	n/a	n/a	n/a	335,879	27,909
Bond Premium	n/a	n/a	n/a	n/a	1,514,055	231,012
Total Bond Premium					$ 2,048,560	$ 291,678
Total Direct Borrowings and Placements					$ 32,218,313	$ 1,647,739
Other Obligations:						
Capital Lease	3.85%	2/12/2018	2027	560,290	386,129	58,433
Capital Lease	4.05%	3/25/2019	2024	148,217	92,209	29,523
Net OPEB Liabilities	n/a	n/a	n/a	n/a	3,295,639	-
Compensated Absences	n/a	n/a	n/a	n/a	942,921	707,191
Net Pension Liability	n/a	n/a	n/a	n/a	8,967,903	-
Total Long-term Obligations - Governmental Activities					$ 45,903,114	$ 2,442,886

The City's general obligation bonds are subject to the state aid intercept program. Under terms of the program, the City's State aid is redirected to bond holders to cure any event(s) of default.

Note 7-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Indebtedness:

The following is a summary of long-term debt transactions of the Enterprise Funds for the year ended June 30, 2021.

	Balance July 1, 2020	Increases/ Issuances	Decreases/ Retirements	Balance June 30, 2021
Direct Borrowings and Placements:				
Revenue Bonds	$ 662,173	$ -	$ (38,437)	$ 623,736
General Obligation Bonds	1,545,780	-	(107,950)	1,437,830
Capital Lease	286,568	-	(138,446)	148,122
Due to Pulaski County PSA	340,059	-	(38,624)	301,435
Net OPEB Liabilities	406,804	109,321	(89,667)	426,458
Compensated Absences	276,974	194,198	(207,731)	263,441
Net Pension Liability	1,785,203	1,568,042	(670,572)	2,682,673
Total	$ 5,303,561	$ 1,871,561	$ (1,291,427)	$ 5,883,695

For business-type activities, compensated absences are generally liquidated in the same fund from which the respective employees are compensated.

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

Water and Sewer Fund		
Year Ending June 30,	Direct Borrowings and Placements	
	Principal	Interest
2022	$ 48,388	$ -
2023	48,388	-
2024	48,388	-
2025	43,412	-
2026	34,244	-
2027-2031	150,258	-
2032-2036	150,258	-
2037-2041	135,230	-
Totals	$ 658,566	$ -

Note 7-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Indebtedness: (Continued)

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

Electric Fund		
Year Ending	Direct Borrowings and Placements	
June 30,	Principal	Interest
2022	$ 101,000	$ 35,571
2023	103,000	32,888
2024	106,000	30,140
2025	109,000	27,313
2026	112,000	24,406
2027-2031	606,000	75,665
2032-2033	266,000	7,048
Totals	$ 1,403,000	$ 233,031

Solid Waste Fund		
Year Ending	Due to Pulaski County PSA	
June 30,	Principal	Interest
2022	$ 18,280	$ 12,339
2023	18,227	11,572
2024	18,171	10,808
2025	18,113	10,047
2026	18,051	9,289
2027-2031	89,201	35,198
2032-2036	87,006	16,895
2037-2039	34,386	1,834
Totals	$ 301,435	$ 107,982

Note 7-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Indebtedness: (Continued)

Details of long-term indebtedness:

	Interest Rates	Issue Date	Final Maturity Date	Amount of Original Issue	Balance Business-type Activities	Amount Due Within One Year
Water and Sewer Fund						
Direct Borrowings and Placements:						
Revenue Bonds:						
Revenue Bond-VRA	0.00%	9/29/2005	2026	$ 167,700	$ 37,731	$ 8,385
Revenue Bond-VRA	0.00%	1/1/2010	2041	901,546	586,005	30,052
Total Revenue Bonds					$ 623,736	$ 38,437
General Obligation Bonds:						
GO Bond-VRA	0.00%	7/30/2004	2024	$ 337,660	$ 34,830	$ 9,951
Total Direct Borrowings and Placements					$ 658,566	$ 48,388
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	$ 138,539	$ -
Compensated Absences	n/a	n/a	n/a	n/a	71,004	53,253
Net Pension Liability	n/a	n/a	n/a	n/a	860,046	-
Total Other Obligations					$ 1,069,589	$ 53,253
Total Long-term Obligations-Water and Sewer Fund					$ 1,728,155	$ 101,641
Electric Fund						
Direct Borrowings and Placements:						
General Obligation Bonds:						
GO Bond	2.63%	7/11/2017	2033	1,690,000	$ 1,403,000	$ 101,000
Total Direct Borrowings and Placements					$ 1,403,000	$ 101,000
Other Obligations:						
Net OPEB Liabilities	n/a	n/a	n/a	n/a	$ 228,479	$ -
Compensated Absences	n/a	n/a	n/a	n/a	165,985	124,489
Net Pension Liability	n/a	n/a	n/a	n/a	1,456,578	-
Total Other Obligations					$ 1,851,042	$ 124,489
Total Long-term Obligations-Electric Fund					$ 3,254,042	$ 225,489

Note 7-Long-Term Obligations: (Continued)

Primary Government – Business-type Activities Indebtedness: (Continued)

Details of long-term indebtedness:

Solid Waste Fund						
Other Obligations:						
Due to Pulaski County PSA	n/a	n/a	n/a	n/a	$ 301,435	$ 18,280
Capital Lease	3.34%	10/12/2017	2022	$ 177,963	36,742	36,742
Capital Lease	3.93%	1/10/2020	2024	185,817	111,380	35,704
Net OPEB Liabilities	n/a	n/a	n/a	n/a	59,440	-
Compensated Absences	n/a	n/a	n/a	n/a	26,452	19,839
Net Pension Liability	n/a	n/a	n/a	n/a	366,049	-
Total Other Obligations					$ 901,498	$ 110,565
Total Long-term Obligations-Solid Waste Fund					$ 901,498	$ 110,565
Total Long-term Obligations - Business-type Activities					$ 5,883,695	$ 437,695

The City's revenue and general obligation bonds are subject to the state aid intercept program. Under terms of the program, the City's State aid is redirected to bond holders to cure any event(s) of default.

Note 8-Pension Plan:

Plan Description

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

Note 8-Pension Plan: (Continued)

Benefit Structures

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

a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.

c. Non-hazardous duty employees with a membership date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 – April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

Note 8-Pension Plan: (Continued)

Average Final Compensation and Service Retirement Multiplier

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

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

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

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Note 8-Pension Plan: (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	184
Inactive members:	
Vested inactive members	41
Non-vested inactive members	35
Inactive members active elsewhere in VRS	117
Total inactive members	193
Active members	235
Total covered employees	612

Contributions

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

The City's contractually required employer contribution rate for the year ended June 30, 2021 was 11.95% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the City were $1,376,859 and $1,151,134 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. The City's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020.

Note 8-Pension Plan: (Continued)

Actuarial Assumptions – General Employees

The total pension liability for General Employees in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Mortality rates:

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

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

Note 8-Pension Plan: (Continued)

Actuarial Assumptions – General Employees (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Actuarial Assumptions – Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the City's Retirement Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

Note 8-Pension Plan: (Continued)

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

Mortality rates:

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year, 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Note 8-Pension Plan: (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

* The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Note 8-Pension Plan: (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the City was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017 actuarial valuations, whichever was greater. From July 1, 2020 on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	$ 57,986,493	$ 50,022,777	$ 7,963,716
Changes for the year:			
Service cost	$ 1,259,085	$ -	$ 1,259,085
Interest	3,826,770	-	3,826,770
Differences between expected and actual experience	1,228,990	-	1,228,990
Contributions - employer	-	1,151,134	(1,151,134)
Contributions - employee	-	558,382	(558,382)
Net investment income	-	952,066	(952,066)
Benefit payments	(2,587,205)	(2,587,205)	-
Administrative expenses	-	(32,468)	32,468
Other changes	-	(1,129)	1,129
Net changes	$ 3,727,640	$ 40,780	$ 3,686,860
Balances at June 30, 2020	$ 61,714,133	$ 50,063,557	$ 11,650,576

Note 8-Pension Plan: (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's Net Pension Liability	$ 19,537,646	$ 11,650,576	$ 5,083,628

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

For the year ended June 30, 2021, the City recognized pension expense of $2,425,683. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 891,292	$ 71,607
Change in assumptions	663,808	-
Change in proportionate shares	74,127	74,129
Net difference between projected and actual earnings on pension plan investments	1,494,504	-
Employer contributions subsequent to the measurement date	1,376,859	-
Total	$ 4,500,590	$ 145,736

Note 8-Pension Plan: (Continued)

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

$1,376,859 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30		
2022	$	903,335
2023		984,710
2024		611,210
2025		478,740
Thereafter		-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http:www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 9-Other Postemployment Benefits-Health Insurance:

Plan Description

In addition to the pension benefits described in Note 8, the City administers a single-employer defined benefit healthcare plan, The Radford City OPEB Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the City's pension plans.

Benefits Provided

The Plan provides for participation by eligible retirees of the City in the health insurance programs available to City employees. The Plan will provide retiring employees the option to continue health insurance offered by the City. An eligible City retiree may receive this benefit until the retiree is eligible to receive Medicare. To be eligible for this benefit a retiree must have 10 years of service (prior to June 30, 2009) with the City and the employee must be eligible to retire from the City under the Virginia Retirement System. The benefits, employee contributions and the employer contributions are governed by the City and can be amended through City Council action. The Plan does not issue a publicly available financial report.

Note 9-Other Postemployment Benefits-Health Insurance: (Continued)

Plan Membership

At July 1, 2020 (valuation date), the following employees were covered by the benefit terms:

Total active employees	224
Total retirees	8
Total	232

Contributions

The City does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the City Council. The City made benefits payments of $77,051 the year ended June 30, 2021.

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of July 1, 2020 and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.00%
Discount Rate	2.16%

The mortality rates were calculated using the SOA RPH-2014 total dataset headcount-weighted table adjusted to 2006 and then projected generationally using projection scale MP-2020.

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

Discount Rate

The discount rate was based on the Bond Buyer's 20 Bond Index.

Note 9-Other Postemployment Benefits-Health Insurance: (Continued)

Changes in Total OPEB Liability

		Primary Government Total OPEB Liability
Balances at June 30, 2020	$	637,758
Changes for the year:		
Service cost		20,566
Interest		14,773
Differences between expected and actual experience		(1,512)
Changes in assumptions and other inputs		52,025
Benefit payments		(77,051)
Net changes		8,801
Balances at June 30, 2021	$	646,559

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

The following amounts present the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current discount rate:

Rate		
1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
$ 688,243	$ 646,559	$ 606,749

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Note 9-Other Postemployment Benefits-Health Insurance: (Continued)

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

The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.00% decreasing to 4.00%) or one percentage point higher (8.00% decreasing to 6.00%) than the current healthcare cost trend rates:

Rates		
1% Decrease (6.00% decreasing to 4.00%)	Healthcare Cost Trend (7.00% decreasing to 5.00%)	1% Increase (8.00% decreasing to 6.00%)
$ 585,524	$ 646,559	$ 717,869

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

For the year ended June 30, 2021, the City recognized OPEB expense in the amount of $55,738. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 2,984
Change in assumptions	115,266	-
Total	$ 115,266	$ 2,984

Note 9-Other Postemployment Benefits-Health Insurance: (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Year Ended June 30		
2022	$	20,399
2023		20,399
2024		20,399
2025		20,399
2026		20,399
Thereafter		10,287

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

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit, and accelerated death benefit option. The benefit amounts are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value. For covered members with at least 30 years of service credit, the minimum benefit payable was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,616 as of June 30, 2021.

Contributions

The contribution requirements for the GLI Plan are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were $64,319 and $59,222 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

At June 30, 2021, the entity reported a liability of $923,534 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The covered employer's proportion of the Net GLI OPEB Liability was based on the covered employer's actuarially determined employer contributions to the GLI Plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the participating employer's proportion was 0.05534% as compared to 0.05371% at June 30, 2019.

For the year ended June 30, 2021 the participating employer recognized GLI OPEB expense of $35,809. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 59,236	$ 8,294
Net difference between projected and actual earnings on GLI OPEB plan investments	27,742	-
Change in assumptions	46,187	19,284
Changes in proportion	24,265	14,698
Employer contributions subsequent to the measurement date	64,319	-
Total	$ 221,749	$ 42,276

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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

$64,319 reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ended June 30		
2022	$	14,502
2023		22,336
2024		31,092
2025		34,106
2026		11,682
Thereafter		1,436

Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

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

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of OPEB liabilities.

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

NET GLI OPEB Liability

The net OPEB liability (NOL) for the GLI Plan represents the plan's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the GLI Plan is as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	$	3,523,937
Plan Fiduciary Net Position		1,855,102
GLI Net OPEB Liability (Asset)	$	1,668,835
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		52.64%

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

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Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuation provide a median return of 6.81%.

Note 10-Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS guidance and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's proportionate share of the GLI Plan Net OPEB Liability	$ 1,214,057	$ 923,534	$ 687,603

GLI Plan Fiduciary Net Position

Detailed information about the GLI Plan's Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Employees Covered by Benefit Terms

As of the June 30, 2019 actuarial valuation, the following employees were covered by the benefit terms of the HIC OPEB plan:

	Number
Inactive members or their beneficiaries currently receiving benefits	71
Active members	188
Total covered employees	259

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The City's contractually required employer contribution rate for the year ended June 30, 2021 was 0.33% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the City to the HIC Plan were $31,607 and $29,925 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net HIC OPEB Liability

The City's net HIC OPEB liability was measured as of June 30, 2020. The total HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions

The total HIC OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

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

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

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Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
		Inflation	2.50%
		Expected arithmetic nominal return*	7.14%

*The above allocation provides a one-year return of 7.14%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations provide a median return of 6.81%.

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ended June 30, 2020, the rate contributed by the entity for the HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Changes in Net HIC OPEB Liability

	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	$ 500,344	$ 214,707	$ 285,637
Changes for the year:			
Service cost	$ 8,356	$ -	$ 8,356
Interest	32,487	-	32,487
Differences between expected and actual experience	(5,801)	-	(5,801)
Contributions - employer	-	29,925	(29,925)
Net investment income	-	4,218	(4,218)
Benefit payments	(38,122)	(38,122)	-
Administrative expenses	-	(397)	397
Other changes	-	(2)	2
Net changes	$ (3,080)	$ (4,378)	$ 1,298
Balances at June 30, 2020	$ 497,264	$ 210,329	$ 286,935

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Sensitivity of the City's HIC Net OPEB Liability to Changes in the Discount Rate

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
City's Net HIC OPEB Liability	$ 336,564	$ 286,935	$ 224,416

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

For the year ended June 30, 2021, the City recognized HIC Program OPEB expense of $25,174. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the City's HIC Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 10,503
Net difference between projected and actual earnings on HIC OPEB plan investments	6,897	-
Change in assumptions	7,666	3,949
Employer contributions subsequent to the measurement date	31,607	-
Total	$ 46,170	$ 14,452

Note 11-Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

$31,607 reported as deferred outflows of resources related to the HIC OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year Ended June 30		
2022	$	(1,867)
2023		(142)
2024		857
2025		2,005
2026		(539)
Thereafter		(203)

HIC Plan Data

Information about the VRS Political Subdivision HIC Plan is available in the separately issued VRS 2019 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 12-Line of Duty Act (LODA) Program:

Plan Description

The Virginia Retirement System (VRS) Line of Duty Act Program (LODA) was established pursuant to §9.1-400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The LODA Program provides death and health insurance benefits to eligible state employees and local government employees, including volunteers, who die or become disabled as a result of the performance of their duties as a public safety officer. In addition, health insurance benefits are provided to eligible survivors and family members. This is a cost-sharing multiple-employer plan administered by the Virginia Retirement System (the System). Participating employers made contributions to the program beginning in FY 2012. The employer contributions are determined by the System's actuary using anticipated program costs and the number of covered individuals associated with all participating employers.

Note 12- Line of Duty Act (LODA) Program: (Continued)

Plan Description (Continued)

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

Eligible Employees

All paid employees and volunteers in hazardous duty positions in Virginia localities as well as hazardous duty employees who are covered under the Virginia Retirement System (VRS), the State Police Officers' Retirement System (SPORS), or the Virginia Law Officers' Retirement System (VaLORS) are automatically covered by the Line of Duty Act Program (LODA). As required by statute, the Virginia Retirement System (the System) is responsible for managing the assets of the program.

Benefit Amounts

The LODA program death benefit is a one-time payment made to the beneficiary or beneficiaries of a covered individual. Amounts vary as follows: $100,000 when a death occurs as the direct or proximate result of performing duty as of January 1, 2006, or after; $25,000 when the cause of death is attributed to one of the applicable presumptions and occurred earlier than five years after the retirement date; or an additional $20,000 benefit is payable when certain members of the National Guard and U.S. military reserves are killed in action in any armed conflict on or after October 7, 2001.

The LODA program also provides health insurance benefits. Prior to July 1, 2017, these benefits were managed through the various employer plans and maintained the benefits that existed prior to the employee's death or disability. These premiums were reimbursed to the employer by the LODA program. Beginning July 1, 2017, the health insurance benefits are managed through the Virginia Department of Human Resource Management (DHRM). The health benefits are modeled after the State Employee Health Benefits Program plans and provide consistent, premium-free continued health plan coverage for LODA-eligible disabled individuals, survivors and family members. Individuals receiving the health insurance benefits must continue to meet eligibility requirements as defined by LODA.

Contributions

The contribution requirements for the LODA Program are governed by §9.1-400.1 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies by the Virginia General Assembly. Each employer's contractually required employer contribution rate for the LODA Program for the year ended June 30, 2021 was $717.31 per covered full-time-equivalent employee. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019 and represents the pay-as-you-go funding rate and not the full actuarial cost of the benefits under the program. The actuarially determined pay-as-you-go rate was expected to finance the costs and related expenses of benefits payable during the year. Contributions to the LODA Program from the entity were $62,585 and $60,520 for the years ended June 30, 2021 and June 30, 2020, respectively.

Note 12- Line of Duty Act (LODA) Program: (Continued)

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

At June 30, 2021, the entity reported a liability of $1,865,069 for its proportionate share of the Net LODA OPEB Liability. The Net LODA OPEB Liability was measured as of June 30, 2020 and the total LODA OPEB liability used to calculate the Net LODA OPEB Liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The entity's proportion of the Net LODA OPEB Liability was based on the entity's actuarially determined pay-as-you-go employer contributions to the LODA OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined pay-as-you-go employer contributions for all participating employers. At June 30, 2020, the entity's proportion was 0.4532% as compared to 0.4273% at June 30, 2019.

For the year ended June 30, 2021, the entity recognized LODA OPEB expense of $215,526. Since there was a change in proportionate share between measurement dates, a portion of the LODA OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the entity reported deferred outflows of resources and deferred inflows of resources related to the LODA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 197,981	$ 254,270
Net difference between projected and actual earnings on LODA OPEB plan investments	-	2,652
Change in assumptions	499,293	116,223
Change in proportion	313,515	-
Employer contributions subsequent to the measurement date	62,585	-
Total	$ 1,073,374	$ 373,145

Note 12- Line of Duty Act (LODA) Program: (Continued)

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

$62,585 reported as deferred outflows of resources related to the LODA OPEB resulting from the entity's contributions subsequent to the measurement date will be recognized as a reduction of the Net LODA OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the LODA OPEB will be recognized in LODA OPEB expense in future reporting periods as follows:

Year Ended June 30		
2022	$	88,477
2023		88,967
2024		89,490
2025		89,644
2026		89,807
Thereafter		191,259

Actuarial Assumptions

The total LODA OPEB liability was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. The assumptions include several employer groups. Salary increases and mortality rates included herein are for relevant employer groups. Information for other groups can be referenced in the VRS CAFR.

Inflation	2.50%
Salary increases, including inflation:	
Locality employees	N/A
Medical cost trend rates assumption:	
Under age 65	7.00%-4.75%
Ages 65 and older	5.375%-4.75%
Year of ultimate trend rate:	
Under age 65	Fiscal year ended 2028
Ages 65 and older	Fiscal year ended 2023
Investment rate of return	2.21%, including inflation*

Note 12- Line of Duty Act (LODA) Program: (Continued)

Actuarial Assumptions (Continued)

*Since LODA is funded on a current-disbursement basis, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return.

Mortality Rates – Non-Largest Ten Locality Employers with Public Safety Employees

Pre-Retirement:
RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year.

Post-Retirement:
RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.

Post-Disablement:
RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Note 12- Line of Duty Act (LODA) Program: (Continued)

Net LODA OPEB Liability

The net OPEB liability (NOL) for the LODA Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, NOL amounts for the LODA Program is as follows (amounts expressed in thousands):

	LODA Program
Total LODA OPEB Liability	$ 423,147
Plan Fiduciary Net Position	4,333
LODA Net OPEB Liability (Asset)	$ 418,814
Plan Fiduciary Net Position as a Percentage of the Total LODA OPEB Liability	1.02%

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

Long-Term Expected Rate of Return

The long-term expected rate of return on LODA OPEB Program's investments was set at 2.21% for this valuation. Since LODA is funded on a current-disbursement basis, it is not able to use the VRS Pooled Investments 6.75% assumption. Instead, the assumed annual rate of return of 2.21% was used since it approximates the risk-free rate of return. This Single Equivalent Interest Rate (SEIR) is the applicable municipal bond index rate based on the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date of June 30, 2020.

Discount Rate

The discount rate used to measure the total LODA OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made per the VRS Statutes and that they will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 2020, the rate contributed by participating employers to the LODA OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly.

Note 12- Line of Duty Act (LODA) Program: (Continued)

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Discount Rate

The following presents the covered employer's proportionate share of the net LODA OPEB liability using the discount rate of 2.21%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate:

	Discount Rate		
	1% Decrease (1.21%)	Current (2.21%)	1% Increase (3.21%)
City's proportionate share of the total LODA Net OPEB Liability	$ 2,213,812	$ 1,865,069	$ 1,603,194

Sensitivity of the Covered Employer's Proportionate Share of the Net LODA OPEB Liability to Changes in the Health Care Trend Rate

Because the LODA Program contains a provision for the payment of health insurance premiums, the liabilities are also impacted by the health care trend rates. The following presents the covered employer's proportionate share of the net LODA OPEB liability using the health care trend rate of 7.00% decreasing to 4.75%, as well as what the covered employer's proportionate share of the net LODA OPEB liability would be if it were calculated using a health care trend rate that is one percentage point lower (6.00% decreasing to 3.75%) or one percentage point higher (8.00% decreasing to 5.75%) than the current rate:

	Discount Rate		
	1% Decrease (1.21%)	Current (2.21%)	1% Increase (3.21%)
City's proportionate share of the total LODA Net OPEB Liability	$ 2,213,812	$ 1,865,069	$ 1,602,194

LODA OPEB Fiduciary Net Position

Detailed information about the Line of Duty Act Program Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (Annual Report). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Note 13-Aggregate OPEB Information:

The following is a summary of deferred outflows, deferred inflows, net OPEB liabilities, and OPEB expense for the year ended June 30, 2021.

	Primary Government			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:				
Group Life Insurance Plan	$ 221,749	$ 42,276	$ 923,534	$ 35,809
City Health Insurance Credit Plan	46,170	14,452	286,935	25,174
Line of Duty Act Program	1,073,374	373,145	1,865,069	215,526
City Stand-Alone Plan	115,266	2,984	646,559	55,738
Totals	$ 1,456,559	$ 432,857	$ 3,722,097	$ 332,247

Note 14-Unavailable/Deferred Revenue:

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

	Government-wide Statements	Balance Sheet
	Governmental Activities	Governmental Funds
Deferred/Unavailable revenue:		
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures	$ -	$ 378,347
Tax assessments due after June 30	3,394,464	3,394,464
Prepaid property tax revenues representing collections received for property taxes that are applicable to the subsequent budget year	256,902	256,902
Ambulance billings	-	11,209
Total unavailable/deferred revenue	$ 3,651,366	$ 4,040,922

Note 15-Unearned Revenue:

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Unearned revenue totaling $307,870 is comprised of the following:

Unearned revenue:		
Unspent Coronavirus Relief Funds received during the current fiscal year	$	169,151
Booth rentals and donations for the City's July 4th celebration received in advance of year end		34,000
Unspent Radford University contributions received during the current fiscal year for transit services		104,719
Total unearned revenue	$	307,870

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Note 16-Capital Assets:

Capital asset activity for the year ended June 30, 2021 was as follows:

Primary Government: (including internal service fund)

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 2,850,969	$ 80,000	$ -	$ 2,930,969
Construction in progress	966,529	7,665,355	-	8,631,884
Total capital assets not being depreciated	$ 3,817,498	$ 7,745,355	$ -	$ 11,562,853
Capital assets, being depreciated:				
Buildings and improvements	$ 38,336,380	$ 75,222	$ -	$ 38,411,602
Infrastructure	57,177,772	-	-	57,177,772
Machinery and equipment	15,731,566	1,092,586	-	16,824,152
Total capital assets being depreciated	$ 111,245,718	$ 1,167,808	$ -	$ 112,413,526
Accumulated depreciation:				
Buildings and improvements	$ (11,480,784)	$ (835,240)	$ -	$ (12,316,024)
Infrastructure	(35,311,526)	(906,939)	-	(36,218,465)
Machinery and equipment	(10,302,926)	(1,231,688)	-	(11,534,614)
Total accumulated depreciation	$ (57,095,236)	$ (2,973,867)	$ -	$ (60,069,103)
Total capital assets being depreciated, net	$ 54,150,482	$ (1,806,059)	$ -	$ 52,344,423
Governmental activities capital assets, net	$ 57,967,980	$ 5,939,296	$ -	$ 63,907,276

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Note 16-Capital Assets: (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 712,498	$ -	$ -	$ 712,498
Total capital assets not being depreciated	$ 712,498	$ -	$ -	$ 712,498
Capital assets, being depreciated:				
Buildings and structures	$ 605,390	$ 17,450	$ -	$ 622,840
Plant and infrastructure	50,400,560	80,357	-	50,480,917
Machinery and equipment	5,552,771	102,334	-	5,655,105
Total capital assets being depreciated	$ 56,558,721	$ 200,141	$ -	$ 56,758,862
Accumulated depreciation:				
Buildings and structures	$ (274,776)	$ (21,335)	$ -	$ (296,111)
Plant and infrastructure	(37,598,877)	(1,239,000)	-	(38,837,877)
Machinery and equipment	(4,163,408)	(290,684)	-	(4,454,092)
Total accumulated depreciation	$ (42,037,061)	$ (1,551,019)	$ -	$ (43,588,080)
Total capital assets being depreciated, net	$ 14,521,660	$ (1,350,878)	$ -	$ 13,170,782
Business-type activities capital assets, net	$ 15,234,158	$ (1,350,878)	$ -	$ 13,883,280

During the current year, the Solid Waste Fund transferred assets to the Electric Fund with a net book value of $0 (cost $103,540 and accumulated depreciation $103,540).

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Note 16-Capital Assets: (Continued)

Primary Government: (Continued)

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

Governmental activities:	
General government administration	$ 188,758
Judicial administration	9,776
Public safety	583,696
Public works	1,017,179
Health and welfare	21,678
Education	278,354
Parks, recreation, and cultural	333,567
Community Development	534,208
Internal service funds	6,651
Total depreciation expense-governmental activities	$ 2,973,867
Business type activities:	
Water and Sewer Fund	$ 752,636
Electric Fund	712,821
Solid Waste Fund	85,562
Total depreciation expense-business type activities	$ 1,551,019

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Note 17-Capital Leases:

The City has entered into lease agreements to finance the acquisition of a fire truck, three freightliners (Vactor and Refuse Trucks), and an ambulance. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments at the date of inception.

The cost and accumulated depreciation associated with the assets acquired through the capital leases are as follows:

	Fire Truck*	Refuse Truck	Ambulance**	Refuse Truck
Machinery & Equipment	$ 860,290	$ 177,962	$ 270,821	$ 185,817
Accumulated Depreciation	(116,339)	(63,725)	(142,162)	(27,338)
Total	$ 743,951	$ 114,237	$ 128,659	$ 158,479

*Total cost of the fire truck was $860,290. The amount financed through capital lease was $560,290.

**Total cost of the ambulance was $270,821. The amount financed through capital lease was $148,217.

Annual requirements to amortize lease agreements and related interest are as follows:

Fiscal Year Ended	Leases
2022	$ 184,615
2023	146,646
2024	146,646
2025	73,299
2026	73,299
2027	73,299
Total minimum lease payments	$ 697,804
Less: amount representing interest	(71,344)
Present value of minimum lease payments	$ 626,460

Note 18-Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates with other localities in a public entity risk pool for their coverage of general liability, property, auto insurance and workers compensation with the Virginia Municipal League. Each member of this risk pool jointly and severally agrees to assume, pay and discharge any liability. The City pays the Virginia Municipal League contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the pool, claims and awards are to be paid. In the event of a loss, deficit, or depletion of all available funds and/or excess insurance, the pool may assess all members in the proportion to which the premium of each bears to the total premiums of all members in the year in which such deficit occurs.

Note 19-Contingent Liabilities:

Federal programs in which the City and its component units participate were audited in accordance with the provisions of U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the Federal Government may subject grant programs to additional compliance tests, which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

Note 20-Surety Bonds:

Primary Government:

Fidelity & Deposit Company of Maryland-Surety:	
Ann Howard, Clerk of Circuit Court	$ 190,000
Janet H. Jones, Treasurer	500,000
Cathy Flinchum, Commissioner of Revenue	3,000
Mark Armentrout, Sheriff	30,000

Note 21-Commitments and Contingencies:

The City leases the Farmer's Market lot, which it uses to provide additional public parking downtown. The lease terms call for monthly payments of $3,500 with potential increases at every five-year renewal. The rental increases will be based on the consumer price index. The renewal terms will expire in 2022.

The City leases the old Hardee's lot across from the theater downtown, which it uses to provide additional public parking downtown. The lease terms call for an annual payments of $18,526 with potential increases each year. The rental increases will be based on the consumer price index. The City may renew the lease annually after the current lease expires.

Note 21-Commitments and Contingencies: (Continued)

The City leases the parking spaces on Main Street in front of the Norfolk Southern office, which it uses to provide additional public parking downtown. The lease terms call for monthly payments of $500 with potential increases each year. The rental increases will be based on the consumer price index. The City may renew the lease annually after the current lease expires.

The City has entered into a contract, in the amount of $515,153, with Whitman Requardt & Associates, LLP for preliminary engineering for the Tyler East Main Connecter Project. At June 30, 2021, the outstanding amount of the contract was $208,261.

Note 22-Arbitrage Rebate Compliance:

As of June 30, 2021, and for the year then ended, the City was not liable for any amounts due under current rules governing arbitrage earnings.

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Note 23-Nonspendable, Restricted, and Committed Balances:

	General Fund	Capital Projects Fund	Transit Fund	Grants Fund	Highway Maintenance Fund	Totals
Governmental Activities:						
Restricted:						
Hazmat operations	$ 73,224	$ -	$ -	$ -	$ -	$ 73,224
Fire donations	178,383	-	-	-	-	178,383
Police department	195,795	-	-	-	-	195,795
Four for life program	1,881	-	-	-	-	1,881
Fire programs	691,643	-	-	-	-	691,643
Recreation donations	18,348	-	-	-	-	18,348
Library donations	8,485	-	-	-	-	8,485
Courthouse maintenance	20,370	-	-	-	-	20,370
Law library	23,211	-	-	-	-	23,211
Beautification donations	25	-	-	-	-	25
Courtroom security	17,577	-	-	-	-	17,577
Inmate booking	16,982	-	-	-	-	16,982
Capital projects	-	46,344	-	-	-	46,344
Transit operations	-	-	12,263	-	-	12,263
Grants fund	-	-	-	-	-	-
Highway maintenance	-	-	-	-	1,176,220	1,176,220
Total restricted balances	$ 1,245,924	$ 46,344	$ 12,263	$ -	$ 1,176,220	$ 2,480,751
Fund Balances:						
Total restricted balances (above)	$ 1,245,924	$ 46,344	$ 12,263	$ -	$ 1,176,220	$ 2,480,751
Add: Debt funded restrictions	7,045,042	-	-	-	-	7,045,042
Total restricted fund balance	$ 8,290,966	$ 46,344	$ 12,263	$ -	$ 1,176,220	$ 9,525,793
Nonspendable:						
Prepaid items	$ 216,285		$ 470	$ 7,155	$ 19,403	$ 243,313
Total nonspendable balances	$ 216,285	$ -	$ 470	$ 7,155	$ 19,403	$ 243,313
Committed funds:						
Library fines/copier fees/donations	$ 124,202	$ -	$ -	$ -	$ -	$ 124,202
Project lifesaver	2,273	-	-	-	-	2,273
Volunteer service awards	94,905	-	-	-	-	94,905
DMV revenues	191,457	-	-	-	-	191,457
Life skills summer camp	2,950	-	-	-	-	2,950
Total committed balances	$ 415,787	$ -	$ -	$ -	$ -	$ 415,787

Note 24-Adoption of Accounting Principle:

The City implemented the financial reporting provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities,* during the fiscal year ended June 30, 2021. This Statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purpose and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

	Custodial Funds			
	Social Services	Cafeteria Plan	CSA Coordinator	Highlander Festival
Net Position, as previously reported	$ -	$ -	$ -	$ -
GASB 84 implementation	1,128	6,432	64,719	46,481
Net Position, as restated	$ 1,128	$ 6,432	$ 64,719	$ 46,481

Note 25-Litigation:

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

Note 26-COVID-19 Pandemic Subsequent Event:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the City, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the City is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2022.

CARES Act Funding

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

Each locality received its CRF allocations based on population in two equal payments, with the second and final round of funding being received during fiscal year 2021. The City received total CRF funding of $3,369,469. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. Unspent CRF funds in the amount of $169,151 are reported as unearned revenue as of June 30.

Note 26-COVID-19 Pandemic Subsequent Event: (Continued)

ARPA Funding

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

On July 12, 2021, the City received its share of the first half of the CSLFRF funds ($4,114,196). As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government.

Note 27-Upcoming Pronouncements:

Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, provides guidance for reporting capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

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

Statement No. 92, *Omnibus 2020*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2020 to periods beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021.

Note 27-Upcoming Pronouncements: (Continued)

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

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

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement. No 32,* (1) increases consistency and comparability related to reporting of fiduciary component units in certain circumstances; (2) mitigates costs associated with the reporting of certain plans as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans. The effective dates differ based on the requirements of the Statement, ranging from June 2020 to reporting periods beginning after June 15, 2021.

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

Required Supplementary Information

Exhibit 12

City of Radford, Virginia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
General property taxes	$ 9,029,252	$ 9,029,252	$ 9,093,682	$ 64,430
Other local taxes	3,877,837	3,877,837	4,390,012	512,175
Permits, privilege fees, and regulatory licenses	352,170	378,915	88,871	(290,044)
Fines and forfeitures	166,100	166,100	133,220	(32,880)
Revenue from the use of money and property	196,164	196,164	174,092	(22,072)
Charges for services	952,230	952,230	687,914	(264,316)
Miscellaneous	2,376,515	2,383,128	1,973,168	(409,960)
Recovered costs	2,000	2,000	7,417	5,417
Intergovernmental	5,770,408	11,280,634	8,422,778	(2,857,856)
Total revenues	$ 22,722,676	$ 28,266,260	$ 24,971,154	$ (3,295,106)
EXPENDITURES				
Current:				
General government administration	$ 3,022,798	$ 3,517,497	$ 3,320,813	$ 196,684
Judicial administration	1,405,747	1,424,201	1,382,662	41,539
Public safety	8,016,467	9,265,786	9,148,610	117,176
Public works	653,217	719,422	637,813	81,609
Health and welfare	3,122,069	8,907,783	4,655,074	4,252,709
Education	6,117,294	12,502,814	12,502,814	-
Parks, recreation, and cultural	2,135,287	2,191,263	2,089,532	101,731
Community development	483,044	884,448	869,164	15,284
Debt service:				
Principal retirement	886,140	886,140	885,728	412
Interest and other fiscal charges	736,264	736,264	729,859	6,405
Bond issuance costs	-	151,309	151,309	-
Total expenditures	$ 26,578,327	$ 41,186,927	$ 36,373,378	$ 4,813,549
Excess (deficiency) of revenues over (under) expenditures	$ (3,855,651)	$ (12,920,667)	$ (11,402,224)	$ 1,518,443
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 4,079,599	$ 4,280,469	$ 3,163,477	$ (1,116,992)
Transfers out	(223,948)	(269,511)	(1,957,052)	(1,687,541)
Issuance of refunding bond	-	-	1,475,434	1,475,434
Issuance of bond	-	14,510,000	13,695,472	(814,528)
Premium on bond issuance	-	-	1,514,055	1,514,055
Debt service - principal (current refunding)	-	-	(1,467,970)	(1,467,970)
Sale of capital assets	-	-	46,096	46,096
Total other financing sources (uses)	$ 3,855,651	$ 18,520,958	$ 16,469,512	$ (2,051,446)
Net change in fund balances	$ -	$ 5,600,291	$ 5,067,288	$ (533,003)
Fund balances - beginning	-	169,252	3,944,210	3,774,958
Fund balances - ending	$ -	$ 5,769,543	$ 9,011,498	$ 3,241,955

Note: GAAP serves as the budgetary basis of accounting

Exhibit 13

City of Radford, Virginia
Transit Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services	$ 30,000	$ 30,000	$ 4,262	$ (25,738)
Miscellaneous	778,143	778,143	4,720	(773,423)
Intergovernmental	1,970,890	1,970,890	1,679,384	(291,506)
Total revenues	$ 2,779,033	$ 2,779,033	$ 1,688,366	$ (1,090,667)
EXPENDITURES				
Current:				
Community development	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Total expenditures	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Excess (deficiency) of revenues over (under) expenditures	$ (223,948)	$ (223,948)	$ 10,131	$ 234,079
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 223,948	$ 223,948	$ 2,602	$ (221,346)
Total other financing sources (uses)	$ 223,948	$ 223,948	$ 2,602	$ (221,346)
Net change in fund balances	$ -	$ -	$ 12,733	$ 12,733
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ 12,733	$ 12,733

Note: GAAP serves as the budgetary basis of accounting

Exhibit 14

City of Radford, Virginia
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Grants Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Miscellaneous	$ (3,023)	$ -	$ 2,496	$ 2,496
Intergovernmental	892,776	1,476,099	975,948	(500,151)
Total revenues	$ 889,753	$ 1,476,099	$ 978,444	$ (497,655)
EXPENDITURES				
Current:				
General government administration	$ 54,933	$ 54,933	$ 37,555	$ 17,378
Public safety	226,671	821,211	742,214	78,997
Public works	1,886	7,494	4,314	3,180
Health and welfare	114,890	117,913	21,832	96,081
Community development	291,273	419,721	214,601	205,120
Debt service:				
Principal retirement	74,999	74,999	-	74,999
Interest and other fiscal charges	3,718	3,718	-	3,718
Total expenditures	$ 768,370	$ 1,499,989	$ 1,020,516	$ 479,473
Excess (deficiency) of revenues over (under) expenditures	$ 121,383	$ (23,890)	$ (42,072)	$ (18,182)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 1,201	$ 46,764	$ 49,475	$ 2,711
Transfers out	-	-	(248)	(248)
Total other financing sources (uses)	$ 1,201	$ 46,764	$ 49,227	$ 2,463
Net change in fund balances	$ 122,584	$ 22,874	$ 7,155	$ (15,719)
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ 122,584	$ 22,874	$ 7,155	$ (15,719)

Exhibit 15

City of Radford, Virginia
Highway Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Highway Maintenance Fund			
	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Revenue from the use of money and property	$ 4,285	$ 4,285	$ 292	$ (3,993)
Charges for services	26,360	26,360	21,459	(4,901)
Intergovernmental	2,475,308	2,475,308	2,314,055	(161,253)
Total revenues	$ 2,505,953	$ 2,505,953	$ 2,335,806	$ (170,147)
EXPENDITURES				
Current:				
Public works	$ 2,505,953	$ 2,724,731	$ 2,621,865	$ 102,866
Total expenditures	$ 2,505,953	$ 2,724,731	$ 2,621,865	$ 102,866
Excess (deficiency) of revenues over (under) expenditures	$ -	$ (218,778)	$ (286,059)	$ (67,281)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ 126,356	$ 853,537	$ 727,181
Transfers out	-	-	(538,211)	(538,211)
Total other financing sources (uses)	$ -	$ 126,356	$ 315,326	$ 188,970
Net change in fund balances	$ -	$ (92,422)	$ 29,267	$ 121,689
Fund balances - beginning	-	92,422	1,166,356	1,073,934
Fund balances - ending	$ -	$ -	$ 1,195,623	$ 1,195,623

Exhibit 16

City of Radford, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Pension Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Service cost	$ 1,259,085	$ 1,149,164	$ 1,111,924	$ 1,140,820	$ 1,112,449	$ 1,082,227	$ 1,057,024
Interest	3,826,770	3,709,097	3,551,884	3,491,733	3,369,524	3,259,677	3,126,776
Differences between expected and actual experience	1,228,990	(180,931)	310,563	(910,650)	(415,942)	(456,628)	-
Changes of assumptions	-	1,677,257	-	(262,692)	-	-	-
Benefit payments	(2,587,205)	(2,710,381)	(2,746,564)	(2,453,274)	(2,187,086)	(2,444,989)	(2,125,449)
Net change in total pension liability	$ 3,727,640	$ 3,644,206	$ 2,227,807	$ 1,005,937	$ 1,878,945	$ 1,440,287	$ 2,058,351
Total pension liability - beginning	57,986,493	54,342,287	52,114,480	51,108,543	49,229,598	47,789,311	45,730,960
Total pension liability - ending (a)	$ 61,714,133	$ 57,986,493	$ 54,342,287	$ 52,114,480	$ 51,108,543	$ 49,229,598	$ 47,789,311
Plan fiduciary net position							
Contributions - employer	$ 1,151,134	$ 1,071,431	$ 1,085,616	$ 1,071,626	$ 1,290,099	$ 1,273,773	$ 1,241,514
Contributions - employee	558,382	509,906	495,989	491,663	489,552	501,462	470,159
Net investment income	952,066	3,165,741	3,372,254	5,045,500	718,623	1,841,013	5,535,488
Benefit payments	(2,587,205)	(2,710,381)	(2,746,564)	(2,453,274)	(2,187,086)	(2,444,989)	(2,125,449)
Administrative charges	(32,468)	(31,870)	(29,491)	(29,413)	(25,675)	(25,469)	(29,889)
Other	(1,129)	(1,997)	(2,980)	(4,480)	(305)	(386)	291
Net change in plan fiduciary net position	$ 40,780	$ 2,002,830	$ 2,174,824	$ 4,121,622	$ 285,208	$ 1,145,404	$ 5,092,114
Plan fiduciary net position - beginning	50,022,777	48,019,947	45,845,123	41,723,501	41,438,293	40,292,889	35,200,775
Plan fiduciary net position - ending (b)	$ 50,063,557	$ 50,022,777	$ 48,019,947	$ 45,845,123	$ 41,723,501	$ 41,438,293	$ 40,292,889
Political subdivision's net pension liability - ending (a) - (b)	$ 11,650,576	$ 7,963,716	$ 6,322,340	$ 6,269,357	$ 9,385,042	$ 7,791,305	$ 7,496,422
Plan fiduciary net position as a percentage of the total pension liability	81.12%	86.27%	88.37%	87.97%	81.64%	84.17%	84.31%
Covered payroll	$ 11,386,036	$ 10,508,773	$ 10,152,490	$ 9,977,378	$ 9,926,444	$ 9,743,411	$ 9,405,837
Political subdivision's net pension liability as a percentage of covered payroll	102.32%	75.78%	62.27%	62.84%	94.55%	79.96%	79.70%

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

Exhibit 17

City of Radford, Virginia
Schedule of Employer Contributions
Pension Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 1,376,859	$ 1,376,859	$ -	$ 11,883,197	11.59%
2020	1,151,134	1,151,134	-	11,386,036	10.11%
2019	1,071,431	1,071,431	-	10,508,773	10.20%
2018	1,085,616	1,085,616	-	10,152,490	10.69%
2017	1,071,626	1,071,626	-	9,977,378	10.74%
2016	1,290,099	1,290,099	-	9,926,444	13.00%
2015	1,273,773	1,273,773	-	9,743,411	13.07%
2014	1,241,514	1,241,514	-	9,405,837	13.20%
2013	1,194,706	1,194,706	-	9,043,955	13.21%
2012	769,538	769,538	-	8,410,248	9.15%

Current year contributions are from City records and prior year contributions are from the VRS actuarial valuation performed each year.

City of Radford, Virginia
Notes to Required Supplementary Information
Pension Plan
For the Year Ended June 30, 2021

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

All Others (Non 10 Largest) – Hazardous Duty:

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Exhibit 19

City of Radford, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Health Insurance
For the Measurement Dates of June 30, 2018 through June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 20,566	$ 15,182	$ 10,686	$ 8,045
Interest	14,773	21,523	31,252	34,981
Differences between expected and actual experience	(1,512)	-	(2,691)	34,835
Changes in assumptions and other inputs	52,025	43,072	61,506	40,431
Benefit payments	(77,051)	(82,853)	(69,889)	-
Net change in total OPEB liability	$ 8,801	$ (3,076)	$ 30,864	$ 118,292
Total OPEB liability - beginning	637,758	640,834	609,970	491,678
Total OPEB liability - ending	$ 646,559	$ 637,758	$ 640,834	$ 609,970
Covered-employee payroll	$ N/A	$ N/A	$ N/A	$ N/A
City's total OPEB liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A

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

City of Radford, Virginia
Notes to Required Supplementary Information
Health Insurance
For the Year Ended June 30, 2021

Valuation Date: 7/1/2020
Measurement Date: 6/30/2021

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

Methods and assumptions used to determine OPEB liability:

Actuarial Cost Method	Entry age normal level % of salary
Discount Rate	2.16%
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 7.00%, grading down 0.50% per annum to an ultimate rate of 5.00% in years 2027 or later.
Salary Increase Rates	2.00%
Retirement Age	The average age at retirement is 65
Mortality Rates	The mortality rates were calculated using the SOA RPH-2014 total dataset headcount-weighted table adjusted to 2006 and then projected generationally using projection scale MP-2020.

Exhibit 21

City of Radford, Virginia
Schedule of City's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net GLI OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total GLI OPEB Liability (6)
2020	0.05534%	$ 923,534	$ 11,410,893	8.09%	52.64%
2019	0.05371%	874,005	10,528,044	8.30%	52.00%
2018	0.05339%	811,000	10,152,490	7.99%	51.22%
2017	0.05424%	816,000	9,977,378	8.18%	48.86%

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

Exhibit 22

City of Radford, Virginia
Schedule of Employer Contributions
Group Life Insurance (GLI) Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 64,319	$ 64,319	$ -	$ 11,908,911	0.54%
2020	59,222	59,222	-	11,410,893	0.52%
2019	54,748	54,748	-	10,528,044	0.52%
2018	52,746	52,746	-	10,152,490	0.52%
2017	52,022	52,022	-	9,977,378	0.52%
2016	47,731	47,731	-	9,926,444	0.48%
2015	46,846	46,846	-	9,743,411	0.48%
2014	45,180	45,180	-	9,405,837	0.48%
2013	43,593	43,593	-	9,043,955	0.48%
2012	23,576	23,576	-	8,410,248	0.28%

City of Radford, Virginia
Notes to Required Supplementary Information
Group Life Insurance (GLI) Plan
For the Year Ended June 30, 2021

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Exhibit 24

City of Radford, Virginia
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through June 30, 2020

	2020	2019	2018	2017
Total HIC OPEB Liability				
Service cost	$ 8,356	$ 8,047	$ 7,000	$ 8,000
Interest	32,487	32,809	33,000	33,000
Differences between expected and actual experience	(5,801)	(2,990)	(7,000)	-
Changes of assumptions	-	11,232	-	(9,000)
Benefit payments	(38,122)	(34,904)	(39,000)	(29,000)
Other changes	-	150	(1,000)	-
Net change in total HIC OPEB liability	$ (3,080)	$ 14,344	$ (7,000)	$ 3,000
Total HIC OPEB Liability - beginning	500,344	486,000	493,000	490,000
Total HIC OPEB Liability - ending (a)	$ 497,264	$ 500,344	$ 486,000	$ 493,000
Plan fiduciary net position				
Contributions - employer	$ 29,925	$ 27,628	$ 24,000	$ 24,000
Net investment income	4,218	13,074	15,000	22,000
Benefit payments	(38,122)	(34,904)	(39,000)	(29,000)
Administrative charges	(397)	(285)	-	-
Other	(2)	194	(3,000)	1,000
Net change in plan fiduciary net position	$ (4,378)	$ 5,707	$ (3,000)	$ 18,000
Plan fiduciary net position - beginning	214,707	209,000	212,000	194,000
Plan fiduciary net position - ending (b)	$ 210,329	$ 214,707	$ 209,000	$ 212,000
City's net HIC OPEB liability - ending (a) - (b)	$ 286,935	$ 285,637	$ 277,000	$ 281,000
Plan fiduciary net position as a percentage of the total HIC OPEB liability	42.30%	42.91%	43.00%	43.00%
Covered payroll	$ 9,087,773	$ 8,371,558	$ 10,152,490	$ 9,977,378
City's net HIC OPEB liability as a percentage of covered payroll	3.16%	3.41%	2.73%	2.82%

Schedule is intended to show information for 10 years. Information prior to the 2018 valuation is not available. However, additional years will be included as they become available.

Exhibit 25

City of Radford, Virginia
Schedule of Employer Contributions
Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
2021	$ 31,607	$ 31,607	$ -	$ 9,574,767	0.33%
2020	29,925	29,925	-	9,087,773	0.33%
2019	27,628	27,628	-	8,371,558	0.33%
2018	24,384	24,384	-	10,152,490	0.24%
2017	24,001	24,001	-	9,977,378	0.24%
2016	25,013	25,013	-	9,926,444	0.25%
2015	25,003	25,003	-	9,743,411	0.26%
2014	22,715	22,715	-	9,405,837	0.24%
2013	26,255	26,255	-	9,043,955	0.29%
2012	23,584	23,584	-	8,410,248	0.28%

City of Radford, Virginia
Notes to Required Supplementary Information
Health Insurance Credit (HIC) Plan
For the Year Ended June 30, 2021

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 though June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest Ten Locality Employers - General Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 15.00%
Discount Rate	Decreased rate from 7.00% to 6.75%

Non-Largest Ten Locality Employers - Hazardous Duty Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

Exhibit 27

City of Radford, Virginia
Schedule of Employer's Share of Net LODA OPEB Liability
Line of Duty Act (LODA) Program
For the Measurement Dates of June 30, 2017 through June 30, 2020

Date (1)	Employer's Proportion of the Net LODA OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) (3)	Covered-Employee Payroll * (4)	Employer's Proportionate Share of the Net LODA OPEB Liability (Asset) as a Percentage of its Covered-Employee Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total LODA OPEB Liability (6)
2020	0.4532%	$ 1,865,069	$ 4,088,305	2.63%	1.02%
2019	0.4273%	1,532,950	3,848,220	2.63%	0.79%
2018	0.3383%	1,061,000	3,335,618	2.63%	1.30%
2017	0.3341%	877,000	2,935,412	2.63%	1.30%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of the employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

Schedule is intended to show information for 10 years. Since 2018 is the first year for this presentation, only one year of data is available. However, additional years will be included as they become available.

Exhibit 28

City of Radford, Virginia
Schedule of Employer Contributions
Line of Duty Act Program (LODA)
For the Years Ended June 30, 2017 through June 30, 2021

Date	Contractually Required Contribution (1)	Contributions in Relation to Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)	Covered-Employee Payroll * (4)	Contributions as a % of Covered - Employee Payroll (5)
2021	$ 62,585	$ 62,585	$ -	$ 4,141,216	1.51%
2020	60,520	60,520	-	4,088,305	1.48%
2019	57,344	57,344	-	3,848,220	1.49%
2018	36,028	36,028	-	3,335,618	1.08%
2017	36,028	36,028	-	2,935,412	1.23%

* The contributions for the Line of Duty Act Program are based on the number of participants in the Program using a per capita-based contribution versus a payroll-based contribution. Therefore, covered-employee payroll is the relevant measurement, which is the total payroll of employees in the OPEB plan. However, when volunteers and part-time employees make up a significant percentage of the employer's members in the plan, the employer may determine that covered-employee payroll is misleading and, therefore, not applicable for disclosure.

FY 2011 was the first year for the Line of Duty Act Program (LODA). Information is only available for years after FY 2017. However, additional years will be included as they become available.

City of Radford, Virginia
Notes to Required Supplementary Information
Line of Duty Act (LODA) Program
For the Year Ended June 30, 2021

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

Changes of assumptions – The actuarial assumptions used in the June 30, 2019 valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Employees in the Non-Largest Ten Locality Employers with Public Safety Employees

Mortality Rates (pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60.00% to 45.00%

Other Supplementary Information

Exhibit 30

City of Radford, Virginia
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 319,711	$ 132,585	$ (187,126)
Total revenues	$ -	$ 319,711	$ 132,585	$ (187,126)
EXPENDITURES				
Capital projects	$ (233,470)	$ 86,241	$ 86,241	$ -
Total expenditures	$ (233,470)	$ 86,241	$ 86,241	$ -
Excess (deficiency) of revenues over (under) expenditures	$ 233,470	$ 233,470	$ 46,344	$ (187,126)
OTHER FINANCING SOURCES (USES)				
Transfers in	$ -	$ -	$ 317,440	$ 317,440
Transfers out	-	-	(317,440)	(317,440)
Total other financing sources (uses)	$ -	$ -	$ -	$ -
Net change in fund balances	$ 233,470	$ 233,470	$ 46,344	$ (187,126)
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ 233,470	$ 233,470	$ 46,344	$ (187,126)

FIDUCIARY FUNDS – CUSTODIAL FUNDS

Custodial Funds – The City acts as an agent for the Social Service and CSA Coordinator Fund of the City of Radford Social Services Department. The City also acts as the fiscal agent for the Highlander Festival organizers and Cafeteria Plan Fund.

Exhibit 31

City of Radford, Virginia
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds				
	Social Services	Cafeteria Plan	CSA Coordinator	Highlander Festival	Total
ASSETS					
Cash and cash equivalents	$ 2,868	$ 8,645	$ 64,719	$ 55,481	$ 131,713
Total assets	$ 2,868	$ 8,645	$ 64,719	$ 55,481	$ 131,713
FUND BALANCE					
Restricted					
Held for social services clients	$ 2,868	$ -	$ -	$ -	$ 2,868
Held for employees	-	8,645	-	-	8,645
Held for CSA program	-	-	64,719	-	64,719
Held for Highlander Festival	-	-	-	55,481	55,481
Total fund balances	$ 2,868	$ 8,645	$ 64,719	$ 55,481	$ 131,713

Exhibit 32

City of Radford, Virginia
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds				
	Social Services	Cafeteria Plan	CSA Coordinator	Highlander Festival	Total
ADDITIONS					
Gifts and donations	$ 3,803	$ -	$ -	$ -	$ 3,803
Payments from employees	-	33,879	-	-	33,879
Contribution from the City of Radford	-	-	-	9,000	9,000
Total additions	$ 3,803	$ 33,879	$ -	$ 9,000	$ 46,682
DEDUCTIONS					
Special welfare payments	$ 2,063	$ -	$ -	$ -	$ 2,063
Payments for employees	-	31,666	-	-	31,666
Total deductions	$ 2,063	$ 31,666	$ -	$ -	$ 33,729
Net increase (decrease) in fiduciary net position	$ 1,740	$ 2,213	$ -	$ 9,000	$ 12,953
Total net position, beginning of year, as restated	1,128	6,432	64,719	46,481	118,760
Total net position, end of year	$ 2,868	$ 8,645	$ 64,719	$ 55,481	$ 131,713

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	$ 7,300,000	$ 7,300,000	$ 7,280,135	$ (19,865)
Real and personal public service corporation taxes	260,000	260,000	213,199	(46,801)
Personal property taxes	880,000	880,000	938,764	58,764
Mobile home taxes	3,152	3,152	2,644	(508)
Machinery and tools taxes	276,000	276,000	316,828	40,828
Furniture and fixtures	230,000	230,000	237,896	7,896
Penalties and interest	80,100	80,100	104,216	24,116
Total general property taxes	$ 9,029,252	$ 9,029,252	$ 9,093,682	$ 64,430
Other local taxes:				
Local sales and use taxes	$ 1,050,750	$ 1,050,750	$ 1,329,272	$ 278,522
Consumers' utility taxes	595,084	595,084	547,405	(47,679)
Tobacco tax	64,000	64,000	43,532	(20,468)
Business license taxes	450,000	450,000	461,847	11,847
Franchise license tax	40,000	40,000	31,758	(8,242)
Motor vehicle licenses	200,000	200,000	202,035	2,035
Bank stock taxes	250,000	250,000	243,577	(6,423)
Taxes on recordation and wills	130,000	130,000	226,469	96,469
Hotel and motel room taxes	148,003	148,003	169,982	21,979
Restaurant food taxes	950,000	950,000	1,134,135	184,135
Total other local taxes	$ 3,877,837	$ 3,877,837	$ 4,390,012	$ 512,175
Permits, privilege fees, and regulatory licenses:				
Animal licenses	$ 3,500	$ 3,500	$ 3,237	$ (263)
Transfer fees	270	270	374	104
Zoning fees	1,200	1,200	2,000	800
Small cell tower fees	-	-	4,730	4,730
Storm water impact fees	300,000	300,000	-	(300,000)
Permits and other licenses	47,200	73,945	78,530	4,585
Total permits, privilege fees, and regulatory licenses	$ 352,170	$ 378,915	$ 88,871	$ (290,044)
Fines and forfeitures:				
Court fines and forfeitures	$ 166,100	$ 166,100	$ 133,220	$ (32,880)
Total fines and forfeitures	$ 166,100	$ 166,100	$ 133,220	$ (32,880)
Revenue from use of money and property:				
Revenue from use of money	$ 23,000	$ 23,000	$ 2,149	$ (20,851)
Revenue from use of property	173,164	173,164	171,943	(1,221)
Total revenue from use of money and property	$ 196,164	$ 196,164	$ 174,092	$ (22,072)

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Charges for services:				
Charges for law enforcement and traffic control	$ 21,680	$ 21,680	$ 4,099	$ (17,581)
Charges for courthouse maintenance	-	-	2,075	2,075
Charges for courtroom security	-	-	18,023	18,023
Charges for collection fees	56,000	56,000	48,366	(7,634)
Miscellaneous jail and inmate fees	8,000	8,000	6,547	(1,453)
Charges for Commonwealth's Attorney	3,000	3,000	2,493	(507)
Charges for rescue services	665,000	665,000	482,490	(182,510)
Animal protection services	3,000	3,000	2,652	(348)
Charges for parks and recreation	111,550	111,550	26,248	(85,302)
Charges for DMV registrations	46,000	46,000	76,902	30,902
Other charges for services	29,000	29,000	11,743	(17,257)
Charges for law library	-	-	2,333	2,333
Charges for library	9,000	9,000	3,943	(5,057)
Total charges for services	$ 952,230	$ 952,230	$ 687,914	$ (264,316)
Miscellaneous:				
Miscellaneous	$ 44,200	$ 48,200	$ 23,391	$ (24,809)
Revenue sharing payments - Montgomery	180,000	180,000	175,021	(4,979)
Revenue sharing payments - Pulaski	150,000	150,000	222,912	72,912
Gifts and donations	81,000	83,613	95,297	11,684
Payments in lieu of taxes	1,921,315	1,921,315	1,456,547	(464,768)
Total miscellaneous	$ 2,376,515	$ 2,383,128	$ 1,973,168	$ (409,960)
Recovered costs:				
Insurance recoveries	$ 2,000	$ 2,000	$ 7,417	$ 5,417
Total recovered costs	$ 2,000	$ 2,000	$ 7,417	$ 5,417
Total revenue from local sources	$ 16,952,268	$ 16,985,626	$ 16,548,376	$ (437,250)
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Rolling stock tax	$ 24,000	$ 24,000	$ 22,808	$ (1,192)
Mobile home titling tax	1,500	1,500	1,630	130
Motor vehicle rental tax	70,000	70,000	49,443	(20,557)
Communications tax	699,000	699,000	549,347	(149,653)
State tax on deeds	25,000	25,000	-	(25,000)
Game of skills	-	-	12,240	12,240
Personal property tax relief funds	625,657	625,657	625,657	-
Total noncategorical aid	$ 1,445,157	$ 1,445,157	$ 1,261,125	$ (184,032)

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	$ 268,335	$ 268,335	$ 277,801	$ 9,466
Sheriff	312,598	312,598	316,081	3,483
Commissioner of revenue	101,464	101,464	97,477	(3,987)
Treasurer	93,896	93,896	89,460	(4,436)
Registrar/electoral board	43,110	43,110	39,383	(3,727)
Clerk of the Circuit Court	204,000	204,000	204,151	151
Total shared expenses	$ 1,023,403	$ 1,023,403	$ 1,024,353	$ 950
Other categorical aid:				
Public assistance and welfare administration	$ 902,380	$ 902,380	$ 651,843	$ (250,537)
Comprehensive services act	600,000	600,000	978,571	378,571
Assistance to local police departments	501,832	501,832	521,404	19,572
VHDA funds	38,500	38,500	47,933	9,433
Virginia Juvenile Community Crime Control Act funds	10,200	10,200	10,199	(1)
Library grant	148,633	167,120	168,341	1,221
Wireless E-911 payment state grant	52,500	52,500	58,691	6,191
Spay and Neuter Grant	10	10	-	(10)
Fire program	56,793	56,793	62,531	5,738
Total other categorical aid	$ 2,310,848	$ 2,329,335	$ 2,499,513	$ 170,178
Total categorical aid	$ 3,334,251	$ 3,352,738	$ 3,523,866	$ 171,128
Total revenue from the Commonwealth	$ 4,779,408	$ 4,797,895	$ 4,784,991	$ (12,904)
Revenue from the federal government:				
Categorical aid:				
Public assistance and welfare administration	$ 991,000	$ 991,000	$ 1,167,030	$ 176,030
Coronavirus relief fund	-	1,377,543	2,470,757	1,093,214
American Rescue Plan Act	-	4,114,196	-	(4,114,196)
Total categorical aid	$ 991,000	$ 6,482,739	$ 3,637,787	$ (2,844,952)
Total revenue from the federal government	$ 991,000	$ 6,482,739	$ 3,637,787	$ (2,844,952)
Total General Fund	$ 22,722,676	$ 28,266,260	$ 24,971,154	$ (3,295,106)
Special Revenue Funds:				
Transit Fund				
Revenue from local sources:				
Charges for services:				
Fares	$ 20,000	$ 20,000	$ 160	$ (19,840)
Advertising fees	10,000	10,000	4,102	(5,898)
Total charges for services	$ 30,000	$ 30,000	$ 4,262	$ (25,738)

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Transit Fund (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Contributions from Radford University	$ 778,143	$ 778,143	$ 4,720	$ (773,423)
Total miscellaneous	$ 778,143	$ 778,143	$ 4,720	$ (773,423)
Total revenue from local sources	$ 808,143	$ 808,143	$ 8,982	$ (799,161)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
State transit funds	$ 633,757	$ 633,757	$ 393,928	$ (239,829)
Total categorical aid	$ 633,757	$ 633,757	$ 393,928	$ (239,829)
Total revenue from the Commonwealth	$ 633,757	$ 633,757	$ 393,928	$ (239,829)
Revenue from the federal government:				
Categorical aid:				
Formula grants for other than urbanized areas	$ 1,337,133	$ 1,337,133	$ 1,285,456	$ (51,677)
Total categorical aid	$ 1,337,133	$ 1,337,133	$ 1,285,456	$ (51,677)
Total revenue from the federal government	$ 1,337,133	$ 1,337,133	$ 1,285,456	$ (51,677)
Total Transit Fund	$ 2,779,033	$ 2,779,033	$ 1,688,366	$ (1,090,667)
Grants Fund:				
Revenue from local sources:				
Miscellaneous:				
Other miscellaneous	$ (3,023)	$ -	$ 2,496	$ 2,496
Total miscellaneous	$ (3,023)	$ -	$ 2,496	$ 2,496
Total revenue from local sources	$ (3,023)	$ -	$ 2,496	$ 2,496
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Crime victim assistance	$ 1,121	$ 33,474	$ 32,353	$ (1,121)
Litter control	1,887	7,495	5,608	(1,887)
Virginia tourism	10,000	30,000	10,000	(20,000)
Wireless E-911 Funding	20,850	20,850	-	(20,850)
Law enforcement grants	25,551	25,551	25,551	-
Crisis intervention team grant	12,146	423,090	429,397	6,307
Extreme recruiter grant	96,164	96,164	-	(96,164)
Commission for the arts grant	3,825	3,825	-	(3,825)
VHDA rental assistance	15,900	15,900	12,000	(3,900)
RSAF grant	10,000	10,000	10,367	367

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Grants Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
School resource officer grant	$ 100,008	$ 100,008	$ 91,270	$ (8,738)
DHCD grant	690	690	690	-
Total categorical aid	$ 298,142	$ 767,047	$ 617,236	$ (149,811)
Total revenue from the Commonwealth	$ 298,142	$ 767,047	$ 617,236	$ (149,811)
Revenue from the federal government:				
Categorical aid:				
HUD entitlement grants	$ 465,833	$ 465,833	$ 183,911	$ (281,922)
State and community highway safety	13,673	28,023	4,395	(23,628)
Crime victim assistance grant	3,362	103,430	97,057	(6,373)
DCJS local LE block grant	49,333	49,333	28,333	(21,000)
Emergency management assistance	7,500	7,500	7,461	(39)
HAVA CARES grant	54,933	54,933	37,555	(17,378)
Total categorical aid	$ 594,634	$ 709,052	$ 358,712	$ (350,340)
Total revenue from the federal government	$ 594,634	$ 709,052	$ 358,712	$ (350,340)
Total Grants Fund	$ 889,753	$ 1,476,099	$ 978,444	$ (497,655)
Highway Maintenance Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of money	$ 4,285	$ 4,285	$ 292	$ (3,993)
Total revenue from use of money and property	$ 4,285	$ 4,285	$ 292	$ (3,993)
Charges for services:				
Right of way fees	$ 26,360	$ 26,360	$ 21,459	$ (4,901)
Total charges for services	$ 26,360	$ 26,360	$ 21,459	$ (4,901)
Total revenue from local sources	$ 30,645	$ 30,645	$ 21,751	$ (8,894)
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Highway maintenance funds	$ 2,475,308	$ 2,475,308	$ 2,314,055	$ (161,253)
Total categorical aid	$ 2,475,308	$ 2,475,308	$ 2,314,055	$ (161,253)
Total revenue from the Commonwealth	$ 2,475,308	$ 2,475,308	$ 2,314,055	$ (161,253)
Total Highway Maintenance Fund	$ 2,505,953	$ 2,505,953	$ 2,335,806	$ (170,147)

City of Radford, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Major and Minor Revenue Source	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Capital Projects Fund:				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
VDOT Grants	$ -	$ 26,517	$ 26,517	$ -
Total categorical aid	$ -	$ 26,517	$ 26,517	$ -
Total revenue from the Commonwealth	$ -	$ 26,517	$ 26,517	$ -
Revenue from the federal government:				
Categorical aid:				
VDOT Grants	$ -	$ 293,194	$ 106,068	$ (187,126)
Total categorical aid	$ -	$ 293,194	$ 106,068	$ (187,126)
Total revenue from the federal government	$ -	$ 293,194	$ 106,068	$ (187,126)
Total City Capital Projects Fund	$ -	$ 319,711	$ 132,585	$ (187,126)
Total Primary Government	$ 28,897,415	$ 35,347,056	$ 30,106,355	$ (5,240,701)

City of Radford, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund:				
General government administration:				
Legislative:				
City Council	$ 46,620	$ 46,877	$ 46,877	$ -
Total legislative	$ 46,620	$ 46,877	$ 46,877	$ -
General and financial administration:				
City Clerk	$ 18,048	$ 19,474	$ 19,473	$ 1
City Manager	447,814	472,653	472,653	-
Commissioner of revenue	227,623	235,292	235,292	-
Assessor	3,597	3,597	3,229	368
Billing and service	302,128	395,676	395,676	-
Treasurer	503,179	528,967	515,487	13,480
Legal services	120,000	134,535	134,535	-
Human resources	212,969	212,969	177,564	35,405
Independent auditor	47,350	47,350	47,350	-
Information technology	605,722	716,144	635,933	80,211
Finance	352,983	352,983	285,764	67,219
Pandemic response	-	203,309	203,309	-
Total general and financial administration	$ 2,841,413	$ 3,322,949	$ 3,126,265	$ 196,684
Board of elections:				
Electoral board and officials	$ 28,814	$ 29,029	$ 29,029	$ -
Registrar	105,951	118,642	118,642	-
Total board of elections	$ 134,765	$ 147,671	$ 147,671	$ -
Total general government administration	$ 3,022,798	$ 3,517,497	$ 3,320,813	$ 196,684
Judicial administration:				
Courts:				
Circuit court	$ 80,040	$ 80,040	$ 68,460	$ 11,580
General district court	20,900	20,900	15,350	5,550
Sheriff	586,183	603,183	588,859	14,324
Law library	1,000	1,198	1,198	-
Clerk of the circuit court	319,552	319,665	310,659	9,006
Total courts	$ 1,007,675	$ 1,024,986	$ 984,526	$ 40,460
Commonwealth's attorney:				
Commonwealth's attorney	$ 398,072	$ 399,215	$ 398,136	$ 1,079
Total commonwealth's attorney	$ 398,072	$ 399,215	$ 398,136	$ 1,079
Total judicial administration	$ 1,405,747	$ 1,424,201	$ 1,382,662	$ 41,539
Public safety:				
Law enforcement and traffic control:				
Police department	$ 3,822,837	$ 3,842,613	$ 3,754,991	$ 87,622
Total law enforcement and traffic control	$ 3,822,837	$ 3,842,613	$ 3,754,991	$ 87,622

City of Radford, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	$ 2,266,106	$ 2,422,426	$ 2,422,426	$ -
Total fire and rescue services	$ 2,266,106	$ 2,422,426	$ 2,422,426	$ -
Correction and detention:				
Regional jail	$ 680,000	$ 865,173	$ 865,173	$ -
Juvenile corrections	78,646	78,646	72,789	5,857
Total correction and detention	$ 758,646	$ 943,819	$ 937,962	$ 5,857
Inspections:				
Building inspector	$ 115,295	$ 115,295	$ 113,170	$ 2,125
Code enforcement	82,423	82,864	82,864	-
Total inspections	$ 197,718	$ 198,159	$ 196,034	$ 2,125
Other protection:				
Animal control	$ 174,791	$ 179,665	$ 179,664	$ 1
Medical examiner	100	200	200	-
E-911 system	681,295	681,295	659,724	21,571
GIS mapping	114,974	115,069	115,069	-
Pandemic response	-	882,540	882,540	-
Total other protection	$ 971,160	$ 1,858,769	$ 1,837,197	$ 21,572
Total public safety	$ 8,016,467	$ 9,265,786	$ 9,148,610	$ 117,176
Public works:				
Engineering:				
General Engineering	$ 132,547	$ 134,722	$ 103,529	$ 31,193
Total engineering	$ 132,547	$ 134,722	$ 103,529	$ 31,193
Maintenance of general buildings and grounds:				
General properties	$ 520,670	$ 584,700	$ 534,284	$ 50,416
Total maintenance of general buildings and grounds	$ 520,670	$ 584,700	$ 534,284	$ 50,416
Total public works	$ 653,217	$ 719,422	$ 637,813	$ 81,609
Health and welfare:				
Health:				
Supplement of local health department	$ 102,135	$ 102,135	$ 102,135	$ -
Pandemic response	-	4,860,102	914,001	3,946,101
Total health	$ 102,135	$ 4,962,237	$ 1,016,136	$ 3,946,101

City of Radford, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Health and welfare: (Continued)				
Mental health and mental retardation:				
Mental health services	$ 46,280	$ 46,280	$ 46,280	$ -
Health agencies	5,853	5,853	5,853	-
Total mental health and mental retardation	$ 52,133	$ 52,133	$ 52,133	$ -
Welfare:				
Welfare administration and programs	$ 2,386,968	$ 2,387,002	$ 2,080,394	$ 306,608
Comprehensive services act	400,000	1,287,355	1,287,355	-
Property tax relief for the elderly	58,000	94,923	94,923	-
Social service agencies	122,833	124,133	124,133	-
Total welfare	$ 2,967,801	$ 3,893,413	$ 3,586,805	$ 306,608
Total health and welfare	$ 3,122,069	$ 8,907,783	$ 4,655,074	$ 4,252,709
Education:				
Other instructional costs:				
Contributions to community colleges	$ 57,766	$ 57,766	$ 57,766	$ -
Contribution to City School Board	6,059,528	12,445,048	12,445,048	-
Total education	$ 6,117,294	$ 12,502,814	$ 12,502,814	$ -
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	$ 538,293	$ 538,293	$ 498,247	$ 40,046
Maintenance of parks	199,471	202,374	202,374	-
Recreation center and playgrounds	485,978	503,339	503,339	-
Total parks and recreation	$ 1,223,742	$ 1,244,006	$ 1,203,960	$ 40,046
Cultural enrichment:				
Glencoe museum	$ 27,417	$ 27,417	$ 12,609	$ 14,808
Total cultural enrichment	$ 27,417	$ 27,417	$ 12,609	$ 14,808
Library:				
Library expenses	$ 884,128	$ 919,840	$ 872,963	$ 46,877
Total library	$ 884,128	$ 919,840	$ 872,963	$ 46,877
Total parks, recreation, and cultural	$ 2,135,287	$ 2,191,263	$ 2,089,532	$ 101,731
Community development:				
Planning and community development:				
Planning	$ 75,237	$ 76,013	$ 76,012	$ 1
Community development	122,779	146,316	146,316	-
Zoning board	-	600	600	-
Tourism	118,337	120,362	120,362	-
Economic development	97,987	472,453	457,710	14,743
VHDA program	68,704	68,704	68,164	540
Total planning and community development	$ 483,044	$ 884,448	$ 869,164	$ 15,284
Total community development	$ 483,044	$ 884,448	$ 869,164	$ 15,284

City of Radford, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
General Fund: (Continued)				
Debt service:				
Principal retirement	$ 886,140	$ 886,140	$ 885,728	$ 412
Interest and other fiscal charges	736,264	736,264	729,859	6,405
Bond issuance costs	-	151,309	151,309	-
Total debt service	$ 1,622,404	$ 1,773,713	$ 1,766,896	$ 6,817
Total General Fund	$ 26,578,327	$ 41,186,927	$ 36,373,378	$ 4,813,549
Special Revenue Funds:				
Transit Fund:				
Community Development:				
Planning and community development:				
City transit service	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Total other protection	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Total community development	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Total Transit Fund	$ 3,002,981	$ 3,002,981	$ 1,678,235	$ 1,324,746
Grants Fund:				
General government administration:				
Board of elections:				
Registrar	$ 54,933	$ 54,933	$ 37,555	$ 17,378
Total board of elections	$ 54,933	$ 54,933	$ 37,555	$ 17,378
Total general government administration	$ 54,933	$ 54,933	$ 37,555	$ 17,378
Public safety:				
Law enforcement and traffic control:				
Victim witness assistance	$ 2,396	$ 134,817	$ 134,817	$ -
Impaired driver and speed enforcement	20,543	42,068	6,594	35,474
Police department	144,969	174,619	159,118	15,501
Communications	20,850	20,850	-	20,850
Sheriff	12,913	423,857	423,857	-
Total law enforcement and traffic control	$ 201,671	$ 796,211	$ 724,386	$ 71,825
Public safety: (Continued)				
Fire and rescue services:				
Fire department	$ 25,000	$ 25,000	$ 17,828	$ 7,172
Total fire and rescue services	$ 25,000	$ 25,000	$ 17,828	$ 7,172
Total public safety	$ 226,671	$ 821,211	$ 742,214	$ 78,997
Public Works:				
Maintenance of general buildings and grounds:				
Litter control	$ 1,886	$ 7,494	$ 4,314	$ 3,180
Total maintenance of general buildings and grounds	$ 1,886	$ 7,494	$ 4,314	$ 3,180
Total public works	$ 1,886	$ 7,494	$ 4,314	$ 3,180

City of Radford, Virginia
Schedule of Expenditures - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Fund, Function, Activity and Element	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Special Revenue Funds: (Continued)				
Grants Fund: (Continued)				
Health and welfare:				
Welfare:				
Extreme recruiter program	$ 114,890	$ 117,913	$ 21,832	$ 96,081
Total welfare	$ 114,890	$ 117,913	$ 21,832	$ 96,081
Total health and welfare	$ 114,890	$ 117,913	$ 21,832	$ 96,081
Community development:				
Planning and community development:				
Economic development	$ 33,825	$ 33,825	$ 30,000	$ 3,825
HUD grant expenditures	256,758	385,206	183,911	201,295
DHCD virtual training	690	690	690	-
Total planning and community development	$ 291,273	$ 419,721	$ 214,601	$ 205,120
Total community development	$ 291,273	$ 419,721	$ 214,601	$ 205,120
Debt service:				
Principal retirement	$ 74,999	$ 74,999	$ -	$ 74,999
Interest and other fiscal charges	3,718	3,718	-	3,718
Total debt service	$ 78,717	$ 78,717	$ -	$ 78,717
Total Grants Fund	$ 768,370	$ 1,499,989	$ 1,020,516	$ 479,473
Highway Maintenance Fund:				
Public works:				
Maintenance of streets, highways and bridges:				
General administration	$ 165,423	$ 165,423	$ 164,140	$ 1,283
Highway maintenance and repairs - state	1,513,437	1,720,161	1,720,161	-
Highway maintenance and repairs - local	17,800	17,800	5,696	12,104
Street lights	236,500	248,193	170,210	77,983
Snow and ice removal	33,300	33,300	30,304	2,996
Storm drainage	8,500	8,500	-	8,500
Public grounds and parks	530,993	531,354	531,354	-
Total maintenance of streets, highways, and bridges	$ 2,505,953	$ 2,724,731	$ 2,621,865	$ 102,866
Total Highway Maintenance Fund	$ 2,505,953	$ 2,724,731	$ 2,621,865	$ 102,866
Capital Projects Fund:				
Capital Projects:				
Tyler Avenue to East Main road project	$ (233,470)	$ 86,241	$ 86,241	$ -
Total capital projects	$ (233,470)	$ 86,241	$ 86,241	$ -
Total Capital Projects Fund	$ (233,470)	$ 86,241	$ 86,241	$ -
Total Primary Government	$ 32,622,161	$ 48,500,869	$ 41,780,235	$ 6,720,634

Statistical Information

CITY OF RADFORD, VIRGINIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	$ 39,986,063	$ 36,147,315	$ 39,559,342	$ 40,392,127	$ 40,811,990	$ 40,712,979	$ 40,752,440	$ 40,956,828	$ 39,537,395	$ 38,255,666
Restricted	644,276	2,812,037	968,879	1,030,306	1,245,006	1,175,718	2,173,853	2,541,279	2,177,568	2,480,752
Unrestricted	6,461,353	6,752,167	7,710,856	(484,342)	(1,298,848)	(4,586,851)	(3,566,963)	(3,108,516)	(4,470,720)	(8,068,719)
Total governmental activities net position	$ 47,091,692	$ 45,711,519	$ 48,239,077	$ 40,938,091	$ 40,758,148	$ 37,301,846	$ 39,359,330	$ 40,389,591	$ 37,244,243	$ 32,667,699
Business-type activities										
Net investment in capital assets	$ 14,568,531	$ 15,761,624	$ 15,582,914	$ 14,936,407	$ 14,443,893	$ 15,144,714	$ 14,210,111	$ 13,620,344	$ 12,739,637	$ 11,673,592
Unrestricted	8,866,605	11,463,147	11,817,746	8,519,945	8,519,237	4,896,260	4,711,108	5,133,838	3,971,137	5,450,972
Total business-type activities net position	$ 23,435,136	$ 27,224,771	$ 27,400,660	$ 23,456,352	$ 22,963,130	$ 20,040,974	$ 18,921,219	$ 18,754,182	$ 16,710,774	$ 17,124,564
Primary government										
Net investment in capital assets	$ 54,554,594	$ 51,908,939	$ 55,142,256	$ 55,328,534	$ 55,255,883	$ 55,857,693	$ 54,962,551	$ 54,577,172	$ 52,277,032	$ 49,929,258
Restricted	644,276	2,812,037	968,879	1,030,306	1,245,006	1,175,718	2,173,853	2,541,279	2,177,568	2,480,752
Unrestricted	15,327,958	18,215,314	19,528,602	8,035,603	7,220,389	309,409	1,144,145	2,025,322	(499,583)	(2,617,747)
Total primary government net position	$ 70,526,828	$ 72,936,290	$ 75,639,737	$ 64,394,443	$ 63,721,278	$ 57,342,820	$ 58,280,549	$ 59,143,773	$ 53,955,017	$ 49,792,263

Provisions of Statement No. 68 from the Governmental Accounting Standards Board (GASB) were implemented during the 2015 fiscal year. Financial information prior to the fiscal year ending June 30, 2015 has not been retroactively restated for provisions of this standard.

Provisions of Statement No. 75 from the Governmental Accounting Standards Board (GASB) were implemented during the 2018 fiscal year. Financial information prior to the fiscal year ending June 30, 2017 has not been retroactively restated for provisions of this standard.

CITY OF RADFORD, VIRGINIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government administration	$ 2,257,781	$ 2,478,062	$ 2,583,106	$ 2,616,659	$ 2,763,220	$ 2,692,328	$ 2,647,063	$ 2,727,991	$ 3,222,986	$ 3,531,619
Judicial administration	1,112,641	1,182,752	1,228,811	1,207,189	1,256,369	1,211,262	1,216,152	1,235,776	1,350,882	1,419,933
Public safety	6,338,892	6,807,173	6,991,450	7,421,559	7,896,020	8,584,172	8,626,249	8,178,720	9,258,911	10,385,472
Public works	3,583,272	3,509,880	4,052,721	3,880,301	4,264,317	3,628,478	3,082,320	3,625,343	4,468,961	3,902,753
Health and welfare	2,501,597	2,662,252	2,965,695	2,883,992	3,498,727	3,202,932	2,842,801	3,218,783	3,862,806	4,757,503
Education	5,357,984	5,753,106	5,049,358	5,278,443	5,345,190	7,403,883	5,466,272	5,735,374	5,682,556	5,434,861
Parks, recreation and cultural	2,170,790	2,331,432	2,284,314	2,284,564	2,411,929	2,330,422	2,334,775	2,311,832	2,409,129	2,341,084
Community development	1,739,173	1,964,126	2,312,280	2,402,473	2,329,254	2,309,036	2,185,231	2,553,508	2,758,561	3,307,830
Nondepartmental	-	33,375	3,192	-	-	-	-	-	-	-
Interest on long-term debt	955,544	1,082,407	969,417	1,020,398	823,968	780,505	758,156	720,747	773,400	1,164,773
Total governmental activities expenses	$ 26,017,674	$ 27,804,565	$ 28,440,344	$ 28,995,578	$ 30,588,994	$ 32,143,018	$ 29,159,019	$ 30,308,074	$ 33,788,192	$ 36,245,828
Business-type activities:										
Water, sewer, electric, and solid waste	$ 27,590,819	$ 29,035,126	$ 26,512,718	$ 24,345,015	$ 22,941,584	$ 21,725,362	$ 22,112,927	$ 22,684,594	$ 23,641,182	$ 24,731,926
Total primary government expenses	$ 53,608,493	$ 56,839,691	$ 54,953,062	$ 53,340,593	$ 53,530,578	$ 53,868,380	$ 51,271,946	$ 52,992,668	$ 57,429,374	$ 60,977,754
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	$ 25,925	$ 34,279	$ 55,692	$ 57,003	$ 61,550	$ 69,606	$ 66,315	$ 75,131	$ 80,902	$ 93,375
Judicial administration	341,451	361,125	305,379	309,664	313,159	393,880	290,316	266,680	208,733	160,012
Public safety	547,947	661,947	611,211	519,489	555,428	560,718	655,164	858,275	574,259	603,009
Public works	175,440	41,201	41,245	15,915	58,691	28,085	31,364	34,131	25,513	23,534
Parks, recreation and cultural	122,932	126,685	115,294	99,722	129,520	127,738	114,596	142,681	81,690	30,510
Operating grants and contributions	6,999,638	7,429,807	9,748,231	7,302,726	8,541,086	7,949,058	7,998,248	9,622,809	9,258,531	12,131,040
Capital grants and contributions	-	-	-	1,077,537	1,075,000	114,604	972,759	-	112,137	212,585
Total governmental activities program revenues	$ 8,213,333	$ 8,655,044	$ 10,877,052	$ 9,382,056	$ 10,734,434	$ 9,243,689	$ 10,128,762	$ 10,999,707	$ 10,341,765	$ 13,254,065
Business-type activities:										
Charges for services:										
Water, sewer, electric, and solid waste	$ 30,132,722	$ 34,866,609	$ 30,513,949	$ 26,205,461	$ 26,110,291	$ 25,442,208	$ 26,273,112	$ 26,505,268	$ 25,604,149	$ 26,717,051
Capital grants and contributions	51,285	165,859	-	-	-	-	-	-	-	-
Total business-type activities program revenues	$ 30,184,007	$ 35,032,468	$ 30,513,949	$ 26,205,461	$ 26,110,291	$ 25,442,208	$ 26,273,112	$ 26,505,268	$ 25,604,149	$ 26,717,051
Total primary government program revenues	$ 38,397,340	$ 43,687,512	$ 41,391,001	$ 35,587,517	$ 36,844,725	$ 34,685,897	$ 36,401,874	$ 37,504,975	$ 35,945,914	$ 39,971,116
Net (expense) / revenue										
Governmental activities	$ (17,804,341)	$ (19,149,521)	$ (17,563,292)	$ (19,613,522)	$ (19,854,560)	$ (22,899,329)	$ (19,030,257)	$ (19,308,367)	$ (23,446,427)	$ (22,991,763)
Business-type activities	2,593,188	5,997,342	4,001,231	1,860,446	3,168,707	3,716,846	4,160,185	3,820,674	1,962,967	1,985,125
Total primary government net (expense)/revenue	$ (15,211,153)	$ (13,152,179)	$ (13,562,061)	$ (17,753,076)	$ (16,685,853)	$ (19,182,483)	$ (14,870,072)	$ (15,487,693)	$ (21,483,460)	$ (21,006,638)

CITY OF RADFORD, VIRGINIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 7,317,561	$ 7,351,581	$ 7,703,878	$ 7,775,293	$ 7,596,817	$ 7,627,568	$ 7,901,961	$ 8,031,543	$ 8,619,689	$ 9,028,317
Local sales and use taxes	900,741	974,844	963,013	885,262	992,383	903,394	933,184	1,037,269	1,127,441	1,329,272
Restaurant food taxes	988,171	1,024,005	1,086,580	1,121,722	1,123,853	1,084,990	1,083,379	1,104,604	973,499	1,134,135
Motor vehicle taxes	197,397	198,060	193,711	197,566	199,940	194,901	201,778	202,397	196,764	202,035
Consumers' utility taxes	533,966	575,931	597,428	532,065	514,537	529,829	544,011	564,577	551,225	547,405
Business license taxes	458,918	492,114	465,200	484,247	486,544	448,825	465,341	442,934	457,875	461,847
Other local taxes	533,836	575,986	565,146	603,799	583,798	567,864	618,111	592,519	638,889	715,318
Payments in lieu of taxes	2,005,015	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	1,459,745	1,493,502	1,478,789	1,496,527	1,448,580	1,433,206	1,439,290	1,362,267	1,351,266	1,261,125
Unrestricted revenues from use of money and property	153,680	162,021	167,998	159,012	159,060	182,003	197,990	227,707	201,109	174,384
Miscellaneous	700,640	2,694,064	3,040,335	2,537,866	2,918,986	2,605,400	2,374,540	2,488,792	2,150,556	1,987,801
Gain (Loss) on disposal of capital assets	-	(3,729)	-	-	-	-	-	-	-	-
Transfers	2,263,187	2,230,969	3,828,572	3,545,447	3,670,732	5,873,076	5,328,156	4,079,599	4,083,717	1,573,580
Total governmental activities	$ 17,512,857	$ 17,769,348	$ 20,090,650	$ 19,338,806	$ 19,695,230	$ 21,451,056	$ 21,087,741	$ 20,134,208	$ 20,352,030	$ 18,415,219
Business-type activities:										
Unrestricted revenues from use of money and property	$ 1,543	$ 13,218	$ 3,230	$ 3,094	$ 8,803	$ 32,137	$ 48,216	$ 91,888	$ 65,272	$ 2,245
Gain (Loss) on disposal of capital assets	-	30,296	-	-	-	-	-	-	12,070	-
Transfers	(2,263,187)	(2,230,969)	(3,828,572)	(3,545,447)	(3,670,732)	(5,873,076)	(5,328,156)	(4,079,599)	(4,083,717)	(1,573,580)
Total business-type activities	$ (2,261,644)	$ (2,187,455)	$ (3,825,342)	$ (3,542,353)	$ (3,661,929)	$ (5,840,939)	$ (5,279,940)	$ (3,987,711)	$ (4,006,375)	$ (1,571,335)
Total primary government	$ 15,251,213	$ 15,581,893	$ 16,265,308	$ 15,796,453	$ 16,033,301	$ 15,610,117	$ 15,807,801	$ 16,146,497	$ 16,345,655	$ 16,843,884
Change in Net Position										
Governmental activities	$ (291,484)	$ (1,380,173)	$ 2,527,358	$ (274,716)	$ (159,330)	$ (1,448,273)	$ 2,057,484	$ 825,841	$ (3,094,397)	$ (4,576,544)
Business-type activities	331,544	3,809,887	175,889	(1,681,907)	(493,222)	(2,124,093)	(1,119,755)	(167,037)	(2,043,408)	413,790
Total primary government	$ 40,060	$ 2,429,714	$ 2,703,247	$ (1,956,623)	$ (652,552)	$ (3,572,366)	$ 937,729	$ 658,804	$ (5,137,805)	$ (4,162,754)

Provisions of Statement No. 68 from the Governmental Accounting Standards Board (GASB) were implemented during the 2015 fiscal year. Financial information prior to the fiscal year ending June 30, 2015 has not been retroactively restated for provisions of this standard.

Provisions of Statement No. 75 from the Governmental Accounting Standards Board (GASB) were implemented during the 2018 fiscal year. Financial information prior to the fiscal year ending June 30, 2018 has not been retroactively adjusted for this standard

CITY OF RADFORD, VIRGINIA
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Local sales and use Tax	Consumer Utility Tax	Motor Vehicle License Tax	Restaurant Food Taxes	Business License Tax	Other Local Taxes	Total
2021	$ 9,028,317	$ 1,329,272	$ 547,405	$ 202,035	$ 1,134,135	$ 461,847	$ 715,318	$ 13,418,329
2020	8,619,689	1,127,441	551,225	196,764	973,499	457,875	638,889	12,565,382
2019	8,031,543	1,037,269	564,577	202,397	1,104,604	442,934	592,519	11,975,843
2018	7,901,961	933,184	544,011	201,778	1,083,379	465,341	618,111	11,747,765
2017	7,627,568	903,394	529,829	194,901	1,084,990	448,825	567,864	11,357,371
2016	7,596,817	992,383	514,537	199,940	1,123,853	486,544	583,798	11,497,872
2015	7,775,293	885,262	532,065	197,566	1,121,722	484,247	603,799	11,599,954
2014	7,703,878	963,013	597,428	193,711	1,086,580	465,200	565,146	11,574,956
2013	7,351,581	974,844	575,931	198,060	1,024,005	492,114	575,986	11,192,521
2012	7,317,561	900,741	533,966	197,397	988,171	458,918	533,836	10,930,590

CITY OF RADFORD, VIRGINIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2014	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	$ 136,611	$ 117,376	$ 151,146	$ 162,232	$ 231,701	$ 964,685	$ 194,463	$ 57,548	$ 50,977	$ 216,285
Restricted/Reserved	608,845	671,636	806,318	818,876	1,039,845	788,098	887,576	975,051	1,011,212	8,290,966
Committed	2,296,667	2,256,764	2,880,670	3,201,226	3,449,211	1,440,369	1,073,680	1,597,723	1,838,370	415,787
Unassigned/Unreserved	2,635,777	3,326,403	3,180,070	2,326,702	942,659	1,343,002	2,992,813	2,504,752	1,043,651	88,460
Total general fund	$ 5,677,900	$ 6,372,179	$ 7,018,204	$ 6,509,036	$ 5,663,416	$ 4,536,154	$ 5,148,532	$ 5,135,074	$ 3,944,210	$ 9,011,498
All other governmental funds										
Nonspendable	$ 12,437	$ 12,764	$ 11,859	$ 36,404	$ 18,753	$ 20,308	$ 16,361	$ -	$ -	$ 27,028
Restricted/Reserved	35,431	2,140,401	162,561	211,430	205,161	387,620	1,286,277	1,566,228	1,166,536	1,234,827
Committed	1,330,219	1,220,265	1,547,085	574,067	306,879	-	-	-	-	-
Unreserved/Unassigned:										
Special revenue funds	(8,914)	(11,111)	-	(112,900)	(7,214)	-	-	(69,786)	-	-
Total all other governmental funds	$ 1,369,173	$ 3,362,319	$ 1,721,505	$ 709,001	$ 523,579	$ 407,928	$ 1,302,638	$ 1,496,442	$ 1,166,536	$ 1,261,855

Effective July 1, 2010, the City adopted provisions of the Governmental Accounting Standards Board Statement Number 54. As such, components of fund balance beginning with the year ending June 30, 2011 follow requirements of that standard.

CITY OF RADFORD, VIRGINIA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
General property taxes	$ 7,426,519	$ 7,534,523	$ 7,601,010	$ 7,748,164	$ 7,745,589	$ 7,775,064	$ 7,774,833	$ 8,104,338	$ 8,461,229	$ 9,093,682
Other local taxes	3,613,029	3,840,940	3,871,078	3,824,661	3,901,055	3,729,803	3,845,804	3,944,300	3,945,693	4,390,012
Permits, privilege fees and regulatory licenses	41,599	40,213	55,541	45,775	43,518	58,531	50,882	52,366	77,650	88,871
Fines and forfeitures	274,544	302,330	250,698	265,823	266,488	344,637	243,025	219,074	174,885	133,220
Revenue from use of money and property	153,680	162,021	167,998	159,012	159,060	182,003	197,990	227,707	201,109	174,384
Charges for services	853,944	884,639	803,660	699,787	809,200	769,576	896,277	1,055,465	757,049	713,635
Miscellaneous	2,705,655	2,694,064	3,040,335	2,537,866	2,918,986	2,605,400	2,374,540	2,488,792	2,150,556	1,980,384
Recovered costs	2,820	10,364	6,923	66,411	7,980	2,940	7,259	22,575	2,100	7,417
Intergovernmental	8,459,383	8,923,309	11,227,020	9,876,790	9,989,666	9,496,868	10,410,297	10,985,076	10,721,934	13,524,750
Total revenues	$ 23,531,173	$ 24,392,403	$ 27,024,263	$ 25,224,289	$ 25,841,542	$ 24,964,822	$ 25,800,907	$ 27,099,693	$ 26,492,205	$ 30,106,355
Expenditures										
General government administration	$ 2,084,305	$ 2,290,530	$ 2,319,337	$ 2,636,539	$ 2,786,184	$ 2,549,927	$ 2,721,308	$ 2,789,604	$ 3,099,326	$ 3,358,368
Judicial administration	1,093,311	1,169,552	1,240,070	1,222,250	1,273,445	1,226,014	1,231,971	1,274,648	1,371,156	1,382,662
Public safety	6,155,409	6,406,542	6,893,183	7,306,552	7,902,035	8,660,671	8,847,602	8,241,847	8,596,564	9,890,824
Public works	2,994,073	2,741,126	3,469,368	3,375,454	3,492,302	2,926,064	2,294,538	2,874,242	3,419,179	3,263,992
Health and welfare	2,491,473	2,656,373	2,958,128	2,921,634	3,555,823	3,238,938	2,818,444	3,310,566	3,843,666	4,676,906
Education	5,042,614	5,273,296	4,771,004	5,000,089	5,066,836	7,125,529	5,187,918	5,457,020	6,282,926	12,502,814
Parks, recreation and cultural	1,873,625	2,148,733	2,018,761	2,064,117	2,294,846	2,062,158	2,072,955	2,044,692	2,098,339	2,089,532
Community development	2,161,574	2,345,628	2,780,124	2,020,126	2,279,730	2,229,106	3,003,865	3,417,410	2,178,750	2,762,000
Non-departmental	-	33,375	3,192	-	-	-	-	-	-	-
Capital projects	479,229	1,089,854	3,279,737	1,768,169	56,877	307,996	-	-	247,878	86,241
Debt service:										
Principal retirement	952,518	1,067,312	1,114,224	1,065,692	996,579	1,009,592	1,170,256	965,093	855,042	885,728
Bond issuance cost	-	76,395	-	112,770	-	-	-	-	89,875	729,859
Interest and other fiscal charges	1,003,562	1,011,034	1,007,774	960,764	903,105	868,173	846,684	788,896	766,166	151,309
Total expenditures	$ 26,331,693	$ 28,309,750	$ 31,854,902	$ 30,454,156	$ 30,607,762	$ 32,204,168	$ 30,195,541	$ 31,164,018	$ 32,848,867	$ 41,780,235
Excess (deficiency) of revenues over (under) expenditures	$ (2,800,520)	$ (3,917,347)	$ (4,830,639)	$ (5,229,867)	$ (4,766,220)	$ (7,239,346)	$ (4,394,634)	$ (4,064,325)	$ (6,356,662)	$ (11,673,880)
Other financing sources (uses)										
Transfers in	$ 2,836,723	$ 4,316,475	$ 4,652,904	$ 4,162,219	$ 4,419,252	$ 6,369,557	$ 5,494,827	$ 4,265,908	$ 4,401,108	$ 4,386,531
Transfers out	(573,536)	(2,101,983)	(817,254)	(601,772)	(748,520)	(396,481)	(164,895)	(186,309)	(321,509)	(2,812,951)
Issuance of general obligation bonds	598,183	4,455,549	-	-	-	-	-	-	-	13,695,472
Issuance of bond anticipation note	-	-	-	-	-	-	-	-	807,064	-
Debt service - current refunding - principal	-	(66,769)	-	(6,266,952)	-	-	-	-	-	(1,467,970)
Refunded bonds issued	-	-	-	5,875,000	-	-	-	-	-	1,475,434
Premium on bonds issued	-	-	-	519,645	-	-	-	-	-	1,514,055
Capital leases	157,354	-	-	-	-	-	560,290	148,217	-	-
Sale of capital assets	-	1,500	-	20,114	85,000	21,648	11,500	16,855	-	46,096
Total other financing sources (uses)	$ 3,018,724	$ 6,604,772	$ 3,835,650	$ 3,708,254	$ 3,755,732	$ 5,994,724	$ 5,901,722	$ 4,244,671	$ 4,886,663	$ 16,836,667
Net change in fund balances	$ 218,204	$ 2,687,425	$ (994,989)	$ (1,521,613)	$ (1,010,488)	$ (1,244,622)	$ 1,507,088	$ 180,346	$ (1,469,999)	$ 5,162,787
Debt service as a percentage of noncapital expenditures	7.57%	7.64%	7.43%	7.06%	6.22%	5.89%	7.15%	6.03%	5.20%	3.16%

CITY OF RADFORD, VIRGINIA
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Local Sales and Use Tax	Consumers' Utility Tax	Motor Vehicle License Tax	Restaurant Food Taxes	Business License Tax	Other Local Taxes	Total	Percentage Change from Prior Year
2021	$ 9,093,682	$ 1,329,272	$ 547,405	$ 202,035	$ 1,134,135	$ 461,847	$ 715,318	$ 13,483,694	8.68%
2020	8,461,229	1,127,441	551,225	196,764	973,499	457,875	638,889	12,406,922	2.97%
2019	8,104,338	1,037,269	564,577	202,397	1,104,604	442,934	592,519	12,048,638	3.68%
2018	7,774,833	933,184	544,011	201,778	1,083,379	465,341	618,111	11,620,637	1.01%
2017	7,775,064	903,394	529,829	194,901	1,084,990	448,825	567,864	11,504,867	-1.22%
2016	7,745,589	992,383	514,537	199,940	1,123,853	486,544	583,798	11,646,644	0.64%
2015	7,748,164	885,262	532,065	197,566	1,121,722	484,247	603,799	11,572,825	0.88%
2014	7,601,010	963,013	597,428	193,711	1,086,580	465,200	565,146	11,472,088	0.85%
2013	7,534,523	974,844	575,931	198,060	1,024,005	492,114	575,986	11,375,463	3.04%
2012	7,426,519	900,741	533,966	197,397	988,171	458,918	533,836	11,039,548	4.61%

CITY OF RADFORD, VIRGINIA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate	Personal Property	Mobile Homes	Machinery and Tools	Public Service	Total Taxable Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2021	$ 883,254,150	$ 65,361,084	$ 392,554	$ 32,092,089	$ 27,222,511	$ 1,008,322,388	$ 1,008,322,388	100.00%
2020	854,663,600	65,374,065	448,753	27,989,058	25,302,652	973,778,128	973,778,128	100.00%
2019	818,248,370	61,007,699	496,685	28,114,839	24,138,449	932,006,042	932,006,042	100.00%
2018	814,039,590	60,677,222	414,795	28,852,780	31,090,075	935,074,462	935,074,462	100.00%
2017	811,013,940	59,689,263	416,055	26,797,155	25,670,591	923,587,004	923,587,004	100.00%
2016	801,830,240	56,690,538	445,667	33,252,807	24,074,163	916,293,415	916,293,415	100.00%
2015	790,264,040	55,504,264	458,451	37,129,238	23,467,522	906,823,515	906,823,515	100.00%
2014	785,174,290	54,833,849	461,847	37,634,310	22,453,921	900,558,217	900,558,217	100.00%
2013	782,058,740	52,975,445	465,027	36,100,390	27,156,009	898,755,611	898,755,611	100.00%
2012	787,822,090	53,499,297	545,379	39,032,130	23,780,929	904,679,825	904,679,825	100.00%

Source: Commissioner of Revenue

CITY OF RADFORD, VIRGINIA
Property Tax Rates (1)
Last Ten Fiscal Years

Fiscal Years	Direct Rates			
	Real Estate	Personal Property	Mobile Homes	Machinery and Tools
2021 (3)	$ 0.78-0.84	$ 2.44	$ 0.78	$ 1.76
2020 (3)	0.78-0.82	2.44	0.82	1.76
2019 (2)	0.76-0.82	2.44	0.76	1.76
2018	0.76	2.44	0.76	1.76
2017	0.76	2.44	0.76	1.76
2016	0.76	2.44	0.76	1.76
2015	0.76	2.44	0.76	1.76
2014	0.76	2.44	0.76	1.76
2013	0.76	2.44	0.76	1.76
2012	0.76	2.44	0.76	1.76

(1) Per $100 of assessed value
(2) In Fiscal Year 2019 the tax rate increased $0.06 between billing 2nd half of 2018 and 1st half of 2019.
(3) In Fiscal Year 2020 the tax rate increased $0.04 between billing 2nd half of 2019 and 1st half of 2020.
(4) In Fiscal Year 2021 the tax rate increased $0.04 between billing 2nd half of 2020 and 1st half of 2021.

CITY OF RADFORD, VIRGINIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2021	$ 9,058,361	$ 9,025,769	99.64%	$ -	$ 9,025,769	99.64%
2020	9,157,469	8,909,630	97.29%	91,114	9,000,744	98.29%
2019	9,037,440	8,583,989	94.98%	98,196	8,682,185	96.07%
2018	8,359,097	8,173,887	97.78%	106,587	8,280,474	99.06%
2017	8,256,573	8,090,332	97.99%	181,769	8,272,101	100.19%
2016	8,257,887	8,105,351	98.15%	131,587	8,236,938	99.75%
2015	8,135,011	7,963,037	97.89%	149,404	8,112,441	99.72%
2014	8,122,764	7,890,379	97.14%	253,485	8,143,864	100.26%
2013	8,070,126	7,845,456	97.22%	229,217	8,074,673	100.06%
2012	7,898,118	7,658,768	96.97%	212,388	7,871,156	99.66%

Source: Commissioner of Revenue, City Treasurer's office
(1) Includes collections and assessments under the State's PPTRA program

CITY OF RADFORD, VIRGINIA
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures (1)
Last Ten Fiscal Years

Fiscal Year	Principal(2)	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2020-21	$ 885,728	$ 151,309	1,037,037	$ 41,780,235	2.48%
2019-20	855,042	766,166	1,621,208	32,848,867	4.94%
2018-19	965,093	788,896	1,753,989	31,164,018	5.63%
2017-18	1,170,256	846,684	2,016,940	30,195,541	6.68%
2016-17	1,009,592	868,173	1,877,765	32,204,168	5.83%
2015-16	996,579	903,105	1,899,684	30,607,762	6.21%
2014-15	1,065,692	960,764	2,026,456	30,454,156	6.65%
2013-14	1,114,224	1,007,774	2,121,998	31,854,902	6.66%
2012-13	1,067,312	1,011,034	2,078,346	28,309,750	7.34%
2011-12	952,518	1,003,562	1,956,080	28,577,594	6.84%

(1) Includes General Fund, Capital Projects Fund, and Special Revenue funds of the primary government
(2) Includes normally scheduled debt payments and does not include payoffs financed by refunding bonds.

Table 11

CITY OF RADFORD, VIRGINIA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities		Business-Type Activities					
Fiscal Years	General Obligation Bonds	Capital Leases	Revenue Bonds	General Obligation Bonds	Capital Leases	Due to Pulaski County PSA	Total Primary Government	Per Capita
2021	$ 30,169,753	$ 478,338	$ 623,736	$ 1,437,830	$ 148,122	$ 301,435	$ 33,159,214	$ 1,830
2020	17,267,905	562,978	662,173	1,545,780	286,568	340,059	20,665,463	1,127
2019	17,234,066	644,795	700,610	1,710,774	241,663	358,484	20,890,392	1,139
2018	18,135,447	560,290	739,046	2,015,930	339,325	369,277	22,159,315	1,267
2017	19,252,582	53,121	777,483	844,501	261,711	387,013	21,576,411	1,234
2016	20,210,733	104,562	815,918	1,377,396	325,376	404,102	23,238,087	1,416
2015	21,157,498	154,376	854,355	2,001,233	-	-	24,167,462	1,473
2014	22,566,904	202,614	892,792	2,615,444	-	-	26,277,754	1,602
2013	23,582,010	301,732	931,229	3,220,221	-	-	28,035,192	1,709
2012	20,350,159	396,758	969,666	5,404,239	-	-	27,120,822	1,653

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF RADFORD, VIRGINIA
Ratios of Net General Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Gross Bonded Debt	Less: Amounts Reserved for Debt Service	Net Bonded Debt (2)	Ratio of Net General Obligation Debt to Assessed Value (1)	Net Bonded Debt per Capita
2021	$ 31,607,583	$ -	$ 31,607,583	3.13%	1,744
2020	18,813,685	-	18,813,685	1.93%	1,026
2019	18,944,840	-	18,944,840	2.03%	1,033
2018	20,151,377	-	20,151,377	2.16%	1,153
2017	20,097,083	-	20,097,083	2.18%	1,150
2016	21,588,129	-	21,588,129	2.36%	1,316
2015	23,158,731	-	23,158,731	2.55%	1,411
2014	25,182,348	-	25,182,348	2.80%	1,535
2013	26,802,231	-	26,802,231	2.98%	1,633
2012	25,754,398	-	25,754,398	2.85%	1,570

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property - Table 7.

(2) Includes all long-term general obligation bonded debt and Literary Fund Loans, excludes revenue bonds, capital leases, and compensated absences.

CITY OF RADFORD, VIRGINIA
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	$ 78,782,209	$ 78,205,874	$ 78,517,429	$ 79,026,404	$ 80,183,024	$ 81,101,394	$ 81,403,959	$ 81,824,837	$ 85,466,360	$ 88,325,415
Total net debt applicable to limit	25,754,398	26,802,231	25,182,348	23,158,731	21,158,731	20,097,083	20,151,377	18,944,840	18,813,685	31,607,583
Legal debt margin	$ 53,027,811	$ 51,403,643	$ 53,335,081	$ 55,867,673	$ 59,024,293	$ 61,004,311	$ 61,252,582	$ 62,879,997	$ 66,652,675	$ 56,717,832
Total net debt applicable to the limit as a percentage of debt limit	32.69%	34.27%	32.07%	29.31%	26.39%	24.78%	24.75%	23.15%	22.01%	35.79%

CITY OF RADFORD, VIRGINIA
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Water and Sewer Revenue Bonds					
				Debt Service (1)		
Fiscal Year	Water and Sewer Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2021	$ 4,999,613	$ 5,167,102	$ (167,489)	$ 48,388	$ -	(3.46)
2020	4,863,737	4,764,463	99,274	88,903	241	1.11
2019	4,586,714	4,224,211	362,503	271,114	8,774	1.30
2018	4,815,433	3,840,542	974,891	576,405	18,056	1.64
2017	4,761,366	3,832,212	929,154	529,190	19,174	1.69
2016	5,264,994	4,156,105	1,108,889	620,967	27,747	1.71
2015	4,990,731	4,011,218	979,513	623,505	38,628	1.48
2014	4,732,813	4,104,232	628,581	592,165	45,148	0.99
2013	4,360,386	4,155,050	205,336	606,688	60,175	0.31
2012	4,130,114	3,715,796	414,318	603,468	31,954	0.65

(1) Debt service in 2013 represents normal debt service payments as the City refunded bonds during the fiscal year.

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of
City Council of the
City of Radford, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns,* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Radford, Virginia as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Radford, Virginia's basic financial statements and have issued our report thereon dated December 10, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 that we consider to be material weaknesses.

Compliance and Other Matters

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

City of Radford, Virginia's Response to Findings

City of Radford, Virginia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Radford, Virginia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 10, 2021

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

To the Honorable Members of
City Council of the
City of Radford, Virginia

Report on Compliance for Each Major Federal Program

We have audited the City of Radford, Virginia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Radford, Virginia's major federal programs for the year ended June 30, 2021. City of Radford, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Radford, Virginia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Radford, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Radford, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Radford, Virginia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City of Radford, Virginia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Radford, Virginia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Radford, Virginia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Robinson, Farmer, Cox Associates

Blacksburg, Virginia
December 10, 2021

City of Radford, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE:			
Pass Through Payments:			
State Department of Social Services:			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	0010120/0010121 0040120/0040121	$ 224,163
Total Department of Agriculture			$ 224,163
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Pass Through Payments:			
State Department of Social Services:			
Mary Lee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120	$ 1,221
Temporary Assistance for Needy Families	93.558	0400120/0400121	114,982
Refugee and Entrant Assistance-State/Replacement Designee Administered Programs	93.566	0500120/0500121	284
Low-Income Home Energy Assistance	93.568	0600420/0600421	18,895
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900120	60
CCDF Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760119/0760120	24,098
Foster Care - Title IV-E	93.658	1100120/1100121	142,095
Adoption Assistance	93.659	1120120/1120121	308,514
Social Services Block Grant	93.667	1000120/1000121	162,435
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	9150119/9150120	1,163
Children's Health Insurance Program	93.767	0540120/0540121	2,041
Medicaid Cluster:			
Medical Assistance Program	93.778	1200120/1200121	167,079
Total Department of Health and Human Services			$ 942,867
DEPARTMENT OF HOMELAND SECURITY:			
Pass Through Payments:			
State Department of Emergency Management:			
Emergency Management Performance Grants	97.042	EMP-2020-EP-0005	$ 7,461
Total Department of Homeland Security			$ 7,461
DEPARTMENT OF JUSTICE:			
Pass Through Payments:			
State Department of Criminal Justice Services:			
Crime Victim Assistance	16.575	CJS86018/CJS5601701	$ 97,057
Edward Byrne Memorial Justice Assistance Grant Program	16.738	CJS5101701	28,333
Total Department of Justice			$ 125,390

City of Radford, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Entity Identifying Number		Federal Expenditures
DEPARTMENT OF TREASURY:				
Pass Through Payments:				
Virginia Department of Accounts				
COVID-19 - Coronavirus Relief Fund	21.019	SLT0022		$ 2,470,757
Total Department of the Treasury				$ 2,470,757
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
Direct Payments:				
CDBG Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	Not applicable		$ 183,911
Total Department of Housing and Urban Development				$ 183,911
DEPARTMENT OF TRANSPORTATION				
Pass Through Payments:				
State Department of Rail and Transportation:				
Federal Transit Cluster:				
COVID 19 - Federal Transit Formula Grants	20.507	VA-2020-032-01-00		$ 1,285,456
Highway Safety Cluster:				
National Highway Traffic Safety Administration (NHTSA):				
National Priority Safety Programs	20.616	FM6OT-2020	$ 3,366	
State Department of Motor Vehicles:				
State and Community Highway Safety	20.600	FSC-2020/FSC-2021	1,029	
Total Highway Safety Cluster				4,395
Virginia Department of Transportation:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	76402		106,068
Total Department of Transportation				$ 1,395,919
ELECTION ASSISTANCE COMMISSION				
Pass Through Payments:				
Elections Assistance Commission				
COVID-19 Help America Vote Act Requirements Payments	90.401	116912		$ 37,555
Total Election Assistance Commission				$ 37,555
Total Expenditures of Federal Awards				$ 5,388,023

City of Radford, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Notes to Schedule of Expenditures of Federal Awards

Note A-Basis of Presentation:
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Radford, Virginia under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Radford, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Radford, Virginia.

Note B-Summary of Significant Accounting Policies
(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB's Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(2) Pass-through entity identifying number are presented where available.
(3) The City did not elect the 10% de minimus indirect cost rate because they only request direct costs for reimbursement.

Note C-Subrecipients:
The City did not have any subrecipients for the year ended June 30, 2021.

Note D-Outstanding Balance of Federal Loans:
The City has not received any federal funding through loans.

Note E-Donated Personal Protective Equipment (from federal assistance):
The City has not received any donated personal protective equipment (from federal assistance).

Note F-Relationship to the Financial Statements:
Federal expenditures, revenues and capital contributions are reported in the City's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:	
Primary government:	
General Fund-Intergovernmental	$ 8,422,778
Less revenue from the Commonwealth	(4,784,991)
Transit Fund-Intergovernmental	1,679,384
Less revenue from the Commonwealth	(393,928)
Grants Fund-Intergovernmental	975,948
Less revenue from the Commonwealth	(617,236)
Highway Maintenance Fund-Intergovernmental	2,314,055
Less revenue from the Commonwealth	(2,314,055)
Capital Projects Fund-Intergovernmental	132,585
Less revenue from the Commonwealth	(26,517)
Total primary government	$ 5,388,023

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
20.507	Federal Transit Cluster
21.019	COVID-19 - Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

Finding 2021-001
(Material Weakness)

Criteria:	General and subsidiary ledgers should reconcile to one another.
Condition:	The City maintains accounting systems in the Treasurer's Office, the City Offices, and the School System that are not integrated. Accordingly, reconciliations between the systems are necessary to ensure the City's financial statements are correct. There were variances noted between the three systems that were subsequently corrected by the City through recommended adjusting entries.
Cause:	A lack of system integration and a difficult reconciliation process.
Effect:	Adjusting entries were recommended after the books were closed.
Recommendation:	The City should integrate the Treasurer's Office and City Offices systems, as soon as practical.
Management's Response:	Management concurs with the recommendation and is working on integrating the systems.

Finding 2021-002
(Material Weakness)

Criteria:	Identification of adjustments to the financial statements that were not detected by the entity's internal controls indicates that a significant deficiency may exist.
Condition:	The City's financial statements required year end adjusting entries to ensure such statements complied with Generally Accepted Accounting Principles.
Cause:	During the closing process, the City failed to identify all year end accounting adjustments necessary for the accounts to be prepared in accordance with current reporting standards.
Effect:	There is a reasonable possibility that a misstatement of the entity’s financial statements will not be prevented or detected by the entity's internal controls over financial reporting.
Recommendation:	In the future, funds should be reviewed and adjusted as necessary to comply with current reporting standards.
Management's Response:	The City's current staff has a good understanding of the City's books and accounting processes. It is anticipated that the number of audit adjustments will decrease in future periods.

Section III - Federal Award Findings and Questioned Costs

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

Finding 2020-001
(Material Weakness)

Finding 2020-001 is recurring in the current fiscal year as finding 2021-001.

Finding 2020-002
(Material Weakness)

Finding 2020-002 is recurring in the current fiscal year as finding 2021-002.

Finding 2020-003
(Material Weakness)

Condition:	Grant reimbursement requests were not reconciled to underlying documentation and contract services and legal costs were requested twice for the month of January 2020.
Recommendation:	The City should reconcile actual expenditures as posted in the transit fund to their reimbursement requests to ensure reimbursements are correct.
Current Status:	The finding was corrected during the fiscal year. The City implemented the recommendation above and are reconciling all expenditures as posted in the Transit fund to reimbursement requests.