

COUNTY OF APPOMATTOX, VIRGINIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2021

COUNTY OF APPOMATTOX, VIRGINIA

Board of Supervisors

Samuel E. Carter, Chairperson

William H. Hogan
Watkins M. Abbitt

John F. Hinkle
Trevor L. Hipps

School Board

Gregory A. Smith, Chairperson

Bobby K. Waddell
Roger B. Stough

Wyatt K. Torrence
Jason L. Wells

Board of Social Services

Rowena F. Robinson, Chairperson

Samuel E. Carter

Barbara Williams

Other Officials

Judge of the Circuit Court S. Anderson Nelson
Clerk of the Circuit Court Janet A. Hix
Judge of the General District Court Calvin S. Spencer
Judge of the Juvenile and Domestic Relations Court Marvin Dunkam
Commonwealth's Attorney Leslie M. "Les" Fleet
Commissioner of the Revenue Sara R. Henderson
Treasurer Victoria C. Phelps
Sheriff Donald D. Simpson
Superintendent of Schools Annette A. Bennett
Director of Social Services Brad Burdette
County Administrator Susan M. Adams

COUNTY OF APPOMATTOX, VIRGINIA

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FOR THE YEAR ENDED JUNE 30, 2021

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Independent Auditors' Report

**To the Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, 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 County of Appomattox, Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County'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 County of Appomattox, 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 21 to the financial statements, in 2021, the County 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 21 to the financial statements, in 2021, the County 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 4-10, 91, and 92-112 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 County of Appomattox, Virginia's basic financial statements. The other supplementary information and statistical section 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.

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

Supplementary and Other Information (Continued)

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 statistical information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2021, on our consideration of County of Appomattox, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of County of Appomattox, Virginia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Appomattox, Virginia's internal control over financial reporting and compliance.

Robinson, Farmer, Cox Associates

Richmond, Virginia
November 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**To the Honorable Members of the Board of Supervisors
To the Citizens of Appomattox County
County of Appomattox, Virginia**

As management of the County of Appomattox, Virginia we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and with the County's basic financial statements, which follow this section.

Financial Highlights

Government-wide Financial Statements

- < The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$21,490,833 (net position).

Fund Financial Statements

The Governmental Funds, on a current financial resource basis, reported revenues and other financing sources in excess of expenditures and other financing uses of \$4,150,876 (Exhibit 5) after making contributions totaling \$5,551,001 to the School Board.

- < As of the close of the current fiscal year; the County's funds reported ending fund balances of \$22,689,620, an increase of \$4,150,876 in comparison with the prior year.
- < At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,978,043 or 69% of total general fund expenditures and other uses.
- < The combined long-term obligations decreased by \$1,775,852 during the current fiscal year.

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Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the County's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

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

The Government-wide financial statements include not only the County of Appomattox, Virginia itself (known as the primary government), but also a legally separate school district and industrial development authority for which the County of Appomattox, Virginia is financially accountable. Financial information for the component units are reported separately from the financial information presented for the primary government itself.

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

Overview of the Financial Statements (Continued)

Governmental funds - *Governmental funds* are used to account for essentially the same functions or services reported as governmental activities in the government-wide financial statements. Whereas the government-wide financial statements are prepared on the accrual basis of accounting, the governmental fund financial statements are prepared on the modified accrual basis of accounting. The focus of modified accrual reporting is on near-term inflows and outflows of financial resources and the balance of financial resources available at the end of the fiscal year. Since the governmental funds focus is narrower than that of the government-wide financial statements a reconciliation between the two methods is provided at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has two major governmental funds – the General Fund, and the County Capital Projects Fund and one non-major governmental fund - the County Special Revenue Fund.

Proprietary funds – Proprietary funds consist of enterprise funds. Enterprise funds are established to account for the delivery of goods and services to the general public and use the accrual basis of accounting similar to private sector business.

The Utility Fund provides a centralized source for water services to County residents.

Fiduciary funds - The County is the trustee, or fiduciary, for the County's agency funds. It is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position. The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations. Agency funds are County custodial funds used to provide accountability of client monies for which the County is custodian.

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.

Other information - In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component unit - School Board and the component unit – Economic Development Authority. Neither the School Board nor the Economic Development Authority issues separate financial statements.

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Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$21,490,833 at the close of the most recent fiscal year. The following table summarizes the County's Statement of Net Position:

County of Appomattox, Virginia's Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 33,074,756	\$ 28,625,393	\$ 49,326	\$ 14,294	\$ 33,124,082	\$ 28,639,687
Capital assets	12,902,952	14,592,965	4,684,069	4,798,315	17,587,021	19,391,280
Total assets	\$ 45,977,708	\$ 43,218,358	\$ 4,733,395	\$ 4,812,609	\$ 50,711,103	\$ 48,030,967
Deferred outflows of resources	\$ 2,235,764	\$ 1,984,553	\$ -	\$ -	\$ 2,235,764	\$ 1,984,553
Current liabilities	\$ 2,165,339	\$ 1,895,211	\$ 48,199	\$ 14,238	\$ 2,213,538	\$ 1,909,449
Long-term liabilities outstanding	21,865,628	23,641,480	-	-	21,865,628	23,641,480
Total liabilities	\$ 24,030,967	\$ 25,536,691	\$ 48,199	\$ 14,238	\$ 24,079,166	\$ 25,550,929
Deferred inflows of resources	\$ 7,376,868	\$ 7,004,809	\$ -	\$ -	\$ 7,376,868	\$ 7,004,809
Net investment in capital assets	\$ 185,392	\$ (422,883)	\$ 4,684,069	\$ 4,798,315	\$ 4,869,461	\$ 4,375,432
Restricted for:						
Veterans wall of honor	3,038	3,038	-	-	3,038	3,038
Carver Price - HVAC	-	-	-	-	-	-
Asset forfeiture	146,885	232,630	-	-	146,885	232,630
Courthouse maintenance	11,161	18,897	-	-	11,161	18,897
Courthouse security fund	61,443	95,120	-	-	61,443	95,120
Law library	5,191	11,810	-	-	5,191	11,810
Unrestricted	16,392,527	12,722,799	1,127	56	16,393,654	12,722,855
Total net position	\$ 16,805,637	\$ 12,661,411	\$ 4,685,196	\$ 4,798,371	\$ 21,490,833	\$ 17,459,782

Government-wide Financial Analysis (Continued)

The County's net position increased by \$4,024,098 during the current fiscal year. The following table summarizes the County's Statement of Activities

County of Appomattox, Virginia's Changes in Net Position						
	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Charges for services	\$ 338,177	\$ 262,248	\$ 170,277	\$ 145,787	\$ 508,454	\$ 408,035
Operating grants and contributions	8,748,514	6,532,047	-	-	8,748,514	6,532,047
General property taxes	14,675,832	13,931,698	-	-	14,675,832	13,931,698
Other local taxes	2,857,960	2,565,804	-	-	2,857,960	2,565,804
Grants and other contributions not restricted	1,569,796	1,694,004	-	-	1,569,796	1,694,004
Other general revenues	974,724	244,599	-	-	974,724	244,599
Transfers	-	(2,072,130)	-	2,072,130	-	-
Total revenues	\$ 29,165,003	\$ 23,158,270	\$ 170,277	\$ 2,217,917	\$ 29,335,280	\$ 25,376,187
General government administration	\$ 2,677,064	\$ 1,686,526	\$ -	\$ -	\$ 2,677,064	\$ 1,686,526
Judicial administration	1,238,958	1,292,637	-	-	1,238,958	1,292,637
Public safety	5,070,476	4,357,182	-	-	5,070,476	4,357,182
Public works	1,717,274	1,534,524	283,452	334,905	2,000,726	1,869,429
Health and welfare	4,730,396	4,083,591	-	-	4,730,396	4,083,591
Education	7,209,187	6,835,194	-	-	7,209,187	6,835,194
Parks, recreation, and cultural	639,360	444,631	-	-	639,360	444,631
Community development	902,976	1,493,705	-	-	902,976	1,493,705
Interest and other fiscal charges	842,039	866,729	-	-	842,039	866,729
Total expenses	\$ 25,027,730	\$ 22,594,719	\$ 283,452	\$ 334,905	\$ 25,311,182	\$ 22,929,624
Change in net position	\$ 4,137,273	\$ 563,551	\$ (113,175)	\$ 1,883,012	\$ 4,024,098	\$ 2,446,563
Net position, beginning of year, as restated	12,668,364	12,097,860	4,798,371	2,915,359	17,466,735	15,013,219
Net position, end of year	\$ 16,805,637	\$ 12,661,411	\$ 4,685,196	\$ 4,798,371	\$ 21,490,833	\$ 17,459,782

Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported fund balances of \$22,689,6230, an increase of \$4,150,876 in comparison with the prior year. Approximately 79% of this total amount constitutes unassigned General Fund balance, which is available for spending at the County's discretion.

The County Capital Projects Fund accounts for all major general public improvements. At the end of the fiscal year, the fund balance was \$3,921,268, all of which was committed for current or future capital projects.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year amounted to \$1,127. The total decrease in net position was \$113,175. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities

General Fund Budgetary Highlights

During the year, revenues and other sources exceeded budgetary estimates by \$7,025,498. Budgetary estimates and other uses exceeded expenditures by \$1,384,405 resulting in a positive variance of \$8,409,903.

Capital Asset and Debt Administration

Capital assets - The County's investment in capital assets for its governmental operations as of June 30, 2021 amounts to \$12,902,952 (net of accumulated depreciation). The County's investment in capital assets for its proprietary fund as of June 30, 2021 amounted to \$4,684,069. This investment in capital assets includes land, buildings and system, and machinery and equipment.

Additional information on the County's capital assets can be found in the notes of this report.

Long-term debt - At the end of the current fiscal year, the County had total debt outstanding of \$12,996,158. Of this amount, \$5,511,158 comprises debt backed by the full faith and credit of the County. The remainder of the County's debt represents bonds secured solely by specified revenue sources (i.e., lease/revenue bonds and capital leases).

The County's total debt decreased by \$2,357,253 during the current fiscal year.

Additional information on the County of Appomattox, Virginia's long-term debt can be found in the notes of this report.

Economic Factors and Next Year's Budgets and Rates

< Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

The fiscal year 2021 budget decreased approximately 1%. Property tax rates remained the same as the 2021 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County of Appomattox, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Administrator, P.O. Box 863, Appomattox, Virginia 24522.

County of Appomattox, Virginia
Statement of Net Position
June 30, 2021

	Primary Government			Component Units	
	Governmental	Business-type		School Board	EDA
	Activities	Activities	Total		
ASSETS					
Cash and cash equivalents	\$ 23,041,532	\$ 35,585	\$ 23,077,117	\$ 3,280,893	\$ 157,275
Cash in custody of others	-	-	-	4,000	-
Receivables (net of allowance for uncollectibles):					
Taxes receivable	8,198,051	-	8,198,051	-	-
Accounts receivable	140,124	13,741	153,865	18,772	-
Due from other governmental units	1,659,413	-	1,659,413	937,135	-
Prepaid items	35,636	-	35,636	-	-
Net pension asset	-	-	-	23,700	-
Capital assets (net of accumulated depreciation):					
Land	1,316,010	-	1,316,010	211,370	1,381,873
Buildings and improvements	10,563,538	-	10,563,538	10,755,170	-
Utility plant in service	-	4,684,069	4,684,069	-	-
Equipment	976,411	-	976,411	1,931,970	-
Infrastructure	46,993	-	46,993	-	955,766
Total assets	\$ 45,977,708	\$ 4,733,395	\$ 50,711,103	\$ 17,163,010	\$ 2,494,914
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	\$ 335,407	\$ -	\$ 335,407	\$ -	\$ -
Pension related items	1,689,538	-	1,689,538	5,030,802	-
OPEB related items	210,819	-	210,819	550,163	-
Total deferred outflows of resources	\$ 2,235,764	\$ -	\$ 2,235,764	\$ 5,580,965	\$ -
Total assets and deferred inflows of resources	\$ 48,213,472	\$ 4,733,395	\$ 52,946,867	\$ 22,743,975	\$ 2,494,914
LIABILITIES					
Accounts payable	\$ 577,887	\$ 48,199	\$ 626,086	\$ 494,787	\$ -
Accrued liabilities	-	-	-	1,996,679	-
Accrued interest payable	42,189	-	42,189	-	-
Due to other governmental units	-	-	-	480,462	-
Unearned revenue	1,545,263	-	1,545,263	-	-
Long-term liabilities:					
Due within one year	2,458,543	-	2,458,543	-	-
Due in more than one year	19,407,085	-	19,407,085	23,517,872	-
Total liabilities	\$ 24,030,967	\$ 48,199	\$ 24,079,166	\$ 26,489,800	\$ -
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - property taxes	\$ 6,903,651	\$ -	\$ 6,903,651	\$ -	\$ -
Pension related items	439,867	-	439,867	1,775,665	-
OPEB related items	33,350	-	33,350	170,162	-
Total deferred inflows of resources	\$ 7,376,868	\$ -	\$ 7,376,868	\$ 1,945,827	\$ -
NET POSITON					
Net investment in capital assets	\$ 185,392	\$ 4,684,069	\$ 4,869,461	\$ 12,898,510	\$ 2,337,639
Restricted:					
Veterans wall of honor	3,038	-	3,038	-	-
Asset forfeiture	146,885	-	146,885	-	-
Courthouse maintenance	11,161	-	11,161	-	-
Courthouse security fund	61,443	-	61,443	-	-
Law library	5,191	-	5,191	-	-
Net pension asset	-	-	-	23,700	-
Unrestricted	16,392,527	1,127	16,393,654	(18,613,862)	157,275
Total net position	\$ 16,805,637	\$ 4,685,196	\$ 21,490,833	\$ (5,691,652)	\$ 2,494,914
Total liabilities, deferred inflows of resources and net position	\$ 48,213,472	\$ 4,733,395	\$ 52,946,867	\$ 22,743,975	\$ 2,494,914

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

County of Appomattox, Virginia
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		Component Units	
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	School Board EDA
PRIMARY GOVERNMENT:								
Governmental activities:								
General government administration	\$ 2,677,064	\$ -	\$ 284,437	\$ -	\$ (2,392,627)	\$ -	\$ (2,392,627)	\$ -
Judicial administration	1,238,958	98,872	559,632	-	(580,454)	-	(580,454)	-
Public safety	5,070,476	117,682	3,857,844	-	(1,094,950)	-	(1,094,950)	-
Public works	1,717,274	101,425	7,760	-	(1,608,089)	-	(1,608,089)	-
Health and welfare	4,730,396	-	3,505,424	-	(1,224,972)	-	(1,224,972)	-
Education	7,209,187	-	-	-	(7,209,187)	-	(7,209,187)	-
Parks, recreation, and cultural	639,360	20,198	77,801	-	(541,361)	-	(541,361)	-
Community development	902,976	-	39,970	-	(863,006)	-	(863,006)	-
Interest on long-term debt	842,039	-	415,646	-	(426,393)	-	(426,393)	-
Total governmental activities	\$ 25,027,730	\$ 338,177	\$ 8,748,514	\$ -	\$ (15,941,039)	\$ -	\$ (15,941,039)	\$ -
Business-type activities:								
Sanitary District	\$ 283,452	\$ 170,277	\$ -	\$ -	\$ -	\$ (113,175)	\$ (113,175)	\$ -
Total business-type activities	\$ 283,452	\$ 170,277	\$ -	\$ -	\$ -	\$ (113,175)	\$ (113,175)	\$ -
Total primary government	\$ 25,311,182	\$ 508,454	\$ 8,748,514	\$ -	\$ (15,941,039)	\$ (113,175)	\$ (16,054,214)	\$ -
COMPONENT UNITS:								
School Board	\$ 26,897,974	\$ 92,107	\$ 20,347,426	\$ -	\$ -	\$ -	\$ (6,458,441)	\$ -
Economic Development Authority	133,248	7,440	-	-	-	-	-	(125,808)
Total component units	\$ 27,031,222	\$ 99,547	\$ 20,347,426	\$ -	\$ -	\$ -	\$ (6,458,441)	\$ (125,808)
General revenues and transfers:								
General property taxes			\$ 14,675,832	\$ -	\$ -	\$ 14,675,832	\$ -	\$ -
Local sales and use taxes			1,654,276	-	-	1,654,276	-	-
Consumer utility taxes			396,299	-	-	396,299	-	-
Motor vehicle licenses			575,653	-	-	575,653	-	-
Other local taxes			231,732	-	-	231,732	-	-
Unrestricted revenues from use of money and property			66,353	-	-	66,353	18,285	416
Miscellaneous			908,371	-	-	908,371	437,119	5,656
Grants and contributions not restricted to specific programs			1,569,796	-	-	1,569,796	-	-
Payment from Appomattox County			-	-	-	-	6,363,826	64,970
Total general revenues and transfers			\$ 20,078,312	\$ -	\$ -	\$ 20,078,312	\$ 6,819,230	\$ 71,042
Change in net position			\$ 4,137,273	\$ -	\$ (113,175)	\$ 4,024,098	\$ 360,789	\$ (54,766)
Net position - beginning, as restated			12,668,364	-	4,798,371	17,466,735	(6,052,441)	2,549,680
Net position - ending			\$ 16,805,637	\$ -	\$ 4,685,196	\$ 21,490,833	\$ (5,691,652)	\$ 2,494,914

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

County of Appomattox, Virginia
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
ASSETS				
Cash and cash equivalents	\$ 18,429,180	\$ 3,921,268	\$ 691,084	\$ 23,041,532
Receivables (net of allowance for uncollectibles):				
Taxes receivable	8,198,051	-	-	8,198,051
Accounts receivable	137,114	-	3,010	140,124
Due from other governmental units	1,619,872	-	39,541	1,659,413
Prepaid items	35,636	-	-	35,636
Total assets	<u>\$ 28,419,853</u>	<u>\$ 3,921,268</u>	<u>\$ 733,635</u>	<u>\$ 33,074,756</u>
LIABILITIES				
Accounts payable	\$ 577,887	\$ -	\$ -	\$ 577,887
Unearned revenue	1,545,263	-	-	1,545,263
Total liabilities	<u>\$ 2,123,150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,123,150</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	\$ 8,261,986	\$ -	\$ -	\$ 8,261,986
Total deferred inflows of resources	<u>\$ 8,261,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,261,986</u>
FUND BALANCES				
Nonspendable	\$ 35,636	\$ -	\$ -	\$ 35,636
Restricted	3,038	-	224,680	227,718
Committed	560	3,921,268	508,955	4,430,783
Assigned	17,440	-	-	17,440
Unassigned	17,978,043	-	-	17,978,043
Total fund balances	<u>\$ 18,034,717</u>	<u>\$ 3,921,268</u>	<u>\$ 733,635</u>	<u>\$ 22,689,620</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,419,853</u>	<u>\$ 3,921,268</u>	<u>\$ 733,635</u>	<u>\$ 33,074,756</u>

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

County of Appomattox, 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	\$	22,689,620
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 35,516,762	
Accumulated depreciation	<u>(22,613,810)</u>	12,902,952

Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.

Unavailable revenue - property taxes		1,358,335
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Deferred charge on refunding	\$ 335,407	
Pension related items	1,689,538	
OPEB related items	<u>210,819</u>	2,235,764

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Bonds payable	\$ (12,996,158)	
Issuance premium	(56,809)	
Compensated absences	(290,497)	
Net OPEB liabilities	(911,127)	
Net pension liability	(5,668,988)	
Landfill postclosure care liability	(1,942,049)	
Accrued interest payable	<u>(42,189)</u>	(21,907,817)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (439,867)	
OPEB related items	<u>(33,350)</u>	(473,217)

Net position of governmental activities	\$	<u><u>16,805,637</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	General Fund	County Capital Projects Fund	Other Governmental Funds	Total
REVENUES				
General property taxes	\$ 15,004,968	\$ -	\$ -	\$ 15,004,968
Other local taxes	2,857,960	-	-	2,857,960
Permits, privilege fees, and regulatory licenses	113,000	-	-	113,000
Fines and forfeitures	64,983	-	-	64,983
Revenue from the use of money and property	66,353	-	-	66,353
Charges for services	127,980	-	32,214	160,194
Miscellaneous	855,452	52,919	-	908,371
Recovered costs	128,237	-	-	128,237
Intergovernmental:				
Commonwealth	5,758,676	-	97,773	5,856,449
Federal	4,461,861	-	-	4,461,861
Total revenues	\$ 29,439,470	\$ 52,919	\$ 129,987	\$ 29,622,376
EXPENDITURES				
Current:				
General government administration	\$ 2,761,402	\$ -	\$ -	\$ 2,761,402
Judicial administration	1,079,516	-	-	1,079,516
Public safety	4,046,220	-	90,179	4,136,399
Public works	1,691,610	-	-	1,691,610
Health and welfare	4,687,279	-	-	4,687,279
Education	5,551,380	354,514	-	5,905,894
Parks, recreation, and cultural	555,589	-	-	555,589
Community development	859,432	-	-	859,432
Capital projects	638,169	-	-	638,169
Debt service:				
Principal retirement	2,357,253	-	-	2,357,253
Interest and other fiscal charges	798,957	-	-	798,957
Total expenditures	\$ 25,026,807	\$ 354,514	\$ 90,179	\$ 25,471,500
Excess (deficiency) of revenues over (under) expenditures	\$ 4,412,663	\$ (301,595)	\$ 39,808	\$ 4,150,876
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 132,448	\$ 942,209	\$ -	\$ 1,074,657
Transfers out	(942,209)	-	(132,448)	(1,074,657)
Total other financing sources (uses)	\$ (809,761)	\$ 942,209	\$ (132,448)	\$ -
Net change in fund balances	\$ 3,602,902	\$ 640,614	\$ (92,640)	\$ 4,150,876
Fund balances - beginning, as restated	14,431,815	3,280,654	826,275	18,538,744
Fund balances - ending	\$ 18,034,717	\$ 3,921,268	\$ 733,635	\$ 22,689,620

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

County of Appomattox, 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	\$	4,150,876
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded the capital outlays in the current period.

Capital asset additions	\$ 263,739	
Jointly owned asset allocation	(812,825)	
Depreciation expense	<u>(1,140,927)</u>	(1,690,013)

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

Property taxes		(329,136)
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The issuance of long-term obligations (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations 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 obligations and related items.

Principal payments	\$ 2,357,253	
Change in landfill closure liability	<u>(32,212)</u>	2,325,041

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.

Amortization of bond premium	\$ 8,116	
Amortization of deferred charges on refunding	(67,081)	
Change in compensated absences	(38,966)	
Pension expense	(223,788)	
OPEB expense	(13,659)	
Change in accrued interest payable	<u>15,883</u>	(319,495)

Change in net position of governmental activities	\$	<u><u>4,137,273</u></u>
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The notes to the financial statements are an integral part of this statement.

County of Appomattox, Virginia
Statement of Net Position
Proprietary Fund
June 30, 2021

	Enterprise Fund <u>Sanitary District</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 35,585
Accounts receivable, net of allowances for uncollectibles	13,741
Total current assets	<u>\$ 49,326</u>
Noncurrent assets:	
Capital assets:	
Utility plant in service	\$ 5,712,281
Accumulated depreciation	(1,028,212)
Total capital assets	<u>\$ 4,684,069</u>
Total noncurrent assets	<u>\$ 4,684,069</u>
Total assets	<u>\$ 4,733,395</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 48,199
Total liabilities	<u>\$ 48,199</u>
NET POSITION	
Investment in capital assets	\$ 4,684,069
Unrestricted	<u>1,127</u>
Total net position	<u><u>\$ 4,685,196</u></u>

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

County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Enterprise Fund <u>Sanitary District</u>
OPERATING REVENUES	
Miscellaneous	\$ 170,277
Total operating revenues	<u>\$ 170,277</u>
OPERATING EXPENSES	
Other supplies and expenses	\$ 169,206
Depreciation	114,246
Total operating expenses	<u>\$ 283,452</u>
Operating income (loss)	<u>\$ (113,175)</u>
Change in net position	\$ (113,175)
Net position - beginning	4,798,371
Net position - ending	<u><u>\$ 4,685,196</u></u>

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

County of Appomattox, Virginia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	<u>Enterprise Fund Sanitary District</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Other receipts (payments)	\$ 170,830
Receipts for materials and supplies	(135,245)
Net cash provided by (used for) operating activities	<u>\$ 35,585</u>
Net increase (decrease) in cash and cash equivalents	\$ 35,585
Cash and cash equivalents - beginning	-
Cash and cash equivalents - ending	<u><u>\$ 35,585</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	<u>\$ (113,175)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	\$ 114,246
(Increase) decrease in accounts receivable	553
Increase (decrease) in accounts payable	33,961
Total adjustments	<u>\$ 148,760</u>
Net cash provided by (used for) operating activities	<u><u>\$ 35,585</u></u>

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

County of Appomattox, Virginia
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2021

	Custodial Fund
	Special Welfare
ASSETS	
Cash and cash equivalents	\$ 20,894
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ 20,894
Total net position	\$ 20,894

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

County of Appomattox, Virginia
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2021

	Custodial Fund
	Special Welfare
ADDITIONS	
Contributions	\$ 10,462
Investment earnings:	
Interest and dividends	9
Total additions	\$ 10,471
DEDUCTIONS	
Recipient payments	\$ 5,799
Total deductions	\$ 5,799
Net increase (decrease) in fiduciary net position	\$ 4,672
Net position, beginning, as restated	16,222
Net position, ending	\$ 20,894

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2021

Note 1—Summary of Significant Accounting Policies:

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

Budgetary Comparison Schedules - Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in one way or another in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. Many governments revise their original budgets over the course of the year for a variety of reasons. The budgetary comparison schedules present the original budget, the final budget, and the actual activity of the major governmental funds.

A. Financial Reporting Entity

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

B. Individual Component Unit Disclosures

Blended Component Unit. The County has no blended component units at June 30, 2021.

Discretely Presented Component Units.

The School Board members are elected by the citizens of Appomattox County. The School Board is responsible for the operations of the County's School System within the County boundaries. The School Board is fiscally dependent on the County. The County has the ability to approve its budget and any amendments. The primary funding is from the General Fund of the County. The School Board does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation of the County financial statements for the fiscal year ended June 30, 2021.

The Economic Development Authority of Appomattox County is responsible for industrial and commercial development in the County. The Authority consists of members that are appointed by the Board of Supervisors. The Authority is fiscally dependent on the County, and therefore, it is included in the County's financial statements as a discrete presentation for the year ended June 30, 2021. The Economic Development Authority does not issue a separate financial report.

C. Other Related Organizations Included in the County's Financial Report

None

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service 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.

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

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

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 cash is received by the government.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

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

1. Governmental Funds

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

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

Capital Projects Funds - The County 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 County also reports the County Capital Projects Fund as a major fund.

The County reports the following nonmajor governmental funds:

Special Revenue Funds - Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The County Special Revenue Fund reports the following activities: Asset Forfeiture, E-911, Courthouse Security, Courthouse Maintenance, Jail Keep, Law Library and CSA.

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

Enterprise Funds - Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's Enterprise Fund consists of the Sanitary District Fund.

3. Fiduciary Fund - (Custodial Fund) - accounts for assets held by the County in a trustee capacity or as custodian for individuals, private organizations, other governmental units, or other funds. This fund includes amounts held for Special Welfare.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

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

4. Component Unit

The Appomattox County School Board has the following funds:

Governmental Funds:

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

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

School Activity Fund - This fund accounts for and reports funds collected at the schools in connection with student athletes, clubs, various fundraising activities, and private donations.

School Special Revenue Fund - This fund accounts for and reports the operations of the School Board's food service and textbook programs. Financing is provided primarily by food and beverage sales and state and federal grants. This fund is considered a major fund.

E. 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.

F. 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.

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

G. Receivables and Payables

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

G. Receivables and Payables (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. The County calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$175,637 at June 30, 2021 and is comprised solely of property taxes.

Real and Personal Property Tax Data:

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

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

The County bills and collects its own property taxes.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, and equipment with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There is no capitalized interest for the year ended June 30, 2021.

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

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Utility plant	50
Furniture, Vehicles, Office and Computer Equipment	5-20
Buses	10
Infrastructure	5-10
Intangibles	5-20

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

I. Compensated Absences

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

J. Use of Estimates

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

K. Net Position

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

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

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

L. Pensions

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

M. Other Postemployment Benefits (OPEB)

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

N. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds 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 and premiums on issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

O. 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 County has multiple items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB liabilities and contributions to the pension and OPEB plans made during the current year and subsequent to the net pension asset/liability and net OPEB asset/liability measurement date. For more detailed information on these items, reference the related notes.

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 County has multiple items that qualify for reporting in this category. Under a modified accrual basis of accounting, unavailable revenue representing property taxes receivable is reported in the governmental funds balance sheet. This amount is comprised of uncollected property taxes due prior to June 30, 2nd half installments levied during the fiscal year but due after June 30th, and amounts prepaid on the 2nd half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2nd half installments levied during the fiscal year but due after June 30th and amounts prepaid on the 2nd half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB liabilities are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

P. Fund Balance

The following classifications of fund balance 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 Board of Supervisors prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation;
- Assigned fund balance - amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Unlike commitments, assignments 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.

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

Board of Supervisors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment 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 Board of Supervisors through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

P. Fund Balance (Continued)

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

	General Fund	Major Capital Projects Fund County Capital Projects Fund	Nonmajor Special Revenue Fund Other Governmental Funds	Total
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 35,636	\$ -	\$ -	\$ 35,636
Total Nonspendable Fund Balance	\$ 35,636	\$ -	\$ -	\$ 35,636
Restricted:				
Veterans wall of honor	\$ 3,038	\$ -	\$ -	\$ 3,038
Asset forfeiture	-	-	146,885	146,885
Courthouse maintenance	-	-	11,161	11,161
Courthouse security fund	-	-	61,443	61,443
Law library	-	-	5,191	5,191
Total Restricted Fund Balance	\$ 3,038	\$ -	\$ 224,680	\$ 227,718
Committed:				
Sports complex	\$ 526	\$ -	\$ -	\$ 526
Ballpark fund	34	-	-	34
Capital improvements	-	3,921,268	-	3,921,268
Jail keep fund	-	-	10	10
E-911	-	-	508,945	508,945
Total Committed Fund Balance	\$ 560	\$ 3,921,268	\$ 508,955	\$ 4,430,783
Assigned:				
Sheriff	\$ 13,153	\$ -	\$ -	\$ 13,153
D.A.R.E.	2,644	-	-	2,644
Animal control	1,643	-	-	1,643
Total Assigned Fund Balance	\$ 17,440	\$ -	\$ -	\$ 17,440
Unassigned	\$ 17,978,043	\$ -	\$ -	\$ 17,978,043
Total Fund Balances	\$ 18,034,717	\$ 3,921,268	\$ 733,635	\$ 22,689,620

Note 2—Stewardship, Compliance, and Accounting:

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

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

2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the fund level. The appropriation for each fund can be revised only by the Board of Supervisors. The County Administrator is authorized to transfer budgeted amounts within general government departments; however, the School Board is authorized to transfer budgeted amounts within the school system's categories.
5. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Appropriations lapse on June 30, for all County units.

Expenditures and Appropriations

Expenditures exceeded appropriations in the County Special Revenue Fund and Capital Projects Fund at June 30, 2021.

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).

Credit Risk of Debt Securities

The County's rated debt investments as of June 30, 2021 were rated by Standard and Poor's and the ratings are presented below using the Standard and Poor's rating scale. The County will minimize credit risk by limiting investments to the safest type of securities.

		Fair Quality Ratings
		AAAm
Local Government Investment Pool	\$	107,018
Total	\$	107,018

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 3—Deposits and Investments: (Continued)

Interest Rate Risk

<u>Investment Maturities (in years)</u>		
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>
Local Government Investment Pool	\$ <u>107,018</u>	\$ <u>107,018</u>
Total	\$ <u><u>107,018</u></u>	\$ <u><u>107,018</u></u>

External Investment Pools

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 4—Due to/from Other Governments:

At June 30, 2021, the County has receivables from other governments as follows:

	<u>Primary Government</u>	<u>Component Unit School Board</u>
Other Local Governments:		
Appomattox County School Board	\$ 480,462	\$ -
Commonwealth of Virginia:		
Local sales tax	279,303	-
Welfare	58,474	-
Rolling stock tax	37,621	-
Comprehensive services	384,165	-
State sales tax	-	378,816
Wireless grant	39,541	-
Auto rental tax	1,182	-
Constitutional officer reimbursements	151,421	-
Mobile home titling tax	2,988	-
Department of Forestry	25,802	-
Victim witness	5,698	-
Virginia domestic violence victims fund	11,250	-
Jury/witness	990	-
Games of skill	5,040	-
Communications tax	64,693	-
Federal Government:		
School fund grants	-	558,319
Victim witness	17,095	-
Emergency management performance grant	4,592	-
Welfare	89,096	-
Total due from other governments	\$ <u>1,659,413</u>	\$ <u>937,135</u>

At June 30, 2021, amounts due to other local governments are as follows:

Other Local Governments:		
County of Appomattox	\$ <u>-</u>	\$ <u>480,462</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2021 (Continued)

Note 5—Capital Assets:

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Primary Government:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 1,316,010	\$ -	\$ -	\$ 1,316,010
Construction in progress	<u>71,935</u>	<u>-</u>	<u>71,935</u>	<u>-</u>
Total capital assets not subject to depreciation	<u>\$ 1,387,945</u>	<u>\$ -</u>	<u>\$ 71,935</u>	<u>\$ 1,316,010</u>
Capital assets subject to depreciation:				
Buildings and improvements	\$ 13,056,959	\$ 10,726	\$ -	\$ 13,067,685
Equipment	5,395,565	324,948	-	5,720,513
Infrastructure	141,866	-	-	141,866
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	<u>15,445,718</u>	<u>-</u>	<u>1,985,246</u>	<u>13,460,472</u>
Total capital assets subject to depreciation	<u>\$ 35,850,324</u>	<u>\$ 335,674</u>	<u>\$ 1,985,246</u>	<u>\$ 34,200,752</u>
Accumulated depreciation:				
Buildings and improvements	\$ 7,713,393	\$ 301,912	\$ -	\$ 8,015,305
Equipment	4,399,225	344,877	-	4,744,102
Infrastructure	90,163	4,710	-	94,873
Intangibles	1,810,216	-	-	1,810,216
Jointly owned assets	<u>8,632,307</u>	<u>489,428</u>	<u>1,172,421</u>	<u>7,949,314</u>
Total accumulated depreciation	<u>\$ 22,645,304</u>	<u>\$ 1,140,927</u>	<u>\$ 1,172,421</u>	<u>\$ 22,613,810</u>
Total capital assets being depreciated, net	<u>\$ 13,205,020</u>	<u>\$ (805,253)</u>	<u>\$ 812,825</u>	<u>\$ 11,586,942</u>
Governmental activities capital assets, net	<u>\$ 14,592,965</u>	<u>\$ (805,253)</u>	<u>\$ 884,760</u>	<u>\$ 12,902,952</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
	<u>July 1, 2020</u>			<u>June 30, 2021</u>
Business-type activities:				
Capital assets not subject to depreciation:				
Utility plant in service	\$ 5,712,281	\$ -	\$ -	\$ 5,712,281
Total capital assets being depreciated	<u>\$ 5,712,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,712,281</u>
Accumulated depreciation:				
Utility plant in service	\$ 913,966	\$ 114,246	\$ -	\$ 1,028,212
Total accumulated depreciation	<u>\$ 913,966</u>	<u>\$ 114,246</u>	<u>\$ -</u>	<u>\$ 1,028,212</u>
Total capital assets being depreciated, net	<u>\$ 4,798,315</u>	<u>\$ (114,246)</u>	<u>\$ -</u>	<u>\$ 4,684,069</u>
Business-type capital assets, net	<u>\$ 4,798,315</u>	<u>\$ (114,246)</u>	<u>\$ -</u>	<u>\$ 4,684,069</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 5—Capital Assets: (Continued)

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Component Unit - School Board:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Governmental activities:				
Capital assets not subject to depreciation:				
Land	\$ 211,370	\$ -	\$ -	\$ 211,370
Total capital assets not subject to depreciation	\$ 211,370	\$ -	\$ -	\$ 211,370
Capital assets subject to depreciation:				
Buildings and improvements	\$ 1,592,184	\$ 23,266	\$ -	\$ 1,615,450
Equipment	5,989,180	935,572	1,060,081	5,864,671
Jointly owned assets	21,700,858	-	(1,985,246)	23,686,104
Total capital assets subject to depreciation	\$ 29,282,222	\$ 958,838	\$ (925,165)	\$ 31,166,225
Accumulated depreciation:				
Buildings and improvements	\$ 479,876	\$ 78,272	\$ -	\$ 558,148
Equipment	4,661,119	331,663	1,060,081	3,932,701
Jointly owned assets	12,128,180	687,635	(1,172,421)	13,988,236
Total accumulated depreciation	\$ 17,269,175	\$ 1,097,570	\$ (112,340)	\$ 18,479,085
Total capital assets being depreciated, net	\$ 12,013,047	\$ (138,732)	\$ (812,825)	\$ 12,687,140
Governmental activities capital assets, net	\$ 12,224,417	\$ (138,732)	\$ (812,825)	\$ 12,898,510

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COUNTY OF APPOMATTOX, VIRGINIANotes to Financial Statements
As of June 30, 2021 (Continued)**Note 5—Capital Assets: (Continued)**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2021:

Component Unit - Economic Development Authority:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Business-type activities:				
Capital assets not subject to depreciation:				
Land	\$ <u>1,381,873</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,381,873</u>
Total capital assets not subject to depreciation	\$ <u>1,381,873</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,381,873</u>
Capital assets subject to depreciation:				
Infrastructure	\$ <u>1,917,079</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Total capital assets subject to depreciation	\$ <u>1,917,079</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,917,079</u>
Accumulated depreciation:				
Infrastructure	\$ <u>914,783</u>	\$ <u>46,530</u>	\$ <u>-</u>	\$ <u>961,313</u>
Total accumulated depreciation	\$ <u>914,783</u>	\$ <u>46,530</u>	\$ <u>-</u>	\$ <u>961,313</u>
Total capital assets being depreciated, net	\$ <u>1,002,296</u>	\$ <u>(46,530)</u>	\$ <u>-</u>	\$ <u>955,766</u>
Business-type capital assets, net	\$ <u><u>2,384,169</u></u>	\$ <u><u>(46,530)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,337,639</u></u>

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 5—Capital Assets: (Continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government:

Governmental activities:

General government administration	\$ 42,240
Judicial administration	135,771
Public safety	329,805
Public works	13,330
Health and welfare	18,269
Education	490,468
Parks, recreation and cultural	71,677
Community development	<u>39,367</u>

Total Governmental activities	\$ <u>1,140,927</u>
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Business-type activities:

Sanitary District Fund	\$ <u>114,246</u>
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Total Primary Government	\$ <u>1,255,173</u>
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Component Unit School Board	\$ <u>1,097,570</u>
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Component Unit Economic Development Authority	\$ <u>46,530</u>
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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 6—Interfund Transfers and Obligations:

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

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds:		
General Fund	\$ 132,448	\$ 942,209
County Special Revenue Fund	-	132,448
County Capital Projects Fund	942,209	-
Total Governmental Funds	\$ <u>1,074,657</u>	\$ <u>1,074,657</u>

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

Details of the Primary Government's interfund receivables and payables as of June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Component Unit—School Board:		
School Operating Fund	\$ 59,913	\$ -
School Special Revenue Fund	-	59,913
Total Component Unit—School Board Funds	\$ <u>59,913</u>	\$ <u>59,913</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments made between funds are made. These balances also include the amount of working capital loans made to internal service funds that the general fund expects to collect in the subsequent year.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations:

Primary Government:

The following is a summary of long-term obligation transactions of the County for the fiscal year ended June 30, 2021:

	Balance at July 1, 2020	Issuances/ Increases	Retirements/ Decreases	Balance at June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Incurred by County:					
Compensated absences	\$ 251,531	\$ 64,119	\$ 25,153	\$ 290,497	\$ 29,050
Direct borrowings:					
Lease revenue bonds	8,540,000	-	1,055,000	7,485,000	1,085,000
Issuance premium	64,925	-	8,116	56,809	-
Net OPEB liabilities	916,644	149,732	155,249	911,127	-
Net pension liability	5,145,132	2,266,848	1,742,992	5,668,988	-
Landfill postclosure care liability	1,909,837	32,212	-	1,942,049	-
Total incurred by County	\$ 16,828,069	\$ 2,512,911	\$ 2,986,510	\$ 16,354,470	\$ 1,114,050
Incurred by School Board:					
Direct placements:					
General obligation bonds	\$ 6,813,411	\$ -	\$ 1,302,253	\$ 5,511,158	\$ 1,344,493
Total incurred by School Board	\$ 6,813,411	\$ -	\$ 1,302,253	\$ 5,511,158	\$ 1,344,493
Total Governmental Activities	\$ 23,641,480	\$ 2,512,911	\$ 4,288,763	\$ 21,865,628	\$ 2,458,543

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations: (Continued)**Primary Government: (Continued)**

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

Governmental Activities

Year Ending June 30,	County Obligations	
	Direct Borrowings	
	Lease Revenue	
	Bonds	
	Principal	Interest
2022	\$ 1,085,000	\$ 181,443
2023	1,640,000	151,763
2024	1,680,000	109,480
2025	1,720,000	70,840
2026	1,360,000	31,280
Total	\$ <u>7,485,000</u>	\$ <u>544,806</u>

Year Ending June 30,	School Obligations	
	Direct Placements	
	General Obligation	
	Bonds	
	Principal	Interest
2022	\$ 1,344,493	\$ 463,035
2023	833,333	450,000
2024	833,333	450,000
2025	833,333	450,000
2026	833,333	450,000
2027	833,333	450,000
Total	\$ <u>5,511,158</u>	\$ <u>2,713,035</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations: (Continued)

Primary Government: (Continued)

Details of long-term obligations at June 30, 2021 are as follows:

Governmental Activities:**Incurred by County:****Direct Borrowings:****Lease Revenue Bonds:**

\$14,605,000 lease revenue bond issued April 27, 2010, payable in varying annual installments, interest at 1.00% to 5.00%, through May 1, 2023.	\$ 425,000
\$7,110,000 refunding lease revenue bond issued May 5, 2016, payable in varying annual installments, interest at 2.30%, through May 1, 2026.	7,060,000
Total lease revenue bonds	<u>\$ 7,485,000</u>
Issuance premium	<u>\$ 56,809</u>
Net OPEB liabilities (payable by the general fund)	<u>\$ 911,127</u>
Net pension liability	<u>\$ 5,668,988</u>
Landfill postclosure care liability (payable by the general fund)	<u>\$ 1,942,049</u>
Compensated absences (payable by the general fund)	<u>\$ 290,497</u>
Total Incurred by County	<u>\$ 16,354,470</u>

Incurred by School Board:**Direct Placements:****General Obligation bonds**

\$1,850,000 school bond issued October 26, 2001, payable in varying amounts and interest rates through July 15, 2021.	\$ 140,000
\$6,512,513 school bond issued October 26, 2001, payable in varying amounts and rates through July 15, 2021.	371,160
\$10,000,000 school bond issued June 26, 2011, payable in varying amounts, interest at 0.00%, through June 1, 2027.	4,999,998
Total General Obligation Bonds	<u>\$ 5,511,158</u>
Total Incurred by School Board	<u>\$ 5,511,158</u>
Total Governmental Activities	<u>\$ 21,865,628</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 7—Long-Term Obligations: (Continued)**Primary Government: (Continued)**

The County's outstanding direct placements related to governmental activities of \$5,511,158 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

Discretely Presented Component Unit - School Board:

The following is a summary of long-term obligation transactions of the Component Unit School Board for the fiscal year ended June 30, 2021:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021
Component Unit-School Board:				
Net pension liability	\$ 17,782,560	\$ 7,196,976	\$ 5,561,967	\$ 19,417,569
Net OPEB liabilities	<u>4,039,808</u>	<u>707,813</u>	<u>647,318</u>	<u>4,100,303</u>
Total Component Unit-School Board	<u>\$ 21,822,368</u>	<u>\$ 7,904,789</u>	<u>\$ 6,209,285</u>	<u>\$ 23,517,872</u>

Details of long-term obligations at June 30, 2021 are as follows:

Net pension liability	\$ 19,417,569
Net OPEB liabilities (payable from the School Fund)	<u>4,100,303</u>
Long-term obligations incurred by the School Board (payable from the School Fund)	<u>\$ 23,517,872</u>

Note 8—Deferred/Unavailable Revenue:

Deferred/unavailable revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Under the accrual basis, assessments for future reporting periods are deferred. Unavailable revenue totaling \$8,261,986 is comprised of the following:

	Government-wide Statements Governmental Activities	Balance Sheet Governmental Funds
Unavailable property tax revenue representing uncollected property tax billings that are not available for the funding of current expenditures.	\$ -	\$ 1,358,335
2nd half assessments due on December 5, 2021	6,438,672	6,438,672
Prepaid property taxes due on December 5, 2021, but paid in advance by the taxpayers.	<u>464,979</u>	<u>464,979</u>
Total deferred inflows of resources	<u>\$ 6,903,651</u>	<u>\$ 8,261,986</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 9—Commitments and Contingent Liabilities:

Federal programs in which the County and all discretely presented component units participate were audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements.

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

A memorandum of understanding was issued on April 12, 1999 between the County and the Town of Appomattox for the purchase of water rights. The Town entered into a financing agreement with the VRA and the County agreed to pay the Town 48.67% of the debt for the use of 146,000 gallons of water per day.

Note 10—Litigation:

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

Note 11—Risk Management:

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

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

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

The County also participates with other localities in a public entity risk pool for their coverage of general liability and auto insurance with Virginia Municipal League and public officials' liability with the Virginia Association of Counties Group Self Insurance Risk Pool. The County pays an annual premium to the pools for general insurance through member premiums. The County continues to carry commercial insurance for all other risks of loss. The Component Unit School Board carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans:

Plan Description

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

Benefit Structures

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

- a. Employees with a membership date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (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 1.7% or 1.85% for hazardous duty employees as elected by the employer. Under the Hybrid Plan, average final compensation is the average of the employee's 60 consecutive months of highest compensation and the multiplier is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.

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

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

Employees Covered by Benefit Terms

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

	Primary Government	Component Unit School Board Nonprofessional
Inactive members or their beneficiaries currently receiving benefits	78	29
Inactive members:		
Vested inactive members	12	4
Non-vested inactive members	18	9
Inactive members active elsewhere in VRS	29	7
Total inactive members	59	20
Active members	99	31
Total covered employees	236	80

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Contributions

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

The County's contractually required employer contribution rate for the year ended June 30, 2021 was 14.82% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$608,339 and \$557,702 for the years ended June 30, 2021 and June 30, 2020, respectively.

The Component Unit School Board's contractually employer required contribution rate for nonprofessional employees for the year ended June 30, 2021 was 3.60% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Component Unit School Board's nonprofessional employees were \$22,185 and \$25,060 for the years ended June 30, 2021 and June 30, 2020, respectively.

Net Pension Liability (Asset)

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

Actuarial Assumptions - General Employees

The total pension liability for General Employees in the County's and Component Unit School Board's (nonprofessional) Retirement Plan was based on an actuarial valuation as of June 30, 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - General Employees (Continued)

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.

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%

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Actuarial Assumptions - Public Safety Employees with Hazardous Duty Benefits

The total pension liability for Public Safety employees with Hazardous Duty Benefits in the County's Retirement Plan was based on an actuarial valuation as of June 30, 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.

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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (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%.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; the County and Component Unit School Board (nonprofessional) was also provided with an opportunity to use an alternative employer contribution rate. For the year ended June 30, 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. Through the

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Discount Rate (Continued)

fiscal year ended June 30, 2020, the rate contributed by the school division for the VRS Teacher Retirement Plan was subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, participating employers and school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	Primary Government		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2019	\$ 26,773,634	\$ 21,628,502	\$ 5,145,132
Changes for the year:			
Service cost	\$ 500,159	\$ -	\$ 500,159
Interest	1,751,831	-	1,751,831
Differences between expected and actual experience	(566,682)	-	(566,682)
Contributions - employer	-	557,249	(557,249)
Contributions - employee	-	202,486	(202,486)
Net investment income	-	416,575	(416,575)
Benefit payments, including refunds			
Refund of employee contributions	(1,641,169)	(1,641,169)	-
Administrative expenses	-	(14,381)	14,381
Other changes	-	(477)	477
Net changes	\$ 44,139	\$ (479,717)	\$ 523,856
Balances at June 30, 2020	\$ 26,817,773	\$ 21,148,785	\$ 5,668,988

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Changes in Net Pension Liability (Asset)

	Component School Board (nonprofessional)		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at June 30, 2019	\$ 3,376,996	\$ 3,468,382	\$ (91,386)
Changes for the year:			
Service cost	\$ 63,328	\$ -	\$ 63,328
Interest	222,138	-	222,138
Differences between expected and actual experience	(95,522)	-	(95,522)
Contributions - employer	-	25,059	(25,059)
Contributions - employee	-	33,461	(33,461)
Net investment income	-	66,111	(66,111)
Benefit payments, including refunds			
Refund of employee contributions	(172,139)	(172,139)	-
Administrative expenses	-	(2,296)	2,296
Other changes	-	(77)	77
Net changes	\$ 17,805	\$ (49,881)	\$ 67,686
Balances at June 30, 2020	\$ 3,394,801	\$ 3,418,501	\$ (23,700)

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County			
Net Pension Liability (Asset)	\$ 8,800,848	\$ 5,668,988	\$ 3,044,257
Component Unit School Board (nonprofessional)			
Net Pension Liability (Asset)	\$ 361,889	\$ (23,700)	\$ (347,488)

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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

For the year ended June 30, 2021, the County and Component Unit School Board (nonprofessional) recognized pension expense of \$831,674 and \$61,378 respectively. At June 30, 2021, the County and Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,937	\$ 439,867	\$ 5,490	\$ 56,374
Change of assumptions	291,004	-	21,978	-
Net difference between projected and actual earnings on pension plan investments	625,258	-	101,785	-
Employer contributions subsequent to the measurement date	608,339	-	22,185	-
Total	<u>\$ 1,689,538</u>	<u>\$ 439,867</u>	<u>\$ 151,438</u>	<u>\$ 56,374</u>

\$608,339 and \$22,185 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of (increase to) the Net Pension Liability (Asset) in the fiscal year ending 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	Primary Government	Component Unit School Board (nonprofessional)
2022	\$ 121,587	\$ (9,679)
2023	156,384	14,856
2024	160,742	34,884
2025	202,619	32,818
Thereafter	-	-

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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.

Component Unit School Board (Professional)

Plan Description

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each School Division's contractually employer required contribution rate for the year ended June 30, 2021 was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School Board were \$1,887,412 and \$1,773,070 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$19,417,569 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and 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. The school division's proportion of the Net Pension Liability was based on the school division's actuarially determined employer contributions to the pension plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion was 0.13340% as compared to 0.13512% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$2,071,792. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)**Component Unit School Board (professional) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,138,169
Change of assumptions	1,325,493	-
Net difference between projected and actual earnings on pension plan investments	1,476,921	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	189,538	581,122
Employer contributions subsequent to the measurement date	<u>1,887,412</u>	<u>-</u>
Total	<u>\$ 4,879,364</u>	<u>\$ 1,719,291</u>

\$1,887,412 reported as deferred outflows of resources related to pensions resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 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:

<u>Year ended June 30</u>	
2022	\$ (60,102)
2023	435,310
2024	514,383
2025	415,095
2026	(32,025)

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

Component Unit School Board (professional) (Continued)

Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 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% - 5.95%
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:

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 75 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)**Component Unit School Board (professional) (Continued)*****Actuarial Assumptions (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 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	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67, less that system's fiduciary net position. As of June 30, 2020, NPL amounts for the VRS Teacher Employee Retirement Plan is as follows (amounts expressed in thousands):

	Teacher Employee Retirement Plan
Total Pension Liability	\$ 51,001,855
Plan Fiduciary Net Position	36,449,229
Employers' Net Pension Liability (Asset)	\$ 14,552,626
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%

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

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 12—Pension Plans: (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability (Asset)	\$ 28,489,935	\$ 19,417,569	\$ 11,913,576

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher Retirement 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.

Primary Government and Component Unit School Board

Aggregate Pension Information

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense	Deferred Outflows	Deferred Inflows	Net Pension Liability (Asset)	Pension Expense
VRS Pension Plans:								
Primary Government	\$ 1,689,538	\$ 439,867	\$ 5,668,988	\$ 831,674	\$ -	\$ -	\$ -	\$ -
School Board Nonprofessional	-	-	-	-	151,438	56,374	(23,700)	61,378
School Board Professional	-	-	-	-	4,879,364	1,719,291	19,417,569	2,071,792
Totals	\$ 1,689,538	\$ 439,867	\$ 5,668,988	\$ 831,674	\$ 5,030,802	\$ 1,775,665	\$ 19,393,869	\$ 2,133,170

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan):

Plan Description

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

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

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

Eligible Employees

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

Benefit Amounts

The GLI Plan is a defined benefit plan with several components. The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. The accidental death benefit is double the natural death benefit. In addition to basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances that include the following: accidental dismemberment benefit, 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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Contributions (Continued)

valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the County were \$22,856 and \$21,817 for the years ended June 30, 2021 and June 30, 2020, respectively.

Contributions to the GLI Plan from the Component Unit School Board professional group were \$64,052 and \$61,137 for the years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the Group Life Insurance Plan from the Component Unit School Board nonprofessional group were \$4,033 and \$3,699 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the County reported a liability of \$340,276 for its proportionate share of the Net GLI OPEB Liability. The Component Unit School Board professional and nonprofessional groups reported liabilities of \$953,406 and \$57,741, respectively, 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 County's proportion was 0.02039% as compared to 0.02093% at June 30, 2019. At June 30, 2020, the Component Unit School Board professional and nonprofessional groups' proportion was 0.05713% and 0.00346%, respectively as compared to 0.05833% and 0.00325% respectively at June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$8,334. For the year ended June 30, 2021, the Component Unit School Board professional group recognized GLI OPEB expense of \$37,314. For the year ended June 30, 2021, the Component Unit School Board nonprofessional group recognized GLI OPEB expense of \$1,673. 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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—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)

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:

	Primary Government		Component School Board (professional)		Component School Board (nonprofessional)	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,826	\$ 3,058	\$ 61,152	\$ 8,562	\$ 3,704	\$ 519
Net difference between projected and actual earnings on GLI OPEB plan investments	10,222	-	28,639	-	1,735	-
Change of assumptions	17,018	7,105	47,681	19,908	2,888	1,206
Changes in proportionate share	3,251	21,028	14,866	29,075	2,680	4,769
Employer contributions subsequent to the measurement date	22,856	-	64,052	-	4,033	-
Total	\$ 75,173	\$ 31,191	\$ 216,390	\$ 57,545	\$ 15,040	\$ 6,494

\$22,856, \$64,052 and \$4,033, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the County, Component Unit School Board professional and nonprofessional group'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:

	Primary Government	Component Unit School Board (professional)	Component Unit School Board (nonprofessional)
Year Ended June 30			
2022	\$ 484	\$ 15,317	\$ 341
2023	3,370	23,405	831
2024	6,500	27,451	1,278
2025	9,213	25,048	1,298
2026	1,671	3,706	612
Thereafter	(112)	(134)	153

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

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 Annual Report.

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

*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.

Mortality Rates - Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers (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 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	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Mortality Rates - Non-Largest Ten Locality Employers - General Employees (Continued)**Actuarial Assumptions: (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 Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (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%

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 are as follows (amounts expressed in thousands):

		GLI OPEB Plan
Total GLI OPEB Liability	\$	3,523,937
Plan Fiduciary Net Position		1,855,102
Employers' Net GLI 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—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 1, 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%.

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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 13—Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)**Sensitivity of the Employer's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate**

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
County's proportionate share of the GLI Plan Net OPEB Liability	\$ 447,319	\$ 340,276	\$ 253,347
Component School Board (professional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 1,253,325	\$ 953,406	\$ 709,843
Component School Board (nonprofessional)'s proportionate share of the GLI Plan Net OPEB Liability	\$ 75,905	\$ 57,741	\$ 42,990

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 14—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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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.

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:

	<u>Component Unit School Board (nonprofessional)</u>
Inactive members or their beneficiaries currently receiving benefits	<u>10</u>
Total inactive members	<u>10</u>
Active members	<u>31</u>
Total covered employees	<u><u>41</u></u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Contributions

The contribution requirements for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The Component Unit School Board's (nonprofessional) contractually required employer contribution rate for nonprofessional employees for the year ended June 30, 2021 was 0.57% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Component Unit School Board to the HIC Plan for nonprofessional employees were \$4,257 and \$2,845 for the years ended June 30, 2021 and June 30, 2020.

Net HIC OPEB Liability

The Component Unit School Board's (nonprofessional) net HIC OPEB liability was measured as of June 30, 2020. The total Health Insurance Credit 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.

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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (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 Life Mortality Table 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%

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—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 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%.

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 continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the HIC OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Changes in Net HIC OPEB Liability

	Component Unit School Board (nonprofessional)		
	Increase (Decrease)		
	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (Asset) (a) - (b)
Balances at June 30, 2019	\$ 72,067	\$ 42,180	\$ 29,887
Changes for the year:			
Service cost	\$ 1,315	\$ -	\$ 1,315
Interest	4,678	-	4,678
Benefit changes	2,534	-	2,534
Differences between expected and actual experience	1,573	-	1,573
Contributions - employer	-	2,845	(2,845)
Net investment income	-	828	(828)
Benefit payments	(5,534)	(5,534)	-
Administrative expenses	-	(77)	77
Net changes	\$ 4,566	\$ (1,938)	\$ 6,504
Balances at June 30, 2020	\$ 76,633	\$ 40,242	\$ 36,391

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

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

	Rate		
	1% Decrease (5.75%)	Current Discount (6.75%)	1% Increase (7.75%)
Component Unit School Board (nonprofessional):			
Net HIC OPEB Liability	\$ 44,239	\$ 36,391	\$ 29,591

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 14—Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)**HIC Plan OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Plan OPEB**

For the year ended June 30, 2021, the Component Unit School Board (nonprofessional) recognized HIC Plan OPEB expense of \$7,503. At June 30, 2021, the Component Unit School Board (nonprofessional) reported deferred outflows of resources and deferred inflows of resources related to the Component Unit School Board's (nonprofessional) HIC Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,567	\$ -
Net difference between projected and actual earnings on HIC OPEB plan investments	1,349	-
Change in assumptions	1,029	826
Employer contributions subsequent to the measurement date	<u>4,257</u>	<u>-</u>
Total	<u>\$ 12,202</u>	<u>\$ 826</u>

\$4,257 reported as deferred outflows of resources related to the HIC OPEB resulting from the Component Unit School Board's (nonprofessional) 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:

<u>Year Ended June 30</u>	
2022	\$ 1,653
2023	2,118
2024	2,441
2025	907
2026	-
Thereafter	-

HIC Plan Data

Information about the VRS Political Subdivision HIC Program 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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan):

Plan Description

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

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

Eligible Employees

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

Benefit Amounts

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

HIC Plan Notes

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

Contributions

The contribution requirements for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation for employees in the VRS Teacher Employee HIC Plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the school division to the VRS Teacher Employee HIC Plan were \$143,524 and \$141,085 for the years ended June 30, 2021 and June 30, 2020, respectively.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

At June 30, 2021, the school division reported a liability of \$1,749,487 for its proportionate share of the VRS Teacher Employee HIC Plan Net OPEB Liability. The Net VRS Teacher Employee HIC Plan OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC Plan OPEB liability used to calculate the Net VRS Teacher Employee HIC Plan OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC Plan OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC Plan OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2020, the school division's proportion of the VRS Teacher Employee HIC Plan was 0.13410% as compared to 0.13574% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$142,154. Since there was a change in proportionate share between measurement dates a portion of the VRS Teacher Employee HIC Plan Net OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2021, the school division reported deferred outflows of resources and deferred inflows of resources related to the VRS Teacher Employee HIC Plan OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 23,364
Net difference between projected and actual earnings on Teacher HIC OPEB plan investments	7,753	-
Change in assumptions	34,585	9,559
Change in proportionate share	30,784	59,357
Employer contributions subsequent to the measurement date	<u>143,524</u>	<u>-</u>
Total	<u>\$ 216,646</u>	<u>\$ 92,280</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$143,524 reported as deferred outflows of resources related to the Teacher Employee HIC OPEB resulting from the school division's contributions subsequent to the measurement date will be recognized as a reduction of the Net Teacher Employee HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Teacher Employee HIC OPEB will be recognized in the Teacher Employee HIC OPEB expense in future reporting periods as follows:

<u>Year Ended June 30</u>	
2022	\$ (1,118)
2023	(350)
2024	(607)
2025	(2,326)
2026	(6,709)
Thereafter	(8,048)

Actuarial Assumptions

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 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%-5.95%
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.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions (Continued)

Mortality Rates - Teachers

Pre-Retirement:

RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020.

Post-Retirement:

RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males 1% increase compounded from ages 70 to 90; females set back 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115% of rates for males and females.

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 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	Adjusted rates to better match experience
Salary Scale	No change
4 Discount Rate	Decreased rate from 7.00% to 6.75%

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Net Teacher Employee HIC OPEB Liability

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

		Teacher Employee HIC OPEB Plan
Total Teacher Employee HIC OPEB Liability	\$	1,448,676
Plan Fiduciary Net Position		144,160
Teacher Employee net HIC OPEB Liability (Asset)	\$	1,304,516
Plan Fiduciary Net Position as a Percentage of the Total Teacher Employee HIC OPEB Liability		9.95%

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

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Long-Term Expected Rate of Return

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

Asset Class (Strategy)	Long-Term Target Asset Allocation	Arithmetic Long-term Expected Rate of Return	Weighted Average Long-term Expected Rate of Return*
Public Equity	34.00%	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 19, 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%.

Discount Rate

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

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 15—Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

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

	Rate		
	1% Decrease	Current Discount	1% Increase
	(5.75%)	(6.75%)	(7.75%)
School division's proportionate share of the VRS Teacher Employee HIC OPEB Plan			
Net HIC OPEB Liability	\$ 1,958,369	\$ 1,749,487	\$ 1,571,953

Teacher Employee HIC OPEB Fiduciary Net Position

Detailed information about the VRS Teacher Employee HIC Plan's Fiduciary Net Position is available in the separately issued VRS 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 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan):

County and School Board

Plan Description

In addition to the pension and VRS OPEB benefits described in Notes 12 through 13, the County administers a single-employer defined benefit healthcare plan, The County of Appomattox Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the County's pension and VRS OPEB plans. The plan does not issue a publicly available financial report.

In addition to the pension and VRS OPEB benefits described in Notes 12 through 15, the Component Unit School Board administers a single-employer defined benefit healthcare plan, The Appomattox County Public Schools Postretirement Benefits Plan. The plan provides postemployment health care benefits to all eligible permanent employees who meet the requirements under the School Board's pension plans. The plan does not issue a publicly available financial report.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Benefits Provided

Postemployment benefits that are provided to eligible County retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the County who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Postemployment benefits that are provided to eligible School Board retirees include medical and dental insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. All permanent employees of the School Board who meet eligibility requirements of the pension plan are eligible to receive postemployment health care benefits.

Plan Membership

At June 30, 2021 (measurement date), the following employees were covered by the benefit terms:

	Primary Government	Component Unit School Board
Total active employees with coverage	97	301
Total retirees and spouses with coverage	8	6
Total	105	307

Contributions

The County nor the School Board pre-funds benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County or School Board. The amount paid by the County and the School Board for OPEB as the benefits came due during the year ended June 30, 2021 was \$54,035 and \$50,041, respectively.

Total OPEB Liability

The County and School Board'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 as of July 1, 2019.

Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary Increases	2.50% per year
Discount Rate	2.16% per year

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Actuarial Assumptions (Continued)

Mortality rates for the County were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2021; males setback 1 year, 85% of rates; females setback 1 year. 25% of deaths are assumed to be service related.

Post-Retirement: RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2021; males set forward 1 year; females setback 1 year with 1.5% increase compounded from ages 70 to 85.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2021; males 115% of rates; females 130% of rates.

Mortality rates for the School Board were based on the following actuarial assumptions:

Pre-Retirement: RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2021. 5% of deaths are assumed to be service related.

Post-Retirement: RP-2014 White Collar Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2021; males 1% increase compounded from ages 70 to 90; females setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90.

Post-Disablement: RP-2014 Disabled Mortality Rates projected with Scale BB to 2021; 115% of rates for males and females.

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

Discount Rate

The discount rate used when OPEB plan investments are insufficient to pay for future benefit payments is based on the Bond Buyer 20-Year Go Index as of their respective measurement dates.

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COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

Changes in Total OPEB Liability

	Primary Government Total OPEB Liability	Component Unit School Board Total OPEB Liability
Balances at June 30, 2020	\$ 576,057	\$ 1,230,882
Changes for the year:		
Service cost	33,924	88,881
Interest	12,887	28,617
Changes of assumptions	2,018	4,939
Benefit payments	(54,035)	(50,041)
Net changes	\$ (5,206)	\$ 72,396
Balances at June 30, 2021	\$ 570,851	\$ 1,303,278

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

The following amounts present the total OPEB liability of the County and School Board, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
Primary Government:			
Total OPEB liability	\$ 613,321	\$ 570,851	\$ 532,312
Component Unit School Board:			
Total OPEB liability	\$ 1,404,056	\$ 1,303,278	\$ 1,206,592

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

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

		Rates		
		1% Decrease (3.70% to 3.00%)	Healthcare Cost Trend (4.70% to 4.00%)	1% Increase (5.70% to 5.00%)
Primary Government:				
Total OPEB liability	\$	507,415	\$ 570,851	\$ 645,851
		Rates		
		1% Decrease (5.10% to 3.00%)	Healthcare Cost Trend (6.10% to 4.00%)	1% Increase (7.10% to 5.00%)
Component Unit School Board:				
Total OPEB liability	\$	1,119,477	\$ 1,303,278	\$ 1,524,630

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

For the year ended June 30, 2021, the County and the School Board recognized OPEB expense in the amount of \$82,267 and \$129,360. At June 30, 2021, the County and the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Primary Government		Component Unit School Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,152	\$ -	\$ 2,700	\$ -
Changes in assumptions	121,494	2,159	87,185	13,017
Total	<u>\$ 135,646</u>	<u>\$ 2,159</u>	<u>\$ 89,885</u>	<u>\$ 13,017</u>

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 16—Medical and Dental Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

County and School Board: (Continued)

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

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

Year Ended June 30	Primary Government	Component Unit School Board
2022	\$ 35,456	\$ 11,862
2023	35,388	11,862
2024	34,780	11,862
2025	27,863	11,862
2026	-	11,586
Thereafter	-	17,834

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 17—Summary of Other Postemployment Benefit Plans:

	Primary Government				Component Unit School Board			
	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense	Deferred Outflows	Deferred Inflows	Net OPEB Liability	OPEB Expense
VRS OPEB Plans:								
Group Life Insurance Plan (Note 13):								
County	\$ 75,173	\$ 31,191	\$ 340,276	\$ 8,334	\$ -	\$ -	\$ -	\$ -
School Board Professional	-	-	-	-	216,390	57,545	953,406	37,314
School Board Nonprofessional	-	-	-	-	15,040	6,494	57,741	1,673
School Board (nonprofessional) Health Insurance Credit Plan (Note 14)	-	-	-	-	12,202	826	36,391	7,503
Teacher Health Insurance Credit Plan (Note 15)	-	-	-	-	216,646	92,280	1,749,487	142,154
County Stand-Alone Plan (Note 16)	135,646	2,159	570,851	82,267	-	-	-	-
School Stand-Alone Plan (Note 16)	-	-	-	-	89,885	13,017	1,303,278	129,360
Totals	\$ 210,819	\$ 33,350	\$ 911,127	\$ 90,601	\$ 550,163	\$ 170,162	\$ 4,100,303	\$ 318,004

Note 18—Landfill Closure and Postclosure Costs:

The County closed its landfill and is liable for postclosure monitoring for a period of thirty years. In addition, the County participates in a Regional Landfill and is liable for its portion of closure and postclosure monitoring costs. In conjunction with both, an environmental engineering firm was engaged to devise a closure plan in accordance with federal and state regulations. The \$1,942,049 reported as landfill postclosure liability at June 30, 2021, represents the estimated liability for postclosure monitoring over the remaining twenty-seven years for the County Landfill and the closure and postclosure costs of the Regional Landfill. These amounts are based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 18—Landfill Closure and Postclosure Costs: (Continued)

The County has demonstrated financial assurance requirements for closure, postclosure care, and corrective action cost through the submission of a Local Government Financial Test to the Virginia Department of Environmental Quality in accordance with Section 9VAC20-70 of the Virginia Administrative Code.

Note 19—Surety Bonds:

The Commonwealth of Virginia has established a Faithful Performance of Duty Bond Plan to cover the following positions:

	<u>Amount</u>
Division of Risk Management Surety:	
Commonwealth Funds	
Janet A. Hix, Clerk of the Circuit Court	\$ 115,430
Victoria C. Phelps, Treasurer	400,000
Sara R. Henderson, Commissioner of the Revenue	3,000
Donald D. Simpson, Sheriff	30,000
Utica Mutual Insurance Company-Surety:	
Clerk and Deputy Clerk of the School Board	10,000
Virginia Local Government Risk Management Plan:	
All Social Services Employees	1,000,000

Note 20—Line of Duty Act (LODA) (OPEB Benefits):

The Line of Duty Act (LODA) provides death and healthcare benefits to certain law enforcement and rescue personnel, and their beneficiaries, who were disabled or killed in the line of duty. Benefit provisions and eligibility requirements are established by title 9.1 Chapter 4 of the Code of Virginia. Funding of LODA benefits is provided by employers in one of two ways: (a) participation in the Line of Duty and Health Benefits Trust Fund (LODA Fund), administered by the Virginia Retirement System (VRS) or (b) self-funding by the employer or through an insurance company.

The County has elected to provide LODA benefits through an insurance company. The obligation for the payment of benefits has been effectively transferred from the County to VACORP. VACORP assumes all liability for the County's LODA claims that are approved by VRS. The pool purchases reinsurance to protect the pool from extreme claims costs.

The current-year OPEB expense/expenditure for the insured benefits is defined as the amount of premiums or other payments required for the insured benefits for the reporting period in accordance with the agreement with the insurance company for LODA and a change in liability to the insurer equal to the difference between amounts recognized as OPEB expense and amounts paid by the employer to the insurer. The County's LODA coverage is fully covered or "insured" through VACORP. This is built into the LODA coverage cost presented in the annual renewals. The County's LODA premium for the year ended June 30, 2021 was \$15,960.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements As of June 30, 2021 (Continued)

Note 21—Adoption of Accounting Principles:

The County implemented 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 purposes and how those activities should be reported. The implementation of this Statement resulted in the following restatement of net position:

	Net Position			Fund Balance	
	Component				
	Governmental Activities	Unit School Board	Custodial Fund Special Welfare	General Fund	School Activity Funds
Balance, July 1, 2020, as previously stated	\$ 12,661,411	\$ (6,343,685)	\$ -	\$ 14,424,862	\$ -
Implementation of GASB 84:					
Record sheriff investigations within General Fund	6,953	-	-	6,953	-
Record special welfare as custodial fund	-	-	16,222	-	-
Record school activity funds	-	291,244	-	-	291,244
Balance, July 1, 2020, as restated	<u>\$ 12,668,364</u>	<u>\$ (6,052,441)</u>	<u>\$ 16,222</u>	<u>\$ 14,431,815</u>	<u>\$ 291,244</u>

Note 22—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.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 22—Upcoming Pronouncements:

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.

Note 23 - COVID-19 Pandemic Funding and Subsequent Events:

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the County, 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 County 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 County received total CRF funding of \$2,776,346. In addition, the School Board received CRF funding from the Virginia Department of Education in the amount of \$387,660. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. There are no unspent CRF funds as of June 30.

COUNTY OF APPOMATTOX, VIRGINIA

Notes to Financial Statements
As of June 30, 2021 (Continued)

Note 23 - COVID-19 Pandemic Funding and Subsequent Events: (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 June 30, 2021, the County received its share of the first half of the CSLFRF funds. As a condition of receiving CSLFRF funds, any funds unobligated by December 31, 2024, and unexpended by December 31, 2026, will be returned to the federal government. Unspent funds in the amount of \$1,545,263 from the initial allocation are reported as unearned revenue as of June 30.

ESF Funding

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

County of Appomattox, Virginia
General Fund

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES				
General property taxes	\$ 13,360,981	\$ 13,360,981	\$ 15,004,968	\$ 1,643,987
Other local taxes	2,263,500	2,263,500	2,857,960	594,460
Permits, privilege fees, and regulatory licenses	74,920	74,920	113,000	38,080
Fines and forfeitures	40,750	40,750	64,983	24,233
Revenue from the use of money and property	71,551	71,551	66,353	(5,198)
Charges for services	83,177	83,177	127,980	44,803
Miscellaneous	101,250	101,250	855,452	754,202
Recovered costs	101,644	101,644	128,237	26,593
Intergovernmental:				
Commonwealth	4,989,987	4,989,987	5,758,676	768,689
Federal	1,458,660	1,458,660	4,461,861	3,003,201
Total revenues	<u>\$ 22,546,420</u>	<u>\$ 22,546,420</u>	<u>\$ 29,439,470</u>	<u>\$ 6,893,050</u>
EXPENDITURES				
Current:				
General government administration	\$ 2,221,654	\$ 3,594,452	\$ 2,761,402	\$ 833,050
Judicial administration	1,232,300	1,299,787	1,079,516	220,271
Public safety	4,145,048	4,425,008	4,046,220	378,788
Public works	1,606,175	1,882,437	1,691,610	190,827
Health and welfare	3,644,757	4,701,500	4,687,279	14,221
Education	5,568,998	5,568,998	5,551,380	17,618
Parks, recreation, and cultural	455,223	589,433	555,589	33,844
Community development	309,005	945,051	859,432	85,619
Capital projects	200,000	1,087,901	638,169	449,732
Debt service:				
Principal retirement	2,357,253	2,357,253	2,357,253	-
Interest and other fiscal charges	806,007	901,601	798,957	102,644
Total expenditures	<u>\$ 22,546,420</u>	<u>\$ 27,353,421</u>	<u>\$ 25,026,807</u>	<u>\$ 2,326,614</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (4,807,001)</u>	<u>\$ 4,412,663</u>	<u>\$ 9,219,664</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 132,448	\$ 132,448
Transfers out	-	-	(942,209)	(942,209)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (809,761)</u>	<u>\$ (809,761)</u>
Net change in fund balances	\$ -	\$ (4,807,001)	\$ 3,602,902	\$ 8,409,903
Fund balances - beginning, as restated	-	4,807,001	14,431,815	9,624,814
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,034,717</u>	<u>\$ 18,034,717</u>

County of Appomattox, Virginia
Schedule of Changes in Net Pension Liability and Related Ratios
Primary Government
For the Measurement Dates of June 30, 2014 through June 30, 2020

	2020	2019
Total pension liability		
Service cost	\$ 500,159	\$ 470,340
Interest	1,751,831	1,696,748
Changes of assumptions	-	709,716
Differences between expected and actual experience	(566,682)	402,255
Benefit payments	(1,641,169)	(1,489,377)
Net change in total pension liability	\$ 44,139	\$ 1,789,682
Total pension liability - beginning	26,773,634	24,983,952
Total pension liability - ending (a)	<u>\$ 26,817,773</u>	<u>\$ 26,773,634</u>
Plan fiduciary net position		
Contributions - employer	\$ 557,249	\$ 548,381
Contributions - employee	202,486	199,618
Net investment income	416,575	1,372,961
Benefit payments	(1,641,169)	(1,489,377)
Administrator charges	(14,381)	(14,004)
	(477)	(863)
Net change in plan fiduciary net position	\$ (479,717)	\$ 616,716
Plan fiduciary net position - beginning	21,628,502	21,011,786
Plan fiduciary net position - ending (b)	<u>\$ 21,148,785</u>	<u>\$ 21,628,502</u>
County's net pension liability - ending (a) - (b)	\$ 5,668,988	\$ 5,145,132
Plan fiduciary net position as a percentage of the total pension liability	78.86%	80.78%
Covered payroll	\$ 4,195,538	\$ 4,099,959
County's net pension liability as a percentage of covered payroll	135.12%	125.49%

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 13

2018	2017	2016	2015	2014
\$ 467,473	\$ 471,974	\$ 475,356	\$ 449,518	\$ 443,674
1,669,739	1,653,770	1,613,882	1,553,677	1,496,352
-	(83,838)	-	-	-
(234,652)	(392,868)	(158,308)	139,018	-
(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)	(1,102,328)
\$ 358,513	\$ 351,271	\$ 506,495	\$ 1,002,358	\$ 837,698
24,625,439	24,274,168	23,767,673	22,765,315	21,927,617
\$ 24,983,952	\$ 24,625,439	\$ 24,274,168	\$ 23,767,673	\$ 22,765,315
\$ 516,585	\$ 535,438	\$ 591,434	\$ 594,544	\$ 537,604
190,974	198,487	200,396	198,597	208,860
1,487,792	2,246,866	319,618	841,298	2,557,177
(1,544,047)	(1,297,767)	(1,424,435)	(1,139,855)	(1,102,328)
(13,246)	(13,247)	(11,956)	(11,689)	(13,959)
(1,304)	(1,991)	(137)	(177)	135
\$ 636,754	\$ 1,667,786	\$ (325,080)	\$ 482,718	\$ 2,187,489
20,375,032	18,707,246	19,032,326	18,549,608	16,362,119
\$ 21,011,786	\$ 20,375,032	\$ 18,707,246	\$ 19,032,326	\$ 18,549,608
\$ 3,972,166	\$ 4,250,407	\$ 5,566,922	\$ 4,735,347	\$ 4,215,707
84.10%	82.74%	77.07%	80.08%	81.48%
\$ 3,923,417	\$ 4,059,748	\$ 4,017,722	\$ 4,031,328	\$ 3,984,402
101.24%	104.70%	138.56%	117.46%	105.81%

County of Appomattox, Virginia
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Component Unit School Board (nonprofessional)
For the Measurement Dates June 30, 2014 through June 30, 2020

	2020	2019
Total pension liability		
Service cost	\$ 63,328	\$ 75,941
Interest	222,138	213,298
Changes of assumptions	-	90,656
Differences between expected and actual experience	(95,522)	22,650
Benefit payments	(172,139)	(145,315)
Net change in total pension liability	\$ 17,805	\$ 257,230
Total pension liability - beginning	3,376,996	3,119,766
Total pension liability - ending (a)	\$ 3,394,801	\$ 3,376,996
 Plan fiduciary net position		
Contributions - employer	\$ 25,059	\$ 23,651
Contributions - employee	33,461	30,898
Net investment income	66,111	220,303
Benefit payments	(172,139)	(145,315)
Administrator charges	(2,296)	(2,224)
Other	(77)	(138)
Net change in plan fiduciary net position	\$ (49,881)	\$ 127,175
Plan fiduciary net position - beginning	3,468,382	3,341,207
Plan fiduciary net position - ending (b)	\$ 3,418,501	\$ 3,468,382
 School Division's net pension liability (asset) - ending (a) - (b)	\$ (23,700)	\$ (91,386)
 Plan fiduciary net position as a percentage of the total pension liability	100.70%	102.71%
 Covered payroll	\$ 711,305	\$ 637,408
 School Division's net pension liability (asset) as a percentage of covered payroll	-3.33%	-14.34%

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 14

2018	2017	2016	2015	2014
\$ 74,166	\$ 66,645	\$ 73,359	\$ 76,215	\$ 81,045
203,493	197,717	197,119	189,111	179,628
-	(46,624)	-	-	-
3,610	1,431	(124,790)	(19,255)	-
(137,096)	(136,196)	(138,104)	(125,249)	(125,141)
\$ 144,173	\$ 82,973	\$ 7,584	\$ 120,822	\$ 135,532
2,975,593	2,892,620	2,885,036	2,764,214	2,628,682
<u>\$ 3,119,766</u>	<u>\$ 2,975,593</u>	<u>\$ 2,892,620</u>	<u>\$ 2,885,036</u>	<u>\$ 2,764,214</u>
\$ 29,202	\$ 28,969	\$ 50,808	\$ 51,385	\$ 55,567
34,319	33,843	33,523	34,024	34,731
234,152	351,265	49,925	128,667	388,463
(137,096)	(136,196)	(138,104)	(125,249)	(125,141)
(2,044)	(2,059)	(1,819)	(1,778)	(2,105)
(207)	(311)	(21)	(24)	20
\$ 158,326	\$ 275,511	\$ (5,688)	\$ 87,025	\$ 351,535
3,182,881	2,907,370	2,913,058	2,826,033	2,474,498
<u>\$ 3,341,207</u>	<u>\$ 3,182,881</u>	<u>\$ 2,907,370</u>	<u>\$ 2,913,058</u>	<u>\$ 2,826,033</u>
\$ (221,441)	\$ (207,288)	\$ (14,750)	\$ (28,022)	\$ (61,819)
107.10%	106.97%	100.51%	100.97%	102.24%
\$ 702,216	\$ 691,800	\$ 683,214	\$ 686,311	\$ 694,598
-31.53%	-29.96%	-2.16%	-4.08%	-8.90%

County of Appomattox, Virginia
Schedule of Employer's Share of Net Pension Liability VRS Teacher Retirement Plan
For the Measurement Dates of June 30, 2014 through June 30, 2020

	<u>2020</u>	<u>2019</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.13340%	0.13512%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,417,569	\$ 17,782,560
Employer's Covered Payroll	11,757,108	11,387,590
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	165.16%	156.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.47%	73.51%

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

Exhibit 15

	2018	2017	2016	2015	2014
	0.13959%	0.13894%	0.13510%	0.13890%	0.13802%
\$ 16,416,000	\$ 17,087,000	\$ 18,933,000	\$ 17,482,000	\$ 16,680,000	
11,333,992	10,982,510	10,301,199	10,326,956	10,093,563	
	144.84%	155.58%	183.79%	169.29%	165.25%
	74.81%	72.92%	68.28%	70.68%	70.88%

County of Appomattox, Virginia
Schedule of Employer Contributions
Pension Plans

Exhibit 16

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)
Primary Government					
2021	\$ 608,339	\$ 608,339	\$ -	\$ 4,232,528	14.37%
2020	557,702	557,702	-	4,195,538	13.29%
2019	548,381	548,381	-	4,099,959	13.38%
2018	516,585	516,585	-	3,923,417	13.17%
2017	535,438	535,438	-	4,059,748	13.19%
2016	591,434	591,434	-	4,017,722	14.72%
2015	594,544	594,544	-	4,031,328	14.75%
2014	537,496	537,496	-	3,984,402	13.49%
2013	523,794	523,794	-	3,882,830	13.49%
2012	430,137	430,137	-	3,889,123	11.06%
Component Unit School Board (nonprofessional)					
2021	\$ 22,185	\$ 22,185	\$ -	\$ 746,899	2.97%
2020	25,060	25,060	-	711,305	3.52%
2019	23,652	23,652	-	637,408	3.71%
2018	29,202	29,202	-	702,216	4.16%
2017	28,969	28,969	-	691,800	4.19%
2016	50,808	50,808	-	683,214	7.44%
2015	51,385	51,385	-	686,311	7.49%
2014	55,568	55,568	-	694,598	8.00%
2013	57,525	57,525	-	719,064	8.00%
2012	21,115	21,115	-	678,924	3.11%
Component Unit School Board (professional)					
2021	\$ 1,887,412	\$ 1,887,412	\$ -	\$ 11,861,520	15.91%
2020	1,773,070	1,773,070	-	11,757,108	15.08%
2019	1,731,640	1,731,640	-	11,387,590	15.21%
2018	1,805,165	1,805,165	-	11,333,992	15.93%
2017	1,581,020	1,581,020	-	10,982,510	14.40%
2016	1,432,522	1,432,522	-	10,301,199	13.91%
2015	1,485,208	1,485,208	-	10,326,956	14.38%
2014	1,173,584	1,173,584	-	10,093,563	11.63%
2013	1,194,413	1,194,413	-	10,239,172	11.67%
2012	601,804	601,804	-	9,646,342	6.24%

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

County of Appomattox, Virginia
Notes to Required Supplementary Information
Pension Plans
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%

Component Unit School Board - Professional 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 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	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Appomattox, Virginia
Schedule of County's Share of Net OPEB Liability
Group Life Insurance (GLI) Plan
For the Measurement Dates of June 30, 2017 through 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)
Primary Government:					
2020	0.02039% \$	340,276 \$	4,195,538	8.11%	52.64%
2019	0.02093%	340,587	4,102,670	8.30%	52.00%
2018	0.02063%	313,000	3,923,417	7.98%	51.22%
2017	0.02202%	331,000	4,062,369	8.15%	48.86%
Component Unit School Board (nonprofessional):					
2020	0.00346% \$	57,741 \$	711,305	8.12%	52.64%
2019	0.00325%	52,886	637,408	8.30%	52.00%
2018	0.00369%	56,000	702,216	7.97%	51.22%
2017	0.00375%	56,000	691,800	8.09%	48.86%
Component Unit School Board (professional):					
2020	0.05713% \$	953,406 \$	11,757,108	8.11%	52.64%
2019	0.05833%	949,184	11,433,421	8.30%	52.00%
2018	0.05960%	906,000	11,333,992	7.99%	51.22%
2017	0.05954%	896,000	10,982,510	8.16%	48.86%

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

County of Appomattox, 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)
Primary Government:					
2021	\$ 22,856	\$ 22,856	\$ -	\$ 4,232,528	0.54%
2020	21,817	21,817	-	4,195,538	0.52%
2019	21,334	21,334	-	4,102,670	0.52%
2018	20,402	20,402	-	3,923,417	0.52%
2017	21,124	21,124	-	4,062,369	0.52%
2016	19,285	19,285	-	4,017,722	0.48%
2015	19,350	19,350	-	4,031,328	0.48%
2014	19,134	19,134	-	3,986,265	0.48%
2013	18,656	18,656	-	3,886,750	0.48%
2012	10,890	10,890	-	3,889,123	0.28%
Component Unit School Board (nonprofessional):					
2021	\$ 4,033	\$ 4,033	\$ -	\$ 746,899	0.54%
2020	3,699	3,699	-	711,305	0.52%
2019	3,315	3,315	-	637,408	0.52%
2018	3,652	3,652	-	702,216	0.52%
2017	3,597	3,597	-	691,800	0.52%
2016	3,279	3,279	-	683,214	0.48%
2015	3,294	3,294	-	686,311	0.48%
2014	3,334	3,334	-	694,598	0.48%
2013	3,452	3,452	-	719,064	0.48%
2012	1,901	1,901	-	678,924	0.28%
Component Unit School Board (professional):					
2021	\$ 64,052	\$ 64,052	\$ -	\$ 11,861,520	0.54%
2020	61,137	61,137	-	11,757,108	0.52%
2019	59,454	59,454	-	11,433,421	0.52%
2018	58,937	58,937	-	11,333,992	0.52%
2017	57,109	57,109	-	10,982,510	0.52%
2016	49,446	49,446	-	10,301,199	0.48%
2015	49,569	49,569	-	10,326,956	0.48%
2014	48,449	48,449	-	10,093,563	0.48%
2013	49,148	49,148	-	10,239,172	0.48%
2012	27,010	27,010	-	9,646,342	0.28%

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:

Teachers

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	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

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%

County of Appomattox, Virginia
Schedule of Changes in the Component Unit School Board (nonprofessional) Net OPEB Liability and Related Ratios
Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through 2020

	2020	2019	2018	2017
Total HIC OPEB Liability				
Service cost	\$ 1,315	\$ 1,476	\$ 1,441	\$ 1,437
Interest	4,678	4,206	4,074	4,093
Changes in benefit terms	2,534	-	-	-
Changes of assumptions	-	1,675	-	(2,766)
Differences between expected and actual experience	1,573	6,722	441	-
Benefit payments	(5,534)	(4,190)	(3,946)	(2,127)
Net change in total HIC OPEB liability	\$ 4,566	\$ 9,889	\$ 2,010	\$ 637
Total HIC OPEB Liability - beginning	72,067	62,178	60,168	59,531
Total HIC OPEB Liability - ending (a)	\$ 76,633	\$ 72,067	\$ 62,178	\$ 60,168
Plan fiduciary net position				
Contributions - employer	\$ 2,845	\$ 2,550	\$ 3,230	\$ 3,183
Net investment income	828	2,575	2,803	4,035
Benefit payments	(5,534)	(4,190)	(3,946)	(2,127)
Administrator charges	(77)	(56)	(66)	(66)
Other	-	(3)	(200)	200
Net change in plan fiduciary net position	\$ (1,938)	\$ 876	\$ 1,821	\$ 5,225
Plan fiduciary net position - beginning	42,180	41,304	39,483	34,258
Plan fiduciary net position - ending (b)	\$ 40,242	\$ 42,180	\$ 41,304	\$ 39,483
School Division's net HIC OPEB liability - ending (a) - (b)	\$ 36,391	\$ 29,887	\$ 20,874	\$ 20,685
Plan fiduciary net position as a percentage of the total HIC OPEB liability	52.51%	58.53%	66.43%	65.62%
Covered payroll	\$ 711,305	\$ 637,408	\$ 702,216	\$ 691,800
School Division's net HIC OPEB liability as a percentage of covered payroll	5.12%	4.69%	2.97%	2.99%

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.

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

Date	Contributions in Relation to			Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2021	\$ 4,257	\$ 4,257	\$ -	\$ 746,899	0.57%
2020	2,845	2,845	-	711,305	0.40%
2019	2,550	2,550	-	637,408	0.40%
2018	3,230	3,230	-	702,216	0.46%
2017	3,182	3,182	-	691,800	0.46%
2016	2,733	2,733	-	683,214	0.40%
2015	2,745	2,745	-	686,311	0.40%
2014	3,473	3,473	-	694,598	0.50%
2013	3,595	3,595	-	719,064	0.50%
2012	3,734	3,734	-	678,924	0.55%

County of Appomattox, 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 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% to 45%
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Appomattox, Virginia
Schedule of School Board's Share of Net OPEB Liability
Teacher Employee Health Insurance Credit (HIC) Plan
For the Measurement Dates of June 30, 2017 through 2020

Date (1)	Employer's Proportion of the Net HIC OPEB Liability (Asset) (2)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) (3)	Employer's Covered Payroll (4)	Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5)	Plan Fiduciary Net Position as a Percentage of Total HIC OPEB Liability (6)
2020	0.13410%	\$ 1,749,487	\$ 11,757,108	14.88%	9.95%
2019	0.13574%	1,776,969	11,385,577	15.61%	8.97%
2018	0.14009%	1,779,000	11,329,816	15.70%	8.08%
2017	0.13916%	1,765,000	10,982,510	16.07%	7.04%

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

County of Appomattox, Virginia
Schedule of Employer Contributions
Teacher Employee Health Insurance Credit (HIC) Plan
For the Years Ended June 30, 2012 through June 30, 2021

Date	Contributions in Relation to			Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)
	Contractually Required Contribution (1)	Contractually Required Contribution (2)	Contribution Deficiency (Excess) (3)		
2021 \$	143,524	\$ 143,524	\$ -	\$ 11,861,520	1.21%
2020	141,085	141,085	-	11,757,108	1.20%
2019	136,627	136,627	-	11,385,577	1.20%
2018	139,357	139,357	-	11,329,816	1.23%
2017	121,906	121,906	-	10,982,510	1.11%
2016	109,193	109,193	-	10,301,199	1.06%
2015	109,466	109,466	-	10,326,956	1.06%
2014	112,039	112,039	-	10,093,563	1.11%
2013	113,705	113,705	-	10,243,682	1.11%
2012	57,878	57,878	-	9,646,342	0.60%

County of Appomattox, Virginia
Notes to Required Supplementary Information
Teacher 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 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 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	Adjusted rates to better match experience
Salary Scale	No change
Discount Rate	Decreased rate from 7.00% to 6.75%

County of Appomattox, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Primary Government
For the Years Ended June 30, 2018 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 33,924	\$ 19,159	\$ 15,214	\$ 15,344
Interest	12,887	13,494	14,716	14,042
Economic/demographic gains or losses	-	21,600	-	-
Changes in assumptions	2,018	177,733	9,521	(7,559)
Benefit payments	(54,035)	(44,211)	(32,104)	(35,237)
Net change in total OPEB liability	<u>\$ (5,206)</u>	<u>\$ 187,775</u>	<u>\$ 7,347</u>	<u>\$ (13,410)</u>
Total OPEB liability - beginning	<u>576,057</u>	<u>388,282</u>	<u>380,935</u>	<u>394,345</u>
Total OPEB liability - ending	<u><u>\$ 570,851</u></u>	<u><u>\$ 576,057</u></u>	<u><u>\$ 388,282</u></u>	<u><u>\$ 380,935</u></u>
 Covered payroll	 \$ 4,507,498	 \$ 4,114,208	 \$ 3,346,229	 \$ 3,346,229
 County's total OPEB liability (asset) as a percentage of covered payroll	 12.66%	 14.00%	 11.60%	 11.38%

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

County of Appomattox, Virginia
Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios
Component Unit School Board
For the Year Ended June 30, 2018 through June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability				
Service cost	\$ 88,881	\$ 72,662	\$ 63,532	\$ 64,290
Interest	28,617	39,400	39,938	36,560
Economic/demographic gains or losses	-	3,506	-	-
Changes in assumptions	4,939	82,185	31,842	(23,861)
Benefit payments	(50,041)	(39,539)	(61,628)	(69,314)
Net change in total OPEB liability	<u>\$ 72,396</u>	<u>\$ 158,214</u>	<u>\$ 73,684</u>	<u>\$ 7,675</u>
Total OPEB liability - beginning	<u>1,230,882</u>	<u>1,072,668</u>	<u>998,984</u>	<u>991,309</u>
Total OPEB liability - ending	<u><u>\$ 1,303,278</u></u>	<u><u>\$ 1,230,882</u></u>	<u><u>\$ 1,072,668</u></u>	<u><u>\$ 998,984</u></u>
 Covered payroll	 \$ 11,799,379	 \$ 11,799,379	 \$ 10,522,346	 \$ 10,522,346
 School Board's total OPEB liability (asset) as a percentage of covered payroll	 11.05%	 10.43%	 10.19%	 9.49%

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

County of Appomattox, Virginia
Notes to Required Supplementary Information - Primary Government
For the Year Ended June 30, 2021

Valuation Date: 7/1/2019
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% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 4.70% graded down to 4.00% over 54 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020; males and females setback 1 year. The mortality rates for active and healthy retirees was calculated using the 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; female's setback 1 year with 1.5% increase compounded from ages 70 to 85. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; males 115% of rates; females 130% of rates.

County of Appomattox, Virginia
Notes to Required Supplementary Information - Component Unit School Board
For the Year Ended June 30, 2021

Valuation Date: 7/1/2019
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% per year
Inflation	2.50%
Healthcare Trend Rate	The healthcare trend rate assumption starts at 6.10% graded down to 4.00% over 54 years
Salary Increase Rates	The salary increase rate was 2.50% per annum
Retirement Age	The average age of retirement is 65
Mortality Rates	The mortality rates for pre-retirement participants was calculated using the RP-2014 White Collar Employee Rates to age 80, White Collar Healthy Annuitant Rates at ages 81 and older projected with Scale BB to 2020. The mortality rates for active and healthy retirees was calculated using the RP-2014 Employee Rates to age 49, White Collar Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males 1% increase compounded from ages 65 to 90; female's setback 3 years with 1.5% increase compounded from ages 65 to 70 and 2.0% increase compounded from ages 75 to 90. The mortality rates for disabled retirees was calculated using the RP-2014 Disability Mortality Rates projected with Scale BB to 2020; 115% of rates for males and females.

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 52,919	\$ 52,919
Total revenues	\$ -	\$ -	\$ 52,919	\$ 52,919
EXPENDITURES				
Current:				
Education	\$ -	\$ -	\$ 354,514	(354,514)
Total expenditures	\$ -	\$ -	\$ 354,514	(354,514)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (301,595)	(301,595)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 942,209	\$ 942,209
Total other financing sources (uses)	\$ -	\$ -	\$ 942,209	\$ 942,209
Net change in fund balances	\$ -	\$ -	\$ 640,614	\$ 640,614
Fund balances - beginning	-	-	3,280,654	3,280,654
Fund balances - ending	\$ -	\$ -	\$ 3,921,268	\$ 3,921,268

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2021

	County Special Revenue Fund					Variance with Final Budget Positive (Negative)
	Budgeted Amounts					
	<u>Original</u>	<u>Final</u>	<u>Actual</u>			
REVENUES						
Charges for services	\$ -	\$ -	\$ 32,214	\$		32,214
Intergovernmental:						
Commonwealth	-	-	97,773			97,773
Total revenues	\$ -	\$ -	\$ 129,987	\$		129,987
EXPENDITURES						
Current:						
Public safety	\$ -	\$ -	\$ 90,179	\$		(90,179)
Total expenditures	\$ -	\$ -	\$ 90,179	\$		(90,179)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 39,808	\$		39,808
OTHER FINANCING SOURCES (USES)						
Transfers out	\$ -	\$ -	\$ (132,448)	\$		(132,448)
Total other financing sources (uses)	\$ -	\$ -	\$ (132,448)	\$		(132,448)
Net change in fund balances	\$ -	\$ -	\$ (92,640)	\$		(92,640)
Fund balances - beginning	-	-	826,275			826,275
Fund balances - ending	\$ -	\$ -	\$ 733,635	\$		733,635

County of Appomattox, Virginia
Combining Balance Sheet - Governmental Funds
Discretely Presented Component Unit - School Board
June 30, 2021

	School Operating <u>Fund</u>	School Special Revenue <u>Fund</u>	School Activity <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,998,679	\$ 941,557	\$ 340,657	\$ 3,280,893
Cash in custody of others	-	4,000	-	4,000
Receivables (net of allowance for uncollectibles):				
Accounts receivable	11,349	-	7,423	18,772
Due from other funds	59,913	-	-	59,913
Due from other governmental units	885,735	51,400	-	937,135
Total assets	<u>\$ 2,955,676</u>	<u>\$ 996,957</u>	<u>\$ 348,080</u>	<u>\$ 4,300,713</u>
LIABILITIES				
Accounts payable	\$ 476,535	\$ 1,058	\$ 17,194	\$ 494,787
Accrued liabilities	1,996,679	-	-	1,996,679
Due to other funds	-	59,913	-	59,913
Due to other governmental units	480,462	-	-	480,462
Total liabilities	<u>\$ 2,953,676</u>	<u>\$ 60,971</u>	<u>\$ 17,194</u>	<u>\$ 3,031,841</u>
FUND BALANCES				
Committed	\$ -	\$ 935,986	\$ 330,886	\$ 1,266,872
Unassigned	2,000	-	-	2,000
Total fund balances	<u>\$ 2,000</u>	<u>\$ 935,986</u>	<u>\$ 330,886</u>	<u>\$ 1,268,872</u>

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

Total fund balances per above	\$ 1,268,872
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets, cost	\$ 31,377,595	
Accumulated depreciation	<u>(18,479,085)</u>	12,898,510

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Net pension asset	23,700
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Deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are not reported in the funds.

Pension related items	\$ 5,030,802	
OPEB related items	<u>550,163</u>	5,580,965

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The following is a summary of items supporting this adjustment:

Net pension liability	\$ (19,417,569)	
Net OPEB liabilities	<u>(4,100,303)</u>	(23,517,872)

Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.

Pension related items	\$ (1,775,665)	
OPEB related items	<u>(170,162)</u>	(1,945,827)

Net position of governmental activities	<u>\$ (5,691,652)</u>
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County of Appomattox, Virginia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

	School Operating Fund	School Special Revenue Fund	School Activity Funds	Total Governmental Funds
REVENUES				
Revenue from the use of money and property	\$ 18,285	\$ -	\$ -	\$ 18,285
Charges for services	61,280	30,827	-	92,107
Miscellaneous	96,549	-	340,570	437,119
Recovered costs	31,059	-	-	31,059
Intergovernmental:				
Local government	5,551,001	-	-	5,551,001
Commonwealth	17,231,325	11,618	-	17,242,943
Federal	2,111,660	992,823	-	3,104,483
Total revenues	<u>\$ 25,101,159</u>	<u>\$ 1,035,268</u>	<u>\$ 340,570</u>	<u>\$ 26,476,997</u>
EXPENDITURES				
Current:				
Education	\$ 25,101,159	\$ 1,111,280	\$ 300,928	\$ 26,513,367
Total expenditures	<u>\$ 25,101,159</u>	<u>\$ 1,111,280</u>	<u>\$ 300,928</u>	<u>\$ 26,513,367</u>
Net change in fund balances	\$ -	\$ (76,012)	\$ 39,642	\$ (36,370)
Fund balances - beginning, as restated	2,000	1,011,998	291,244	1,305,242
Fund balances - ending	<u>\$ 2,000</u>	<u>\$ 935,986</u>	<u>\$ 330,886</u>	<u>\$ 1,268,872</u>
Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:				
Net change in fund balances - total governmental funds - per above			\$	(36,370)
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 capital outlay exceeded depreciation in the current period.				
Capital asset additions			\$ 958,838	
Jointly owned asset allocation			812,825	
Depreciation expense			<u>(1,097,570)</u>	674,093
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.				
Pension expense			\$ (224,998)	
OPEB expense			<u>(51,936)</u>	(276,934)
Change in net position of governmental activities				<u>\$ 360,789</u>

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Operating Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

	School Operating Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Revenue from the use of money and property	\$ 7,500	\$ 7,500	\$ 18,285	\$ 10,785
Charges for services	38,000	38,000	61,280	23,280
Miscellaneous	145,500	145,500	96,549	(48,951)
Recovered costs	30,000	30,000	31,059	1,059
Intergovernmental:				
Local government	5,568,620	5,568,620	5,551,001	(17,619)
Commonwealth	16,860,427	17,223,362	17,231,325	7,963
Federal	1,265,034	2,096,499	2,111,660	15,161
Total revenues	\$ 23,915,081	\$ 25,109,481	\$ 25,101,159	\$ (8,322)
EXPENDITURES				
Current:				
Education	\$ 23,915,081	\$ 25,109,481	\$ 25,101,159	\$ 8,322
Total expenditures	\$ 23,915,081	\$ 25,109,481	\$ 25,101,159	\$ 8,322
Net change in fund balances	\$ -	\$ -	\$ -	\$ -
Fund balances - beginning	-	-	2,000	2,000
Fund balances - ending	\$ -	\$ -	\$ 2,000	\$ 2,000

County of Appomattox, Virginia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Special Revenue Fund - Discretely Presented Component Unit - School Board
For the Year Ended June 30, 2021

	School Special Revenue Fund			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 52,370	\$ 52,370	\$ 30,827	\$ (21,543)
Intergovernmental:				
Commonwealth	21,244	21,244	11,618	(9,626)
Federal	826,386	917,751	992,823	75,072
Total revenues	<u>\$ 900,000</u>	<u>\$ 991,365</u>	<u>\$ 1,035,268</u>	<u>\$ 43,903</u>
EXPENDITURES				
Current:				
Education	\$ 1,267,199	\$ 1,358,564	\$ 1,111,280	\$ 247,284
Total expenditures	<u>\$ 1,267,199</u>	<u>\$ 1,358,564</u>	<u>\$ 1,111,280</u>	<u>\$ 247,284</u>
Net change in fund balances	\$ (367,199)	\$ (367,199)	\$ (76,012)	\$ 291,187
Fund balances - beginning	367,199	367,199	1,011,998	644,799
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 935,986</u>	<u>\$ 935,986</u>

County of Appomattox, Virginia
Statement of Net Position
Discretely Presented Component Unit-Economic Development Authority
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 157,275
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Noncurrent assets:

Capital assets:

Land	\$ 1,381,873
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Infrastructure	1,917,079
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Accumulated depreciation	(961,313)
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Total capital assets	<u>\$ 2,337,639</u>
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Total noncurrent assets	<u>\$ 2,337,639</u>
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Total assets	<u>\$ 2,494,914</u>
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NET POSITION

Investment in capital assets	\$ 2,337,639
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Unrestricted	157,275
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Total net position	<u><u>\$ 2,494,914</u></u>
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County of Appomattox, Virginia
Statement of Revenues, Expenses, and Changes in Net Position
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2021

OPERATING REVENUES

Charges for services:

Rent	\$ 7,440
Contributions from local governments	64,970
Miscellaneous	5,656
Total operating revenues	<u>\$ 78,066</u>

OPERATING EXPENSES

Other supplies and expenses	\$ 21,748
EDA grant	64,970
Depreciation	46,530
Total operating expenses	<u>\$ 133,248</u>

Operating income (loss)	<u>\$ (55,182)</u>
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NONOPERATING REVENUES (EXPENSES)

Investment income	\$ 416
Total nonoperating revenues (expenses)	<u>\$ 416</u>

Change in net position	\$ (54,766)
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Net position - beginning	2,549,680
Net position - ending	<u><u>\$ 2,494,914</u></u>

County of Appomattox, Virginia
Statement of Cash Flows
Discretely Presented Component Unit-Economic Development Authority
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 78,066
Payments for operating activities	<u>(86,718)</u>
Net cash provided by (used for) operating activities	<u>\$ (8,652)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>\$ 416</u>
Net cash provided by (used for) investing activities	<u>\$ 416</u>

Net increase (decrease) in cash and cash equivalents	\$ (8,236)
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Cash and cash equivalents - beginning	<u>165,511</u>
Cash and cash equivalents - ending	<u><u>\$ 157,275</u></u>

Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

Operating income (loss)	\$ (55,182)
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Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

Depreciation	<u>46,530</u>
Total adjustments	<u>\$ 46,530</u>

Net cash provided by (used for) operating activities	<u><u>\$ (8,652)</u></u>
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County of Appomattox, Virginia
Schedule of Revenues - Budget and Actual
Governmental Funds
For the Year Ended June 30, 2021

Schedule 1
Page 1 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
Revenue from local sources:				
General property taxes:				
Real property taxes	\$ 8,450,000	\$ 8,450,000	\$ 9,126,281	\$ 676,281
Real and personal public service corporation taxes	786,681	786,681	861,729	75,048
Personal property taxes	3,752,000	3,752,000	4,373,491	621,491
Machinery and tools taxes	61,300	61,300	133,082	71,782
Merchant's capital taxes	131,000	131,000	141,042	10,042
Penalties	100,000	100,000	208,585	108,585
Interest	80,000	80,000	160,758	80,758
Total general property taxes	\$ 13,360,981	\$ 13,360,981	\$ 15,004,968	\$ 1,643,987
Other local taxes:				
Local sales and use taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,654,276	\$ 354,276
Consumers' utility taxes	370,000	370,000	396,299	26,299
Consumption tax	39,000	39,000	46,166	7,166
Gross receipts	13,500	13,500	10,894	(2,606)
Motor vehicle licenses	450,000	450,000	575,653	125,653
Taxes on recordation and wills	88,000	88,000	170,184	82,184
Hotel and motel room taxes	3,000	3,000	4,488	1,488
Total other local taxes	\$ 2,263,500	\$ 2,263,500	\$ 2,857,960	\$ 594,460
Permits, privilege fees, and regulatory licenses:				
Animal licenses	\$ 5,000	\$ 5,000	\$ 3,785	\$ (1,215)
Permits and other licenses	69,920	69,920	109,215	39,295
Total permits, privilege fees, and regulatory licenses	\$ 74,920	\$ 74,920	\$ 113,000	\$ 38,080
Fines and forfeitures:				
Court fines and forfeitures	\$ 40,750	\$ 40,750	\$ 64,983	\$ 24,233
Total fines and forfeitures	\$ 40,750	\$ 40,750	\$ 64,983	\$ 24,233
Revenue from use of money and property:				
Revenue from use of money	\$ 5,200	\$ 5,200	\$ 2,700	\$ (2,500)
Revenue from use of property	66,351	66,351	63,653	(2,698)
Total revenue from use of money and property	\$ 71,551	\$ 71,551	\$ 66,353	\$ (5,198)
Charges for services:				
Sheriff's fees	\$ 794	\$ 794	\$ 794	\$ -
Charges for Commonwealth's Attorney	1,300	1,300	1,675	375
Charges for sanitation and waste removal	65,483	65,483	101,425	35,942
Charges for other protection	1,600	1,600	1,403	(197)
Charges for recreation	5,000	5,000	-	(5,000)
Charges for library	-	-	9,198	9,198
Charges for sheriff	-	-	2,485	2,485
Sports complex	9,000	9,000	11,000	2,000
Total charges for services	\$ 83,177	\$ 83,177	\$ 127,980	\$ 44,803

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

Schedule 1
Page 2 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 101,250	\$ 101,250	\$ 855,452	\$ 754,202
Total miscellaneous	\$ 101,250	\$ 101,250	\$ 855,452	\$ 754,202
Recovered costs:				
Town recoveries	\$ 97,144	\$ 97,144	\$ 97,643	\$ 499
Health department	2,500	2,500	2,500	-
Comprehensive services and social services	2,000	2,000	28,094	26,094
Total recovered costs	\$ 101,644	\$ 101,644	\$ 128,237	\$ 26,593
Total revenue from local sources	\$ 16,097,773	\$ 16,097,773	\$ 19,218,933	\$ 3,121,160
Intergovernmental:				
Revenue from the Commonwealth:				
Noncategorical aid:				
Motor vehicle carriers' tax	\$ 500	\$ 500	\$ 598	\$ 98
Mobile home titling tax	35,000	35,000	25,977	(9,023)
EMS vehicles	15,600	15,600	17,650	2,050
Rolling stock tax	40,000	40,000	37,023	(2,977)
Auto rental tax	1,200	1,200	5,936	4,736
Additional tax on deeds	28,000	28,000	38,891	10,891
Communications tax	500,000	500,000	414,772	(85,228)
Personal property tax relief funds	1,023,637	1,023,637	1,023,637	-
Total noncategorical aid	\$ 1,643,937	\$ 1,643,937	\$ 1,564,484	\$ (79,453)
Categorical aid:				
Shared expenses:				
Commonwealth's attorney	\$ 294,585	\$ 294,585	\$ 320,970	\$ 26,385
Sheriff	741,544	741,544	803,467	61,923
Commissioner of revenue	101,948	101,948	109,597	7,649
Treasurer	75,160	75,160	81,037	5,877
Registrar/electoral board	39,435	39,435	39,947	512
Clerk of the Circuit Court	173,360	173,360	193,723	20,363
Total shared expenses	\$ 1,426,032	\$ 1,426,032	\$ 1,548,741	\$ 122,709
Other categorical aid:				
Public assistance and welfare administration	\$ 607,614	\$ 607,614	\$ 647,042	\$ 39,428
Comprehensive services act	1,061,860	1,061,860	1,679,460	617,600
Fire programs fund	47,425	47,425	49,623	2,198
Library grant	49,117	49,117	51,999	2,882

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

Schedule 1
Page 3 of 7

<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
Other categorical aid: (Continued)				
Department of forestry grant	\$ 17,000	\$ 17,000	\$ 25,802	\$ 8,802
Victim witness grant	70,000	70,000	16,650	(53,350)
Litter control grant	7,002	7,002	7,760	758
Virginia domestic violence victims fund	45,000	45,000	45,000	-
Road side clean up	15,000	15,000	-	(15,000)
Games of skill	-	-	53,856	53,856
Jury/witness	-	-	2,622	2,622
Circuit court preservation	-	-	25,667	25,667
Tobacco grants	-	-	39,970	39,970
Total other categorical aid	<u>\$ 1,920,018</u>	<u>\$ 1,920,018</u>	<u>\$ 2,645,451</u>	<u>\$ 725,433</u>
Total categorical aid	<u>\$ 3,346,050</u>	<u>\$ 3,346,050</u>	<u>\$ 4,194,192</u>	<u>\$ 848,142</u>
Total revenue from the Commonwealth	<u>\$ 4,989,987</u>	<u>\$ 4,989,987</u>	<u>\$ 5,758,676</u>	<u>\$ 768,689</u>
Revenue from the federal government:				
Noncategorical aid:				
Payments in lieu of taxes	\$ 4,600	\$ 4,600	\$ 5,312	\$ 712
Total noncategorical aid	<u>\$ 4,600</u>	<u>\$ 4,600</u>	<u>\$ 5,312</u>	<u>\$ 712</u>
Categorical aid:				
Federal interest rate subsidy	\$ 417,375	\$ 417,375	\$ 415,646	\$ (1,729)
Public assistance and welfare administration	1,029,185	1,029,185	1,095,968	66,783
Comprehensive services act	-	-	82,954	82,954
Emergency planning	-	-	4,592	4,592
Victim witness grant	-	-	49,947	49,947
CARES funding	-	-	2,807,442	2,807,442
Emergency management performance grant	7,500	7,500	-	(7,500)
Total categorical aid	<u>\$ 1,454,060</u>	<u>\$ 1,454,060</u>	<u>\$ 4,456,549</u>	<u>\$ 3,002,489</u>
Total revenue from the federal government	<u>\$ 1,458,660</u>	<u>\$ 1,458,660</u>	<u>\$ 4,461,861</u>	<u>\$ 3,003,201</u>
Total General Fund	<u>\$ 22,546,420</u>	<u>\$ 22,546,420</u>	<u>\$ 29,439,470</u>	<u>\$ 6,893,050</u>

County of Appomattox, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Special Revenue Fund:				
County Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Court costs- law library	\$ -	\$ -	\$ 2,015	\$ 2,015
Courthouse security fees	-	-	26,703	26,703
Courthouse maintenance fees	-	-	3,496	3,496
Total charges for services	\$ -	\$ -	\$ 32,214	\$ 32,214
Total revenue from local sources	\$ -	\$ -	\$ 32,214	\$ 32,214
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
Wireless grant	\$ -	\$ -	\$ 93,339	\$ 93,339
Forfeited assets	-	-	4,434	4,434
Total categorical aid	\$ -	\$ -	\$ 97,773	\$ 97,773
Total revenue from the Commonwealth	\$ -	\$ -	\$ 97,773	\$ 97,773
Total County Special Revenue Fund	\$ -	\$ -	\$ 129,987	\$ 129,987
Capital Projects Fund:				
County Capital Projects Fund:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 52,919	\$ 52,919
Total miscellaneous	\$ -	\$ -	\$ 52,919	\$ 52,919
Total County Capital Projects Fund	\$ -	\$ -	\$ 52,919	\$ 52,919
Total Primary Government	\$ 22,546,420	\$ 22,546,420	\$ 29,622,376	\$ 7,075,956
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Revenue from local sources:				
Revenue from use of money and property:				
Revenue from the use of property	\$ 7,500	\$ 7,500	\$ 18,285	\$ 10,785
Total revenue from use of money and property	\$ 7,500	\$ 7,500	\$ 18,285	\$ 10,785
Charges for services:				
Charges for education	\$ 38,000	\$ 38,000	\$ 61,280	\$ 23,280
Total charges for services	\$ 38,000	\$ 38,000	\$ 61,280	\$ 23,280

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Revenue from local sources: (Continued)				
Miscellaneous:				
Miscellaneous	\$ 145,500	\$ 145,500	\$ 96,549	\$ (48,951)
Total miscellaneous	\$ 145,500	\$ 145,500	\$ 96,549	\$ (48,951)
Recovered costs:				
Tuition - other localities	\$ 30,000	\$ 30,000	\$ 31,059	\$ 1,059
Total recovered costs	\$ 30,000	\$ 30,000	\$ 31,059	\$ 1,059
Total revenue from local sources	\$ 221,000	\$ 221,000	\$ 207,173	\$ (13,827)
Intergovernmental:				
Revenues from local governments:				
Contribution from County of Appomattox	\$ 5,568,620	\$ 5,568,620	\$ 5,551,001	\$ (17,619)
Total revenues from local governments	\$ 5,568,620	\$ 5,568,620	\$ 5,551,001	\$ (17,619)
Revenue from the Commonwealth:				
Categorical aid:				
Share of state sales tax	\$ 2,774,851	\$ 2,774,851	\$ 2,969,582	\$ 194,731
Basic school aid	8,083,006	8,083,006	7,902,905	(180,101)
English as a second language	19,652	19,652	18,014	(1,638)
Gifted and talented	80,887	80,887	80,148	(739)
Remedial education	278,437	278,437	275,893	(2,544)
Special education	964,418	964,418	1,062,863	98,445
Textbook payment	167,171	167,171	165,644	(1,527)
ISAEF	8,386	8,386	8,387	1
Vocational education	499,320	499,320	494,758	(4,562)
School fringes	1,692,399	1,692,399	1,676,935	(15,464)
Foster children	31,788	31,788	9,542	(22,246)
Special education foster care	-	-	9,435	9,435
Career and technical education	19,222	19,222	11,210	(8,012)
Early reading intervention	52,423	52,423	52,423	-
Remedial Ed-Summer School	69,269	69,269	37,521	(31,748)
Homebound	20,947	20,947	15,714	(5,233)
VA preschool initiative payments	-	-	135,832	135,832
SOL Algebra readiness	35,302	35,302	37,768	2,466
K-3 initiative	421,041	421,041	413,399	(7,642)
No loss funding	-	170,204	170,204	-
Learning loss	-	104,316	104,316	-
Regular school tuition	202,808	202,808	109,967	(92,841)

County of Appomattox, Virginia
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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Operating Fund: (Continued)				
Intergovernmental: (Continued)				
Revenue from the Commonwealth: (Continued)				
Categorical aid: (Continued)				
At risk payments	\$ 475,156	\$ 475,156	\$ 433,838	\$ (41,318)
Technology grant	154,000	154,000	154,000	-
School safety grant	177,095	177,095	177,095	-
Supplemental lottery	580,222	580,222	679,613	99,391
Mentor teachers	1,685	1,685	2,927	1,242
Project graduation	3,903	3,903	3,903	-
Other state aid	47,039	135,454	17,489	(117,965)
Total categorical aid	<u>\$ 16,860,427</u>	<u>\$ 17,223,362</u>	<u>\$ 17,231,325</u>	<u>\$ 7,963</u>
Total revenue from the Commonwealth	<u>\$ 16,860,427</u>	<u>\$ 17,223,362</u>	<u>\$ 17,231,325</u>	<u>\$ 7,963</u>
Revenue from the federal government:				
Categorical aid:				
Title I	\$ 560,257	\$ 560,257	\$ 537,042	\$ (23,215)
Vocational education	47,000	47,000	47,933	933
Title II Part A	95,000	95,000	106,799	11,799
VA preschool initiative	-	-	41,853	41,853
Title IV, Part A	45,000	45,000	45,847	847
Title VIB	500,000	500,000	557,643	57,643
CARES funding	-	831,465	754,832	(76,633)
Preschool grant	17,777	17,777	19,711	1,934
Total categorical aid	<u>\$ 1,265,034</u>	<u>\$ 2,096,499</u>	<u>\$ 2,111,660</u>	<u>\$ 15,161</u>
Total revenue from the federal government	<u>\$ 1,265,034</u>	<u>\$ 2,096,499</u>	<u>\$ 2,111,660</u>	<u>\$ 15,161</u>
Total School Operating Fund	<u><u>\$ 23,915,081</u></u>	<u><u>\$ 25,109,481</u></u>	<u><u>\$ 25,101,159</u></u>	<u><u>\$ (8,322)</u></u>
School Special Revenue Fund:				
Revenue from local sources:				
Charges for services:				
Cafeteria sales	\$ 52,370	\$ 52,370	\$ 30,827	\$ (21,543)
Total revenue from local sources	<u>\$ 52,370</u>	<u>\$ 52,370</u>	<u>\$ 30,827</u>	<u>\$ (21,543)</u>

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<u>Fund, Major and Minor Revenue Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board: (Continued)				
School Special Revenue Fund: (Continued)				
Intergovernmental:				
Revenue from the Commonwealth:				
Categorical aid:				
School food program grant	\$ 21,244	\$ 21,244	\$ 11,618	\$ (9,626)
Total revenue from the Commonwealth	\$ 21,244	\$ 21,244	\$ 11,618	\$ (9,626)
Revenue from the federal government:				
Categorical aid:				
School food program grant	\$ 826,386	\$ 826,386	\$ 901,458	\$ 75,072
Commodities	-	91,365	91,365	-
Total categorical aid	\$ 826,386	\$ 917,751	\$ 992,823	\$ 75,072
Total revenue from the federal government	\$ 826,386	\$ 917,751	\$ 992,823	\$ 75,072
Total School Special Revenue Fund	\$ 900,000	\$ 991,365	\$ 1,035,268	\$ 43,903
School Activity Funds:				
Revenue from local sources:				
Miscellaneous:				
Miscellaneous	\$ -	\$ -	\$ 340,570	\$ 340,570
Total miscellaneous	\$ -	\$ -	\$ 340,570	\$ 340,570
Total School Activity Funds	\$ -	\$ -	\$ 340,570	\$ 340,570
Total Discretely Presented Component Unit - School Board	\$ 24,815,081	\$ 26,100,846	\$ 26,476,997	\$ 376,151

County of Appomattox, Virginia
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund:				
General government administration:				
Legislative:				
Board of supervisors	\$ 659,893	\$ 1,767,619	\$ 1,284,519	\$ 483,100
Total legislative	\$ 659,893	\$ 1,767,619	\$ 1,284,519	\$ 483,100
General and financial administration:				
County administrator	\$ 379,438	\$ 422,961	\$ 353,810	\$ 69,151
Legal services	79,200	79,200	66,971	12,229
Commissioner of revenue	333,511	346,920	331,225	15,695
Independent auditor	55,500	75,500	60,845	14,655
Treasurer	290,418	319,274	171,919	147,355
Assessor and reassessment	-	465	465	-
Information technology	262,520	343,590	282,378	61,212
Total general and financial administration	\$ 1,400,587	\$ 1,587,910	\$ 1,267,613	\$ 320,297
Board of elections:				
Electoral board and officials	\$ 60,649	\$ 120,841	\$ 106,132	\$ 14,709
Registrar	100,525	118,082	103,138	14,944
Total board of elections	\$ 161,174	\$ 238,923	\$ 209,270	\$ 29,653
Total general government administration	\$ 2,221,654	\$ 3,594,452	\$ 2,761,402	\$ 833,050
Judicial administration:				
Courts:				
Circuit court	\$ 23,312	\$ 31,946	\$ 26,882	\$ 5,064
General district court	4,473	4,634	4,171	463
Special Magistrates	1,438	1,438	870	568
Court services unit	181,772	181,772	32,044	149,728
Juvenile and domestic relations court	7,300	7,300	4,272	3,028
Sheriff	87,587	92,824	91,889	935
Witness advocate grant	70,000	71,309	66,420	4,889
VA domestic victim grant	48,469	54,769	51,682	3,087
Clerk of the circuit court	301,030	342,666	317,342	25,324
Total courts	\$ 725,381	\$ 788,658	\$ 595,572	\$ 193,086
Commonwealth's attorney:				
Commonwealth's attorney	\$ 506,919	\$ 511,129	\$ 483,944	\$ 27,185
Total commonwealth's attorney	\$ 506,919	\$ 511,129	\$ 483,944	\$ 27,185
Total judicial administration	\$ 1,232,300	\$ 1,299,787	\$ 1,079,516	\$ 220,271
Public safety:				
Law enforcement and traffic control:				
Sheriff	\$ 1,689,297	\$ 1,867,833	\$ 1,738,082	\$ 129,751
School resource officer	207,722	216,120	192,687	23,433
DARE	2,600	5,815	2,671	3,144
Total law enforcement and traffic control	\$ 1,899,619	\$ 2,089,768	\$ 1,933,440	\$ 156,328

County of Appomattox, Virginia
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Public safety: (Continued)				
Fire and rescue services:				
Fire department	\$ 201,459	\$ 203,657	\$ 189,104	\$ 14,553
Ambulance and rescue services	55,748	56,978	54,023	2,955
Forestry service	10,000	10,162	10,162	-
Total fire and rescue services	<u>\$ 267,207</u>	<u>\$ 270,797</u>	<u>\$ 253,289</u>	<u>\$ 17,508</u>
Correction and detention:				
Sheriff	\$ 900,000	\$ 900,000	\$ 739,824	\$ 160,176
Total correction and detention	<u>\$ 900,000</u>	<u>\$ 900,000</u>	<u>\$ 739,824</u>	<u>\$ 160,176</u>
Inspections:				
Building	\$ 84,397	\$ 88,800	\$ 84,252	\$ 4,548
Total inspections	<u>\$ 84,397</u>	<u>\$ 88,800</u>	<u>\$ 84,252</u>	<u>\$ 4,548</u>
Other protection:				
Animal control	\$ 195,507	\$ 208,230	\$ 201,039	\$ 7,191
E-911	797,818	866,913	834,116	32,797
Medical examiner	500	500	260	240
Total other protection	<u>\$ 993,825</u>	<u>\$ 1,075,643</u>	<u>\$ 1,035,415</u>	<u>\$ 40,228</u>
Total public safety	<u>\$ 4,145,048</u>	<u>\$ 4,425,008</u>	<u>\$ 4,046,220</u>	<u>\$ 378,788</u>
Public works:				
Sanitation and waste removal:				
Refuse collection	\$ 818,965	\$ 912,185	\$ 910,091	\$ 2,094
Tire security	42,112	15,112	13,031	2,081
Road side clean-up	16,648	16,648	2,045	14,603
Total sanitation and waste removal	<u>\$ 877,725</u>	<u>\$ 943,945</u>	<u>\$ 925,167</u>	<u>\$ 18,778</u>
Maintenance of general buildings and grounds:				
General properties	\$ 728,450	\$ 938,492	\$ 766,443	\$ 172,049
Total maintenance of general buildings and grounds	<u>\$ 728,450</u>	<u>\$ 938,492</u>	<u>\$ 766,443</u>	<u>\$ 172,049</u>
Total public works	<u>\$ 1,606,175</u>	<u>\$ 1,882,437</u>	<u>\$ 1,691,610</u>	<u>\$ 190,827</u>
Health and welfare:				
Health:				
Local health department	\$ 120,000	\$ 120,000	\$ 90,000	\$ 30,000
Total health	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 90,000</u>	<u>\$ 30,000</u>
Mental health and mental retardation:				
Central VA Community Services	\$ 2,500	\$ 2,500	\$ 2,500	\$ -
Central VA Commission on Aging	41,000	41,000	41,000	-
Total mental health and mental retardation	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ 43,500</u>	<u>\$ -</u>

County of Appomattox, Virginia
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Health and welfare: (Continued)				
Welfare:				
Public assistance and welfare administration	\$ 1,915,206	\$ 2,080,779	\$ 1,959,179	\$ 121,600
Comprehensive services act	1,566,051	2,457,221	2,521,300	(64,079)
Tax relief for the elderly	-	-	73,300	(73,300)
Total welfare	<u>\$ 3,481,257</u>	<u>\$ 4,538,000</u>	<u>\$ 4,553,779</u>	<u>\$ (15,779)</u>
Total health and welfare	<u>\$ 3,644,757</u>	<u>\$ 4,701,500</u>	<u>\$ 4,687,279</u>	<u>\$ 14,221</u>
Education:				
Other instructional costs:				
Contributions to Community College	\$ 378	\$ 378	\$ 379	\$ (1)
Contribution to County School Board	5,568,620	5,568,620	5,551,001	17,619
Total education	<u>\$ 5,568,998</u>	<u>\$ 5,568,998</u>	<u>\$ 5,551,380</u>	<u>\$ 17,618</u>
Parks, recreation, and cultural:				
Parks and recreation:				
Supervision of parks and recreation	\$ 168,172	\$ 172,190	\$ 154,648	\$ 17,542
Sports complex	47,668	152,623	143,909	8,714
Total parks and recreation	<u>\$ 215,840</u>	<u>\$ 324,813</u>	<u>\$ 298,557</u>	<u>\$ 26,256</u>
Cultural enrichment:				
Contributions	\$ 18,750	\$ 18,750	\$ 18,500	\$ 250
Total cultural enrichment	<u>\$ 18,750</u>	<u>\$ 18,750</u>	<u>\$ 18,500</u>	<u>\$ 250</u>
Library:				
Public library	\$ 220,633	\$ 245,870	\$ 238,532	\$ 7,338
Total library	<u>\$ 220,633</u>	<u>\$ 245,870</u>	<u>\$ 238,532</u>	<u>\$ 7,338</u>
Total parks, recreation, and cultural	<u>\$ 455,223</u>	<u>\$ 589,433</u>	<u>\$ 555,589</u>	<u>\$ 33,844</u>
Community development:				
Planning and community development:				
Planning and zoning	\$ 126,883	\$ 138,506	\$ 134,100	\$ 4,406
Tourism	22,000	22,000	12,500	9,500
Economic development	88,108	712,531	646,343	66,188
Total planning and community development	<u>\$ 236,991</u>	<u>\$ 873,037</u>	<u>\$ 792,943</u>	<u>\$ 80,094</u>
Environmental management:				
Contribution to soil and water conservation district	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Total environmental management	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>

County of Appomattox, Virginia
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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
General Fund: (Continued)				
Community development: (Continued)				
Cooperative extension program:				
Extension office	\$ 62,014	\$ 62,014	\$ 56,489	\$ 5,525
Total cooperative extension program	\$ 62,014	\$ 62,014	\$ 56,489	\$ 5,525
 Total community development	 \$ 309,005	 \$ 945,051	 \$ 859,432	 \$ 85,619
 Capital projects:				
County capital projects	\$ 200,000	\$ 1,087,901	\$ 638,169	\$ 449,732
Total capital projects	\$ 200,000	\$ 1,087,901	\$ 638,169	\$ 449,732
 Debt service:				
Principal retirement	\$ 2,357,253	\$ 2,357,253	\$ 2,357,253	\$ -
Interest and other fiscal charges	806,007	901,601	798,957	102,644
Total debt service	\$ 3,163,260	\$ 3,258,854	\$ 3,156,210	\$ 102,644
 Total General Fund	 \$ 22,546,420	 \$ 27,353,421	 \$ 25,026,807	 \$ 2,326,614
 Special Revenue Fund:				
County Special Revenue Fund:				
Public Safety:				
Sheriff:				
Asset forfeiture	\$ -	\$ -	\$ 90,179	\$ (90,179)
Total public safety	\$ -	\$ -	\$ 90,179	\$ (90,179)
 Total County Special Revenue Fund	 \$ -	 \$ -	 \$ 90,179	 \$ (90,179)
 Capital Projects Fund:				
County Capital Projects Fund:				
Education:				
Capital projects:				
School capital projects	\$ -	\$ -	\$ 354,514	\$ (354,514)
Total capital projects	\$ -	\$ -	\$ 354,514	\$ (354,514)
 Total County Capital Projects Fund	 \$ -	 \$ -	 \$ 354,514	 \$ (354,514)
 Total Primary Government	 \$ 22,546,420	 \$ 27,353,421	 \$ 25,471,500	 \$ 1,881,921

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<u>Fund, Major and Minor Expenditure Source</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Discretely Presented Component Unit - School Board:				
School Operating Fund:				
Education:				
Administration, health, and attendance	\$ 1,135,966	\$ 1,172,966	\$ 1,080,322	\$ 92,644
Instruction costs	18,534,188	19,258,340	19,890,687	(632,347)
Pupil transportation	1,733,843	1,782,286	1,469,939	312,347
Operation and maintenance of school plant	2,511,084	2,895,889	2,660,211	235,678
Total School Operating Fund	<u>\$ 23,915,081</u>	<u>\$ 25,109,481</u>	<u>\$ 25,101,159</u>	<u>\$ 8,322</u>
School Special Revenue Fund:				
Education:				
School food services	\$ 900,000	\$ 900,000	\$ 761,433	\$ 138,567
Purchase of textbooks	367,199	367,199	258,482	108,717
Commodities	-	91,365	91,365	-
Total education	<u>\$ 1,267,199</u>	<u>\$ 1,358,564</u>	<u>\$ 1,111,280</u>	<u>\$ 247,284</u>
Total School Special Revenue Fund	<u>\$ 1,267,199</u>	<u>\$ 1,358,564</u>	<u>\$ 1,111,280</u>	<u>\$ 247,284</u>
School Activity Funds:				
Education:				
Instruction	\$ -	\$ -	\$ 300,928	\$ (300,928)
Total education	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,928</u>	<u>\$ (300,928)</u>
Total School Activity Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,928</u>	<u>\$ (300,928)</u>
Total Discretely Presented Component Unit - School Board	<u>\$ 25,182,280</u>	<u>\$ 26,468,045</u>	<u>\$ 26,513,367</u>	<u>\$ (45,322)</u>

Table 1

County of Appomattox, Virginia
Government-Wide Expenses by Function
Last Ten Fiscal Years

Fiscal Year	General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Education	Parks, Recreation, and Cultural	Community Development	Interest on Long-Term Debt	Sanitary District	Total
2012	\$ 1,700,248	\$ 1,159,940	\$ 3,916,496	\$ 1,620,988	\$ 2,409,182	\$ 4,906,079	\$ 444,176	\$ 402,100	\$ 1,325,342	\$ -	\$ 17,884,551
2013	1,747,040	1,209,655	3,736,293	2,186,994	2,533,327	6,312,633	494,248	389,577	1,281,307	379,480	20,270,554
2014	1,648,763	1,159,754	3,796,131	1,708,292	2,880,736	5,717,485	948,775	420,103	1,227,959	443,753	19,951,751
2015	1,687,368	1,113,594	3,319,233	1,649,772	3,296,299	6,215,141	501,026	2,001,695	1,180,516	361,128	21,325,772
2016	1,742,754	1,215,521	3,469,665	739,745	3,567,121	6,381,912	519,526	508,631	1,281,519	393,531	19,819,925
2017	1,761,583	1,278,950	3,625,898	1,704,296	3,414,275	7,393,251	501,174	390,145	952,600	372,044	21,394,216
2018	1,561,527	1,249,392	4,272,389	1,590,182	3,649,618	6,887,265	219,381	612,387	952,652	379,293	21,374,086
2019	1,746,065	1,174,927	4,240,656	1,544,004	3,637,243	6,727,833	496,720	506,892	894,687	371,024	21,340,051
2020	1,686,526	1,292,637	4,357,182	1,534,524	4,083,591	6,835,194	444,631	1,493,705	866,729	334,905	22,929,624
2021	2,677,064	1,238,958	5,070,476	1,717,274	4,730,396	7,209,187	639,360	902,976	842,039	283,452	25,311,182

Table 2

County of Appomattox, Virginia
Government-Wide Revenues
Last Ten Fiscal Years

Fiscal Year	PROGRAM REVENUES			GENERAL REVENUES						
	Charges for Services	Operating	Capital	General Property Taxes	Other Local Taxes	Unrestricted Investment Earnings	Miscellaneous	Grants and Contributions	Payment from Appomattox School Board	Total
		Grants and Contributions	Grants and Contributions					Not Restricted to Specific Programs		
2012	\$ 329,026	\$ 3,927,784	\$ 864,313	\$ 10,135,261	\$ 1,888,209	\$ 165,373	\$ 329,260	\$ 1,701,262	\$ 200,000	\$ 19,540,488
2013	393,740	4,069,886	38,903	10,628,797	1,960,774	111,603	194,817	1,741,356	175,000	19,314,876
2014	427,218	4,235,120	-	10,267,361	2,091,268	86,314	271,278	1,798,765	110,000	19,287,324
2015	430,785	6,018,492	-	11,460,249	1,993,511	76,916	410,850	1,701,420	-	22,092,223
2016	427,194	4,858,154	-	12,718,739	2,196,290	122,353	234,469	1,722,939	30,339	22,310,477
2017	487,903	5,168,799	-	12,905,293	2,249,065	81,221	187,416	1,723,668	-	22,803,365
2018	421,579	5,331,394	-	15,449,720	2,241,679	69,385	210,208	1,695,627	-	25,419,592
2019	467,627	5,526,655	-	13,740,014	2,357,270	77,003	135,967	1,668,759	-	23,973,295
2020	408,035	6,532,047	-	13,931,698	2,565,804	72,531	150,392	1,694,004	21,676	25,376,187
2021	508,454	8,748,514	-	14,675,832	2,857,960	66,353	908,371	1,569,796	-	29,335,280

Table 3

County of Appomattox, Virginia
General Governmental Expenditures by Function (1,3)
Last Ten Fiscal Years

Fiscal Year	General Government			Public Safety	Public Works	Health and Welfare		Education (2)	Parks, Recreation, and Cultural		Community Development	Debt Service		Total
	Administration	Judicial Administration	Government											
2012	\$ 1,395,395	\$ 1,029,684	\$ 3,301,417	\$ 1,440,829	\$ 2,446,196	\$ 19,513,421	\$ 401,728	\$ 373,872	\$ 2,209,857	\$ 32,112,399				
2013	1,649,007	1,058,263	3,369,009	1,520,202	2,665,954	20,444,142	557,741	340,710	2,806,446	34,411,474				
2014	1,533,880	1,019,883	3,698,694	1,486,906	2,871,715	20,172,256	464,918	369,281	3,136,426	34,753,959				
2015	1,674,716	1,018,211	3,324,580	1,465,152	3,409,538	20,778,990	461,487	1,971,498	3,136,428	37,240,600				
2016	1,586,520	1,112,525	3,487,421	1,398,180	3,713,993	20,728,879	479,301	465,094	3,139,000	36,110,913				
2017	1,628,993	1,126,332	3,797,701	1,388,585	3,478,587	21,933,797	434,281	349,113	3,468,064	37,605,453				
2018	1,538,049	1,148,414	4,130,377	1,317,717	3,641,726	22,932,951	437,221	575,683	3,080,729	38,802,867				
2019	1,759,442	1,101,115	4,476,900	1,288,985	3,742,361	23,498,640	468,302	455,730	3,077,575	39,869,050				
2020	1,636,481	1,130,029	4,165,605	1,486,698	4,155,567	23,712,209	419,451	1,458,902	3,115,349	41,280,291				
2021	2,761,402	1,079,516	4,136,399	1,691,610	4,687,279	26,513,746	555,589	859,432	3,156,210	45,441,183				

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

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board and vice versa.

(3) Excludes Capital Projects funds.

Table 4

County of Appomattox, Virginia
General Governmental Revenues by Source (1, 3)
Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees, Regulatory Licenses	Fines and Forfeitures	Revenue from the Use of Money and Property	Charges for Services	Miscellaneous	Recovered Costs	Inter-governmental (2)	Total
2012	\$ 9,186,947	\$ 1,776,533	\$ 83,338	\$ 111,412	\$ 238,463	\$ 714,369	\$ 417,017	\$ 265,393	\$ 21,101,521	\$ 33,894,993
2013	10,161,980	1,888,209	79,753	57,411	152,624	707,268	478,975	134,543	21,617,716	35,278,479
2014	10,114,251	1,960,774	78,952	37,628	115,248	659,948	269,030	213,145	20,873,765	34,322,741
2015	10,905,971	2,091,268	81,824	30,464	94,675	707,536	403,078	57,622	21,156,613	35,529,051
2016	12,467,821	2,196,290	79,993	29,153	134,112	614,090	429,694	284,992	21,636,075	37,872,220
2017	12,944,092	2,249,065	84,533	32,083	88,404	688,157	274,322	348,484	23,139,306	39,848,446
2018	15,085,606	2,241,679	90,433	35,995	80,562	491,315	384,374	196,127	23,713,993	42,320,084
2019	13,482,875	2,357,270	95,023	66,993	84,081	478,870	180,815	201,416	24,599,905	41,547,248
2020	13,813,892	2,565,804	124,417	44,067	77,908	395,071	209,607	165,138	26,115,002	43,510,906
2021	15,004,968	2,857,960	113,000	64,983	84,638	252,301	1,292,571	159,296	30,665,736	50,495,453

(1) Includes General and Special Revenue funds of the Primary Government and its Discretely Presented Component Unit School Board

(2) Excludes contribution from Primary Government to Discretely Presented Component Unit School Board and vice versa.

(3) Excludes Capital Projects funds.

Table 5

County of Appomattox, Virginia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy (1,3)	Current Tax Collections (1,3)	Percent of Levy Collected	Delinquent Tax Collections (1)	Total Tax Collections	Percent of		Outstanding Delinquent Taxes (1,2)	Percent of Delinquent Taxes to Tax Levy
						Total Tax Collections to Tax Levy			
2012	\$ 11,164,343	\$ 10,815,808	96.88%	\$ 243,720	\$ 11,059,528	99.06%	\$ 1,105,238	9.90%	
2013	11,728,977	10,668,816	90.96%	328,661	10,997,477	93.76%	1,729,110	14.74%	
2014	11,832,503	10,252,937	86.65%	401,811	10,654,748	90.05%	1,384,580	11.70%	
2015	12,659,267	12,185,206	96.26%	368,070	12,553,276	99.16%	1,331,878	10.52%	
2016	13,398,855	12,796,361	95.50%	421,498	13,217,859	98.65%	1,304,003	9.73%	
2017	13,724,176	13,208,360	96.24%	458,448	13,666,808	99.58%	1,309,498	9.54%	
2018	16,435,975	15,295,308	93.06%	483,907	15,779,215	96.00%	1,617,859	9.84%	
2019	14,675,294	13,673,402	93.17%	578,457	14,251,859	97.11%	1,625,126	11.07%	
2020	14,873,875	13,699,420	92.10%	869,383	14,568,803	97.95%	2,180,856	14.66%	
2021	15,703,535	14,986,104	95.43%	673,158	15,659,262	99.72%	1,520,979	9.69%	

(1) Exclusive of penalties and interest. Does not include land redemptions.

(2) Includes three most current delinquent tax years and first half of current tax year.

(3) Began twice per year billing for personal property in FY 2018

Table 6

County of Appomattox, Virginia
Assessed Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Estate (1)	Mobile Homes (3)	Personal Property (1,3)	Machinery and Tools (3)	Merchant's Capital (3)	Public Utility (2)		Total
						Real Estate	Personal Property	
2012	\$ 1,288,374,551	\$ 8,380,513	\$ 74,218,221	\$ 5,414,772	\$ 13,109,819	\$ 84,347,967	\$ 392,933	\$ 1,474,238,776
2013	1,307,962,007	8,948,070	74,684,745	933,944	13,440,191	89,781,508	600,833	1,496,351,298
2014	1,285,085,528	8,865,226	75,967,349	961,437	13,250,117	91,673,871	737,541	1,476,541,069
2015	1,273,923,195	8,207,402	77,272,280	982,704	13,579,085	93,463,491	720,030	1,468,148,187
2016	1,288,681,980	8,273,738	79,197,137	1,073,315	14,418,621	104,582,273	631,899	1,496,858,963
2017	1,303,433,780	8,167,956	82,778,089	1,091,429	13,682,048	113,535,167	530,993	1,523,219,462
2018	1,321,188,641	8,909,114	204,488,836	2,504,301	19,629,608	113,476,290	770,922	1,670,967,712
2019	1,335,787,790	8,923,930	146,953,959	2,768,153	13,954,156	116,517,564	657,673	1,625,563,225
2020	1,398,399,765	7,522,677	146,996,008	3,437,560	16,031,078	121,378,053	827,772	1,694,592,913
2021	1,417,062,856	7,831,106	167,150,000	4,050,530	13,083,887	132,373,615	795,613	1,742,347,607

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

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

Table 7

**County of Appomattox, Virginia
Property Tax Rates (1)
Last Ten Fiscal Years**

Fiscal Year	Real Estate	Mobile Homes	Personal Property	Machinery and Tools	Merchant's Capital
2012	\$ 0.575	\$ 0.50	\$ 4.60	\$ 4.60	\$ 1.00
2013	0.575	0.58	4.60	4.60	1.00
2014	0.60	0.58	4.60	4.60	1.00
2015	0.65	0.60	4.60	4.60	1.00
2016	0.65	0.65	5.13	4.60	1.00
2017	0.65	0.65	5.13	4.60	1.00
2018	0.65	0.65	3.35	3.35	1.00
2019	0.65	0.65	3.35	3.35	1.00
2020	0.63	0.63	3.35	3.35	1.00
2021	0.63	0.63	3.35	3.35	1.00

(1) Per \$100 of assessed value.

Table 8

County of Appomattox, Virginia
Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012	14,973	\$ 1,474,238,776	\$ 15,868,881	\$ 15,868,881	1.08%	\$ 1,060
2013	14,973	1,496,351,298	15,185,562	15,185,562	1.01%	1,014
2014	14,973	1,476,541,069	14,157,128	14,157,128	0.96%	946
2015	14,973	1,468,148,187	13,161,289	13,161,289	0.90%	879
2016	14,973	1,496,858,963	12,147,386	12,147,386	0.81%	811
2017	14,973	1,523,219,462	10,648,059	10,648,059	0.70%	711
2018	14,973	1,670,967,712	9,383,383	9,383,383	0.56%	627
2019	14,973	1,625,563,225	8,106,952	8,106,952	0.50%	541
2020	14,973	1,694,592,913	6,813,411	6,813,411	0.40%	455
2021	16,119	1,742,347,607	5,511,158	5,511,158	0.32%	342

(1) Weldon Cooper Center for Public Service for 2000 and 2010 census.

(2) From Table 6.

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

Excludes revenue bonds, landfill closure/post-closure care liability, capital leases, and compensated absences.



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

**To the Honorable Members of the Board of Supervisors
County of Appomattox
Appomattox, 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 County of Appomattox Virginia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County of Appomattox, Virginia's basic financial statements and have issued our report thereon dated November 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Appomattox, 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 County of Appomattox, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Appomattox, Virginia's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Appomattox, 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 one instance of noncompliance that is required to be reported under *Governmental Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs at item 2021-002.

County of Appomattox, Virginia's Response to Findings

County of Appomattox, Virginia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Appomattox, Virginia's 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

Richmond, Virginia
November 29, 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 the Board of Supervisors
County of Appomattox
Appomattox, Virginia**

Report on Compliance for Each Major Federal Program

We have audited County of Appomattox, 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 County of Appomattox, Virginia's major federal programs for the year ended June 30, 2021. County of Appomattox, 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 the 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 County of Appomattox, 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 County of Appomattox, 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 County of Appomattox, Virginia's compliance.

Opinion on Each Major Federal Program

In our opinion, County of Appomattox, 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.

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

County of Appomattox, Virginia's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Appomattox, Virginia's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of County of Appomattox, 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 County of Appomattox, 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 County of Appomattox, 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

Richmond, Virginia
November 29, 2021

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
Department of Health and Human Services:				
Pass Through Payments:				
Department of Social Services:				
MaryLee Allen Promoting Safe and Stable Families Program	93.556	0950119/0950120		\$ 13,328
Temporary Assistance for Needy Families	93.558	0400119/0400120		185,147
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	0500119/0500120		335
Low-Income Home Energy Assistance	93.568	0600419/0600420		23,160
CCDF Cluster:				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	0760119/0760120		29,268
Chafee Education and Training Vouchers Program	93.599	9160119/9160120		676
Stephanie Tubbs Jones Child Welfare Services Program	93.645	0900119/0900120		68
Foster Care - Title IV-E	93.658	1100119/1100120		228,669
Adoption Assistance	93.659	1120119/1120120		148,627
Social Services Block Grant	93.667	1000119/1000120		191,837
John H. Chafee Foster Care Independence Program for Successful Transition to Adulthood	93.674	9150119/9150120		1,568
Children's Health Insurance Program	93.767	0540119/0540120		2,021
Medicaid Cluster:				
Medical Assistance Program	93.778	1200119/1200120		169,281
Total Department of Health and Human Services				\$ 993,985
Department of Agriculture:				
Pass Through Payments:				
Child Nutrition Cluster:				
Department of Agriculture:				
Food Distribution	10.555	17901-45707		\$ 91,365
Department of Education:				
Summer Food Service Program for Children (SFSPC)	10.559	17901-60303		\$ 845,401
COVID-19 - Summer Food Service Program for Children	10.559	17901-60175		56,057
Total AL# 10.559				\$ 901,458
				\$ 992,823
Department of Social Services:				
SNAP Cluster:				
State Administrative Matching Grants for Supplemental Nutrition Assistance Program	10.561	0010119/0010120		226,791
Total Department of Agriculture				\$ 1,219,614
Department of Treasury:				
Pass Through Payments:				
Department of Accounts:				
COVID-19 Coronavirus Relief Fund (CRF)	21.019	10110-728021	\$ 8,458	\$ 3,131,737
U.S. Election Assistance Commission:				
Pass-Through Payments:				
State Board of Elections:				
COVID-19 HAVA Election Security Grants	90.404	Unknown		\$ 51,777
Department of Justice:				
Direct payments:				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A		\$ 11,588
Pass Through Payments:				
Department of Criminal Justice Services:				
Crime Victim Assistance	16.575	36001-46000		49,947
Total Department of Justice				\$ 61,535

County of Appomattox, Virginia
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2021

Federal Grantor/State Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Homeland Security:			
Pass Through Payments:			
Department of Emergency Services:			
Emergency Management Performance Grants	97.042	77501-52749	\$ 4,592
Department of Education:			
Pass Through Payments:			
Department of Education:			
Title I: Grants to Local Educational Agencies	84.010	17901-42901	\$ 537,042
Special Education Cluster:			
Special Education Grants to States	84.027	17901-43071	\$ 557,643
Special Education Preschool Grants	84.173	17901-62521	19,711 577,354
Career and Technical Education: Basic Grants to States	84.048	17901-61095	47,933
Student Support and Academic Enrichment Program	84.424	17901-60281	45,847
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	17901-60177	\$ 53,832
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	17901-60177	313,339
Total AL# 84.425			367,171
Supporting Effective Instruction State Grants	84.367	17901-61480	106,799
Total Department of Education			\$ 1,682,146
Total Expenditures of Federal Awards			\$ 8,458 \$ 7,145,386

See accompanying notes to the Schedule of Expenditures of Federal Awards.

County of Appomattox, Virginia
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

Note 3 - Food Donation

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 4 - Relationship to Financial Statements

Federal expenditures, revenues and capital contributions are reported in the County's basic financial statements as follows:

Intergovernmental federal revenues per the basic financial statements:

Primary government:

General Fund	\$ 4,461,861
Total primary government	\$ <u>4,461,861</u>

Component Unit - School Board:

School Operating Fund	\$ 2,111,660
School Cafeteria Fund	992,823
Total component unit School Board	\$ <u>3,104,483</u>

Total federal expenditures per basic financial statements	\$ 7,566,344
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Less: Federal interest rate subsidy not included in Schedule of Expenditures of Federal Awards	(415,646)
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Less: Payment in Lieu of Taxes	<u>(5,312)</u>
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Total expenditures of federal awards per the Schedule of Expenditures of Federal Awards	\$ <u><u>7,145,386</u></u>
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Note 5 - De Minimis Cost Rate

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

Note 6 - Loan Balances

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

County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

a. Material weakness(es) identified?	<u> </u> yes	<u> ✓ </u> no
b. Significant deficiency(ies) identified?	<u> </u> yes	<u> ✓ </u> none reported

Noncompliance material to financial statements noted? ✓ yes no

Federal Awards

Internal control over major programs:

a. Material weakness(es) identified?	<u> </u> yes	<u> ✓ </u> no
b. Significant deficiency(ies) identified?	<u> </u> yes	<u> ✓ </u> none reported

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

Any findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ✓ yes no

Identification of major programs:

Assistance Listing Number(s)

10.553/10.555

21.019

Name of Federal Program or Cluster

Child Nutrition Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? ✓ yes no

Section II - Financial Statement Findings

None

**County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021 (Continued)**

Section III - Federal Award Findings and Questioned Costs

Finding 2021-001: Subrecipient Monitoring - Coronavirus Relief Fund (Assistance Listing 21.019)

Program:

Coronavirus Relief Fund (Assistance Listing 21.019) - Pass-through payments: Department of Accounts, 2020 CRF Municipal Award

Criteria:

The Coronavirus Relief Funds for Municipal Utilities specifies that the funds may not be directed toward penalties and interest. For amounts passed through to subrecipients, the County needs to obtain documentation to ensure that these funds were not applied to penalties and interest.

Condition:

The Town of Appomattox, Virginia, a subrecipient of Coronavirus Relief Funds for Municipal Utilities, received \$6,422.20, of which \$4,070.19 was for Municipal Relief Funds. \$624.57 was applied toward penalties and interest.

Cause:

The County did not obtain documentation from the Town to perform proper subrecipient monitoring over the Coronavirus Relief Funds for Municipal Utilities.

Effect:

\$624.57 of Coronavirus Relief Funds were utilized on unallowable costs, and proper subrecipient monitoring was not performed to detect these amounts.

Recommendation:

The County needs to obtain documentation from subrecipients of grant funds to verify that the funds are being spent and recorded appropriately.

Management's Response:

The County is requesting documentation going forward from any subrecipients of grant funds.

County of Appomattox, Virginia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021 (Continued)

Section IV - Commonwealth of Virginia Findings and Questioned Costs

Finding 2021-002:

Criteria:

The Virginia Public Procurement Act specifies that all purchases of professional services over \$100,000 be procured properly and have a signed contract. Additionally, Section 2.2-4311 of the Code of Virginia requires that construction contracts not contain evidence of discrimination. Additionally, Section 2.2-4312 of the Code of Virginia requires that construction contracts exceeding \$10,000 contain a drug-free workplace clause.

Condition:

The School Board entered into an agreement for a construction project, but did not sign a contract.

Effect of Condition:

There was no contract, and therefore no required language in the agreement as it relates to non-discrimination and a drug-free workplace.

Cause of Condition:

An oversight by the School Board led to there not being a signed contract for the construction project.

Recommendation:

The School Board needs to adhere to the requirements of their purchasing policy as well as the requirements of the Virginia Public Procurement Act.

Management's Recommendation:

The School Board office is making corrective action for FY22.

**County of Appomattox, Virginia
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021**

There were no prior year findings.