

# COUNTY OF MADISON, VIRGINIA FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2021

#### Financial Report Year Ended June 30, 2021

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# DIRECTORY OF PRINCIPAL OFFICIALS FISCAL YEAR ENDED JUNE 30, 2021

#### **BOARD OF SUPERVISORS**

R. Clay Jackson, Chair Charlotte Hoffman, Vice-Chair

Amber Foster Kevin McGhee Carlton Yowell

#### DEPARTMENT OF SOCIAL SERVICES BOARD

Tina Weaver, Chairman

Charlotte Hoffman Scott Allen Bennet Charles (Nick) McDowell

Jerry Butler

#### MADISON COUNTY SCHOOL BOARD

Barry Penn Hollar, Chairman Karen M. Allen, Vice-Chairman

Nita Collier Angela Eichelberger Arthur Greene, Jr.

#### **OTHER OFFICIALS**

| Dale B. Durrer      | Judge of the Circuit Court                       |
|---------------------|--|
| Leeta Louk          | Clerk of the Circuit Court                       |
| Theresa Carter      | Judge of the General District Court              |
| Ronald Morris       | Judge of the Juvenile & Domestic Relations Court |
| Clarissa Berry      | Commonwealth's Attorney                          |
| Brian Daniel        | Commissioner of the Revenue                      |
| Stephanie Murray    | Treasurer  |
| Erik Weaver         | Sheriff  |
| Anna R. Graham      | Superintendent of Schools                        |
| Elizabeth Patterson | Clerk of the School Board                        |
| Valerie Ward        | Director of Social Services                      |
| Jack Hobbs          | County Administrator                             |



### ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

#### Independent Auditors' Report

# To the Honorable Members of the Board of Supervisors County of Madison, Virginia

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, Virginia, as of and for the year ended Financial 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Madison, Virginia, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Change in Accounting Principle

As described in Note 21 to the financial statements, in 2021, the County adopted new accounting guidance, GASB Statement Nos. 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 4-11, 89 and 90-107 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 Madison, Virginia's basic financial statements. The other supplementary information and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is also not a required part of the basic financial statements.

#### Supplementary and Other Information: (Continued)

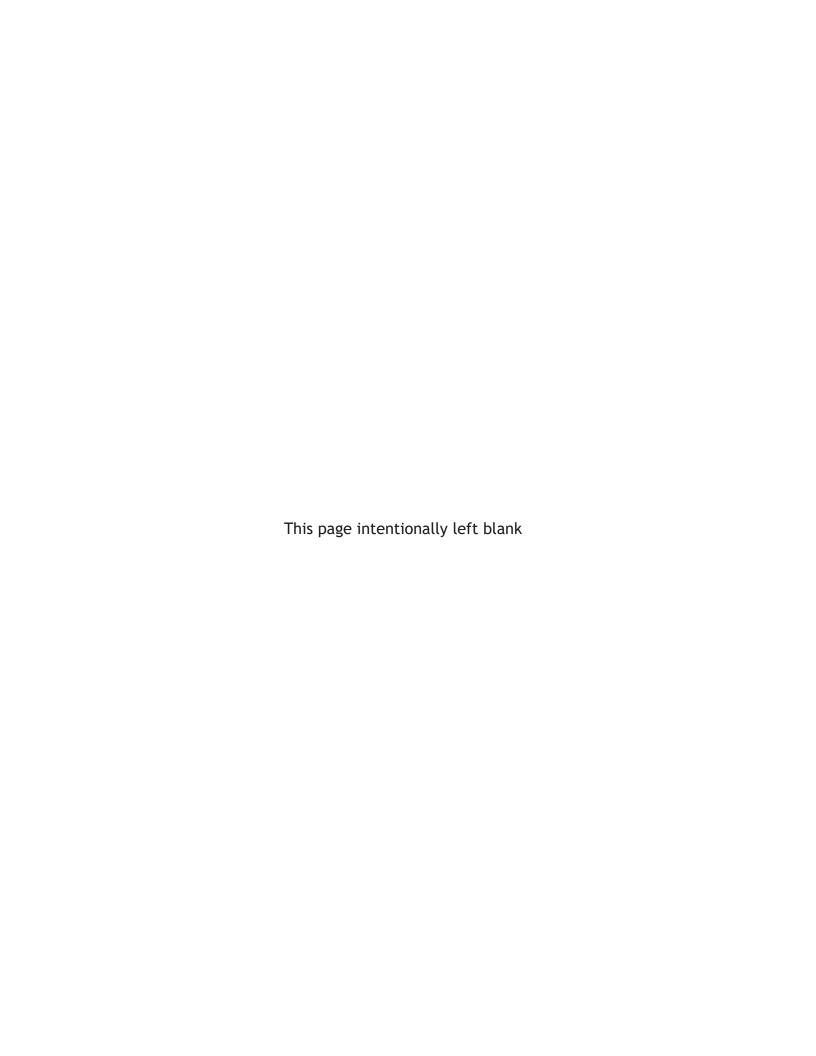
The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 December 9, 2021, on our consideration of the County of Madison, 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 Madison, 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 Madison, Virginia's internal control over financial reporting and compliance.

Charlottesville, Virginia
December 9, 2021



#### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Madison, 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.

#### Financial Highlights

#### Government-wide Financial Statements

Total net position for Madison County's governmental activities as of June 30, 2021 was \$30.448 million, which represents an increase of \$2.040 million from the previous year. This increase was due to an excess of revenues over expenses for fiscal 2021.

Unrestricted cash and cash equivalents were \$24.558 million as of June 30, 2021, which represents a decrease of \$7.440 million from the previous year.

The decrease in unrestricted cash and cash equivalents was primarily due to spending down bond proceeds received in FY 20 for Capital Projects. The projects include the Madison Primary School renovation, the County Administration Center Renovation and the Public Safety Radio system replacement.

As of June 30, 2021, the County had unexpended loan proceeds on hand in the amount \$3.709 million in connection with the June 2020 financing.

#### Fund Financial Statements

For the fiscal year ended June 30, 2021, the governmental funds had a combined fund balance of \$23.989 million, which reflects a decrease of \$7.807 million from the balance at the end of the previous fiscal year.

The decrease in governmental fund balance at June 30, 2021, was primarily due to spending down bond proceeds received in FY 20 for Capital Projects.

The County's General Fund was approximately \$5.520 million favorable to final amended budget for fiscal 2021. This favorable variance is primarily due to \$1,156,510 for Education, \$1,345,326 for Social Service and CSA and \$1,990,875 for unexpended capital projects during the year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Madison's basic financial statements, which are comprised of three sections: 1) government-wide financial statements. 2) fund financial statements, and 3) notes to 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* (Exhibits 1 and 2) 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* (Exhibit 1) presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflows of resources, with the difference between the four 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. Other non-financial factors will also need to be considered to determine the overall financial position of the County.

#### Overview of the Financial Statements: (Continued)

#### Government-wide Financial Statements: (Continued)

The *statement of activities* (Exhibit 2) presents how the government's net position changed during the 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 in this statement are reported for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave.)

The statement of activities is focused on the gross and net cost of various government functions that are supported by general tax and other revenue. This statement presents expenses before revenues, emphasizing that in governments, revenues are generated for the express purpose of providing services.

In the government-wide financial statements, the County's activities are divided into two categories:

<u>Governmental activities</u>: The functions of the County are reported here, and include general government; judicial administration; public safety; public works; health and welfare; education; parks, recreation, and cultural; and community development. These activities are financed primarily by property taxes, other local taxes, and Federal and State grants.

<u>Component units</u>: The County has three component units: the Madison County School Board and the Madison County Parks and Recreation Authority, and the Madison County Industrial Development Authority. Only the Madison County School Board has been included in this analysis, due to the material nature of its relationship to the County as a whole. Although legally separate, the discretely presented component units are important because the County is financially accountable for them. A primary government is accountable for an organization if the primary government is able to impose its will on the organization or the organization is capable of imposing specific financial burdens on the primary government. The County approves debt issuances to finance School Board assets and provides significant funds for its operations. Additional information on the component units can be found in Note 1 of the Notes to Financial Statements section of this report.

#### Fund Financial Statements

These statements focus in individual parts of the County's government, reporting the County's operations in more detail than the government-wide statements. Funds are used to ensure compliance with finance-related legal requirements and keep track of specific sources of revenue and expenditures for particular purposes. The County has two kinds of funds: governmental funds and fiduciary funds.

<u>Governmental funds</u> are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluation of the County's near-term financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Fund balances are the differences between assets and liabilities in governmental funds.

- Nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact.
- Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grantors or bondholders, as well as amounts that restricted through enabling legislation.
- Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority.

#### Overview of the Financial Statements: (Continued)

- Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official and applies to remaining resources in any governmental funds other than the general fund.
- Unassigned fund balance includes all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental funds.

At the end of the current fiscal year, the County's total governmental funds reported an ending fund balance of \$23,988,765.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and to compare total fund balance to the sum of total fund expenditures and transfers to capital projects funds. Unassigned fund balance represents 51.51% of total general fund expenditures, while total general fund balance represents 82.96% of that same amount.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. A reconciliation between the two methods is provided after the governmental fund balance sheet on Exhibit 3 and after the governmental fund statement of revenues, expenditures, and changes in fund balances on Exhibit 5.

The County maintains two individual governmental funds: the General Fund and the Capital Projects Fund. Both funds are considered to be major funds. Data for each fund is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances.

The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund (Exhibit 8) and for the Capital Projects Fund (Exhibit 27) to demonstrate compliance with this budget.

<u>Fiduciary funds</u> are used to account for assets held by the County in a trustee capacity (Trust Fund) or a custodian for individuals, private organizations, other governmental units, or other funds (Custodial Fund). The County maintains one fiduciary fund, the Special Welfare Fund, which is a Custodial Fund. The Fund is accounted for in a separate statement of Fiduciary Net Position (Exhibit 6) and a separate statement of Changes in Fiduciary Net Position (Exhibit 7). The County excludes these activities from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

#### 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 supplemental information for budgetary comparison schedules and presentation of combining financial statements for the discretely presented component units School Board. The School Board does not issue separate financial statements.

In addition, required supplementary information is included regarding the County's progress in funding its obligation to provide pension benefits to its employees.

#### Government-wide Financial Analysis

#### Statement of Net Position

The following table reflects condensed information on the County's Net Position as of June 30, 2021 and 2020.

# Summary of Net Position (\$ in thousands)

|                                     | Primary Government |        |       |        |        |          |    |          |
|-------------------------------------|--------------------|--------|-------|--------|--------|----------|----|----------|
|                                     | _                  | Govern | ental |        | School |          |    |          |
|                                     |                    | Activ  | es    |        | В      | oar      | d  |          |
|                                     | _                  | 2021   |       | 2020   |        | 2021     |    | 2020     |
| Current assets and other assets     | \$                 | 33,259 | \$    | 40,571 | \$     | 3,037    | \$ | 3,210    |
| Capital assets (net)                |                    | 33,097 |       | 22,999 |        | 8,870    |    | 8,828    |
| Total Assets                        | \$                 | 66,356 | \$    | 63,570 | \$     | 11,907   | \$ | 12,038   |
| Total Deferred Outflows             | \$                 | 2,330  | \$    | 1,460  | \$     | 4,815    | \$ | 3,807    |
| Long term liabilities               | \$                 | 27,929 | \$    | 27,434 | \$     | 20,984   | \$ | 20,011   |
| Other liabilities                   |                    | 3,579  |       | 2,456  |        | 1,196    |    | 2,030    |
| Total Liabilities                   | \$                 | 31,508 | \$    | 29,890 | \$     | 22,180   | \$ | 22,041   |
| Total Deferred Inflows of Resources | \$                 | 6,730  | \$    | 6,731  | \$     | 2,376    | \$ | 2,587    |
| Net Position:                       |                    |        |       |        |        |          |    |          |
| Net investment in capital assets    | \$                 | 12,190 | \$    | 11,597 | \$     | 8,870    | \$ | 8,828    |
| Restricted                          |                    | 103    |       | 107    |        | 547      |    | 53       |
| Unrestricted                        |                    | 18,155 |       | 16,704 |        | (17,252) |    | (17,663) |
| Total Net Position                  | \$_                | 30,448 | \$    | 28,408 | \$     | (7,835)  | \$ | (8,782)  |

Total net position for Madison County's governmental activities as of June 30, 2021 was \$30.448 million, which represents an increase of \$2.040 million from the previous year.

Total net position for the Madison County School Board was \$(7.835) million as of June 30, 2021; this amount represents an increase of approximately \$947,000 from the previous year.

The increases in net position for Madison County's governmental activities and School Board reflect the amounts by which revenues exceeded expenses in fiscal 2021 for each reporting unit.

#### Government-wide Financial Analysis: (Continued)

#### Statement of Activities

The following table presents summary information for the Change in Net Position for the years ended June 30, 2021 and 2020.

Summary of Changes in Net Position (\$ in thousands)

|                                       |     | Primary | Gov  | ernment |     |         | Component Units |         |  |  |
|---------------------------------------|-----|---------|------|---------|-----|---------|-----------------|---------|--|--|
|                                       | _   | Gove    |      |         |     | School  |                 |         |  |  |
|                                       |     |         | ivit |         |     | Board   |                 |         |  |  |
|                                       |     | 2021    |      | 2020    |     | 2021    |                 | 2020    |  |  |
| REVENUES                              |     |         |      |         |     |         |                 |         |  |  |
| Program Revenues:                     |     |         |      |         |     |         |                 |         |  |  |
| Charges for services                  | \$  | 867     | \$   | 929     | \$  | 39      | \$              | 261     |  |  |
| Operating grants & contributions      |     | 7,210   |      | 5,312   |     | 12,568  |                 | 11,545  |  |  |
| Capital grants & contributions        |     | 201     |      | 255     |     | -       |                 | -       |  |  |
| General revenues:                     |     |         |      |         |     |         |                 |         |  |  |
| General property taxes                |     | 18,027  |      | 17,245  |     | -       |                 | -       |  |  |
| Other local taxes                     |     | 3,614   |      | 2,985   |     | -       |                 | -       |  |  |
| Use of money & property               |     | 70      |      | 177     |     | -       |                 | 2       |  |  |
| Miscellaneous                         |     | 261     |      | 271     |     | 396     |                 | 729     |  |  |
| Grants & contributions not            |     |         |      |         |     |         |                 |         |  |  |
| restricted to specific programs       |     | 1,594   |      | 1,646   |     | -       |                 | -       |  |  |
| Contribution from County              | _   | -       |      | -       |     | 9,661   | _               | 9,471   |  |  |
| Total revenues                        | \$_ | 31,844  | \$_  | 28,820  | \$  | 22,664  | \$              | 22,008  |  |  |
| <b>EXPENSES</b>                       |     |         |      |         |     |         |                 |         |  |  |
| General government                    |     | 2,000   |      | 1,647   |     | -       |                 | -       |  |  |
| Judicial administration               |     | 1,419   |      | 1,293   |     | -       |                 | -       |  |  |
| Public safety                         |     | 8,241   |      | 7,131   |     | -       |                 | -       |  |  |
| Public works                          |     | 1,149   |      | 1,114   |     | -       |                 | -       |  |  |
| Health and welfare                    |     | 4,795   |      | 5,052   |     | -       |                 | -       |  |  |
| Education                             |     | 9,976   |      | 9,555   |     | 21,900  |                 | 21,747  |  |  |
| Parks & Rec                           |     | 746     |      | 601     |     | -       |                 | -       |  |  |
| Community Development                 |     | 773     |      | 572     |     | -       |                 | -       |  |  |
| Interest on long-term debt            |     | 705     |      | 459     |     | -       |                 |         |  |  |
| Total expenses                        | \$_ | 29,804  | \$   | 27,424  | \$_ | 21,900  | \$              | 21,747  |  |  |
| Change in net position                | \$  | 2,040   | \$   | 1,396   | \$  | 764     | \$              | 261     |  |  |
| Net position - beginning, as restated |     | 28,408  |      | 27,012  |     | (8,599) |                 | (9,043) |  |  |
| Net position - ending                 | \$  | 30,448  | Ś    | 28,408  | Ś   | (7,835) | \$              | (8,782) |  |  |

The change in net position for Madison County's governmental activities for fiscal 2021 was approximately \$2.040 million. This reflects an increase of \$644,000 from the previous year. The increase from the previous year is the result of an increase of approximately \$3.024 million in revenues offset by an increase of approximately \$2.380 million in expenses relative to fiscal 2020.

The increase in fiscal 2021 revenues for governmental activities was primarily due to \$2.284 million in CARES ACT grant revenues in fiscal 2021. Property taxes also increased by \$782,000 between FY 20 and FY 21.

#### Government-wide Financial Analysis: (Continued)

The increase in fiscal 2021 expenses for governmental activities was primarily due to an increase of approximately \$1.110 million in public safety expenses, an increase of \$421,000 in education expenditures, and increase of \$353,000 in general government expenses and increase of \$246,000 for interest expense.

#### Financial Analysis of the County's Funds

For the fiscal year ended June 30, 2021, the governmental funds had a combined fund balance of \$23.989 million, which reflects a decrease of \$7.807 million from the balance at the end of the previous fiscal year.

The decrease in governmental fund balance at June 30, 2021, was primarily due to spending down of bond proceeds received in FY 20 for capital projects during the year.

The County's unassigned fund balance in the general fund was \$15,096,445 at the end of the fiscal year, an increase of \$5,041,612 compared to the prior fiscal year.

The County's restricted fund balance in the general fund was \$3,812,023 at the end of the fiscal year, a decrease of \$10,655,014 compared to the prior fiscal year. This decrease was attributable to the spending down of bond proceeds that were received in the prior fiscal year.

Total revenues in governmental funds for fiscal 2021 were approximately \$32.101 million, reflecting an increase of approximately \$3.388 million from the previous year. This was primarily due to \$2.284 million in CARES ACT grant revenues in FY 21 as well as a \$1.146 million increase in general property tax revenues in FY 21.

There was an increase in governmental expenditures in fiscal 2021 of \$1.269 million. There was an increase of \$8.039 million in capital projects during the year. There was a decrease of \$8.356 million in debt service expenditures during the year due to refinancing of debt in the prior fiscal year. Public Safety expenditures increased by \$1.385 million in FY 21.

#### General Fund Budgetary Highlights

The following table presents budgeted and actual revenues and expenditures for the General Fund for fiscal 2021:

# General Fund Summary Budgetary Information Year Ended June 30, 2021 (\$ in thousands)

|                            |    | Original<br>Budget | Amended<br>Budget | Actual      |
|----------------------------|----|--------------------|-------------------|-------------|
| Revenues                   |    |                    |                   |             |
| Taxes                      | \$ | 20,339,344 \$      | 20,339,344 \$     | 21,898,184  |
| Intergovernmental          |    | 7,572,932          | 10,117,113        | 9,004,878   |
| Other                      |    | 1,498,735          | 1,517,409         | 1,197,629   |
| Total                      | _  | 29,411,011         | 31,973,866        | 32,100,691  |
| Expenditures and transfers |    | 41,160,499         | 44,661,059        | 39,267,509  |
| Change in fund balance     | \$ | (11,749,488) \$    | (12,687,193) \$   | (7,166,818) |

#### General Fund Budgetary Highlights: (Continued)

General fund budget amendments resulted in an increase of approximately \$3.501 million between the original budget and the final budget.

Significant additional appropriations included the following:

- \$1,783,458 for Public Safety
- \$772,554 for Education
- \$333,141 for General Government Administration
- \$182,501 for Community Development
- \$ 146,842 in Parks, Recreation, and Cultural

The County's General Fund was approximately \$5.520 million favorable to final amended budget for fiscal 2021. This favorable variance is primarily due to \$1,156,510 for Education, \$1,345,326 for Social Service and CSA and \$1,990,875 for unexpended capital projects during the year.

#### Capital Asset and Debt Administration

#### Capital Assets

The following table reflects condensed information on the County's capital assets as of June 30, 2021 and 2020.

Capital Asset Summary Information (\$\sin \text{thousands})

|                            |      | Primary Government Component U |      |          |    |          | t Units  |
|----------------------------|------|--------------------------------|------|----------|----|----------|----------|
|                            | _    | Gove                           | rnm  | ental    |    | Schoo    | ol       |
|                            |      | Act                            | ivit | ies      |    | Board    | d        |
|                            | -    | 2021                           |      | 2020     |    | 2021     | 2020     |
| Land                       | \$ - | 1,462                          | \$   | 1,462    | \$ | 110 \$   | 110      |
| Construction in progress   |      | 13,028                         |      | 2,670    |    | 65       | 297      |
| Buildings and improvements |      | 17,459                         |      | 17,442   |    | 6,402    | 6,129    |
| Equipment                  |      | 5,773                          |      | 4,510    |    | 6,334    | 5,493    |
| Jointly owned assets       |      | 7,008                          |      | 7,587    |    | 13,053   | 12,474   |
| Accumulated depreciation   |      | (11,633)                       |      | (10,672) |    | (17,095) | (15,675) |
|                            | \$   | 33,097                         | \$   | 22,999   | \$ | 8,869 \$ | 8,828    |

Capital assets for governmental activities increased \$10.098 million in fiscal 2021 relative to the prior year. This was comprised of reductions for \$1.276 million in depreciation charges and asset transfers from the County to the School Board of \$264,000, and capital additions of \$11.638 million.

The capital additions of \$11.638 million were comprised of \$10.357 million in construction in progress, and \$1.264 million in equipment and vehicles.

The \$10.357 million in construction in progress consisted of \$6.878 million for the Madison Primary School Renovation project, \$2.039 million for the Public Radio Safety System, and \$1.196 million for the Administration Building Renovation project.

The \$1.264 million in equipment and vehicle additions were primarily for information technology and security improvements, as well as for the purchase of vehicles and equipment for public safety functions.

#### Capital Asset and Debt Administration: (Continued)

#### Long-term debt

The following table reflects condensed information on the County's outstanding loans and bonded indebtedness as of June 30, 2021 and 2020.

## Summary of Outstanding Debt (\$ in thousands)

|  | _  | Primary Government<br>Governmental Activities |    |        |  |
|--|----|---|----|--------|--|
|  | _  | 2021  |    | 2020   |  |
| Public Facility Lease Revenue Bond, Series 2020A           | \$ | 16,600  | \$ | 16,600 |  |
| Public Facility Lease Revenue Refunding Bond, Series 2020B |    | 1,503   |    | 1,625  |  |
| Public Facility Lease Revenue Refunding Bond, Series 2020C |    | 6,244   |    | 6,416  |  |
| State literary fund loan                                   |    | -   |    | 310    |  |
|  | \$ | 24,347  | \$ | 24,951 |  |

In June 2020, the Industrial Development Authority of Madison County, Virginia, issued \$26.641 million in three bonds for the benefit of the County.

The Public Facilities Lease Revenue Bond, Series 2020, was issued in the amount of \$16.6 million in order to provide financing for major capital projects undertaken by the County, including the Madison Primary School Renovation, the Public Safety Radio System, and the Administration Building renovation. The interest rate on the bond is 3% per annum, and the bond will mature in Feburary, 2041.

The Public Facilities Lease Revenue Refunding Bond, Series 2020B was issued in the amount \$1.625 million in order to refund the County's Public Improvement Refunding Bond, Series 2017, and to pay for the costs of issuuance of the 2020B Bond. The Series 2020B Bond matures in February 2033 and accrues interest at a rate of 2.37% per annum.

The Public Facilities Lease Revenue Refunding Bond Series 2020C was issued in the amount fo \$6.416 million in order to refund the County's Public Facility Lease Revenue Bond, Series 2013, and to pay for the costs of issuance of the 2020C Bond. The Series 2020C Bond matures in February 2033 and accrues interest at a rate of 2.39% per annum.

Please see Note 8 to the Financial Statements for more information on the County's long-term obligations.

#### Requests for Information

This financial report is designed to provide a general overview of the County of Madison, Virginia's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, PO Box 705, Madison, Virginia, 22727.

- Basic Financial Statements -

Government-wide Financial Statements

|   | Primary<br>Government |                            |     | Component<br>Unit |    | Component<br>Unit<br>Madison          |  |
|---|-----------------------|----------------------------|-----|-------------------|----|---------------------------------------|--|
| ACCETC  | _                     | Governmental<br>Activities |     | School<br>Board   |    | County Parks and Recreation Authority |  |
| ASSETS Current Assets:  |                       |                            |     |                   |    |                                       |  |
| Cash and cash equivalents   | \$                    | 24,557,759                 | \$  | 1,298,198         | \$ | 137,007                               |  |
| Receivables (net of allowance for uncollectibles):                  |                       |                            |     |                   |    |                                       |  |
| Property taxes  |                       | 7,213,143                  |     | 7 702             |    | - 4 000                               |  |
| Accounts receivable Inventory                                       |                       | 268,165                    |     | 7,793<br>23,327   |    | 6,000                                 |  |
| Prepaid expenses  |                       | 185,578                    |     | 10,177            |    | -                                     |  |
| Due from other governments  |                       | 1,001,752                  |     | 620,866           |    | -                                     |  |
| Due from Primary Government   |                       | -                          |     | 582,864           |    | -                                     |  |
| Due from Component Unit   | _                     | 32,568                     |     | -                 |    |                                       |  |
| Total Current Assets  | \$                    | 33,258,965                 | \$  | 2,543,225         | \$ | 143,007                               |  |
| Noncurrent Assets:  |                       |                            |     |                   |    |                                       |  |
| Net pension asset   | \$                    | -                          | \$  | 493,635           | \$ |                                       |  |
| Net OPEB asset  | \$_                   | 2                          | \$_ | -                 | \$ |                                       |  |
| Capital assets:  Land and construction in progress                  | \$                    | 14,489,758                 | Ċ   | 174,443           | \$ | 8,225                                 |  |
| Buildings and equipment, net of depreciation                        | Į.                    | 18,607,245                 | ۲   | 8,695,381         | ڔ  | 302,331                               |  |
| Total Capital Assets  | ş                     | 33,097,003                 | \$  | 8,869,824         | \$ | 310,556                               |  |
| Total Noncurrent Assets   | \$                    | 33,097,005                 | \$  | 9,363,459         | \$ | 310,556                               |  |
| Total Assets  | \$                    | 66,355,970                 | \$  | 11,906,684        | \$ | 453,563                               |  |
| DEFERRED OUTFLOWS OF RESOURCES                                      | _                     |                            | _   |                   | -  |                                       |  |
| Pension deferrals   | \$                    | 1,896,969                  | \$  | 4,266,429         | \$ | _                                     |  |
| OPEB deferrals  | 7                     | 433,480                    | 7   | 548,079           | 7  | -                                     |  |
| Total Deferred Outflows of Resources                                | \$                    | 2,330,449                  | \$  | 4,814,508         | \$ | -                                     |  |
| Total Assets and Deferred Outflows of Resources                     | \$_                   | 68,686,419                 | \$  | 16,721,192        |    | 453,563                               |  |
| LIABILITIES   |                       |                            |     |                   |    |                                       |  |
| Current Liabilities:  |                       |                            |     |                   |    |                                       |  |
| Accounts payable  | \$                    | 929,973                    | \$  | 132,575           | \$ | 303                                   |  |
| Retainage payable   |                       | 387,463                    |     | -                 |    | -                                     |  |
| Amounts held for others   |                       | 248,839                    |     | -                 |    | -                                     |  |
| Unearned grant revenue Accrued liabilities                          |                       | 25,234                     |     | 1,030,826         |    | 2,619                                 |  |
| Due to Primary Government   |                       | _                          |     | 1,030,020         |    | 32,568                                |  |
| Due to Component Unit   |                       | 582,864                    |     | -                 |    | -                                     |  |
| Accrued interest payable  |                       | 285,616                    |     | -                 |    | -                                     |  |
| Current portion of long-term obligations                            | _                     | 1,119,223                  |     | 32,747            |    | -                                     |  |
| Total Current Liabilities   | \$                    | 3,579,212                  | \$  | 1,196,148         | \$ | 35,490                                |  |
| Noncurrent Liabilities: Noncurrent portion of long-term obligations |                       | 27,928,693                 |     | 20,984,227        |    |                                       |  |
| Total Liabilities   | <b>-</b><br>\$        | 31,507,905                 | \$  |                   | \$ | 35,490                                |  |
|   | ٧_                    | 31,307,903                 | ٠,  | 22,100,373        | ٠, | 33,470                                |  |
| DEFERRED INFLOWS OF RESOURCES                                       | \$                    | 4 40E 2E2                  | ċ   |                   | \$ |                                       |  |
| Deferred revenues - taxes  OPEB deferrals                           | Ş                     | 6,605,253<br>28,764        | Ş   | 411,257           | þ  |                                       |  |
| Pension deferrals   |                       | 96,246                     |     | 1,964,687         |    | _                                     |  |
| Total deferred inflows of resources                                 | \$                    | 6,730,263                  | \$  | 2,375,944         | \$ | -                                     |  |
| NET POSITION  | _                     |                            | -   |                   | -  | <del></del>                           |  |
| Net investment in capital assets                                    | \$                    | 12,190,401                 | \$  | 8,869,824         | \$ | 310,556                               |  |
| Restricted  |                       | 102,751                    |     | 546,622           |    | -                                     |  |
| Unrestricted  | _                     | 18,155,099                 |     | (17,251,573)      |    | 107,517                               |  |
| Total Net Position  | \$                    | 30,448,251                 | \$  | (7,835,127)       | \$ | 418,073                               |  |
| Total Liabilities, Deferred Inflows of Resources and Net Position   | \$_                   | 68,686,419                 | \$  | 16,721,192        | \$ | 453,563                               |  |

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

|   |                      |                            |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |                            |                 |   |
|---|----------------------|----------------------------|--|--|--|----------------------------|-----------------|---|
|   | -                    |                            | Program Revenu                           | ies                                    | _  | Primary<br>Government      | Componen        | t Unit  |
| Functions/Programs  | Expenses             | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | _  | Governmental<br>Activities | School<br>Board | Madison<br>County<br>Parks and<br>Recreation<br>Authority |
| PRIMARY GOVERNMENT: Governmental activities: General government |                      |                            |  |  |  |                            |                 |   |
| administration  | \$ 1,999,663 \$      | - 9                        | 277,617                                  | -                                      | \$   | (1,722,046) \$             | - \$            | -   |
| Judicial administration   | 1,418,930            | 84,136                     | 492,677                                  | -                                      |  | (842,117)                  | -               | -   |
| Public safety   | 8,241,198            | 571,761                    | 2,345,961                                | 200,689                                |  | (5,122,787)                | -               | -   |
| Public works  | 1,149,357            | 210,900                    | 27,506                                   | -                                      |  | (910,951)                  | -               | -   |
| Health and welfare  | 4,794,982            | -                          | 3,258,306                                | -                                      |  | (1,536,676)                | -               | -   |
| Education   | 9,976,023            | -                          | 471,343                                  | -                                      |  | (9,504,680)                | -               | -   |
| Parks, recreation, and cultural                                 | 745,580              | -                          | 144,285                                  | -                                      |  | (601,295)                  | -               | -   |
| Community development   | 773,315              | -                          | 192,394                                  | -                                      |  | (580,921)                  | -               | -   |
| Interest on long-term debt                                      | 704,675              |                            |  |  | _  | (704,675)                  |                 | -   |
| Total governmental activities                                   | \$ 29,803,723 \$     | 866,797                    | 7,210,089                                | 200,689                                | \$_  | (21,526,148) \$            | \$              | <u>-</u>  |
| COMPONENT UNITS:<br>School Board<br>Madison County Parks and    | \$ 21,899,564 \$     | 40,182                     | 12,568,254                               | ; -                                    | \$   | - \$                       | (9,291,128) \$  | -   |
| Recreation Authority  | 435,251              | 150,729                    |  |  | _  |                            | <del>-</del> -  | (284,522)   |
| Total component units   | \$ 22,334,815 \$     | 190,911                    | 12,568,254                               |  | \$_  | _ \$_                      | (9,291,128) \$  | (284,522)   |
| General   | revenues:            |                            |  |  |  |                            |                 |   |
|   | l property taxes     |                            |  |  | \$   | 18,026,546 \$              | - \$            | _   |
|   | ales and use tax     |                            |  |  |  | 1,486,571                  | -               | -   |
| Consum  | ners' utility taxes  |                            |  |  |  | 361,341                    | -               | -   |
| Motor v   | ehicle licenses      |                            |  |  |  | 465,000                    | -               | -   |
| Restau  | rant food taxes      |                            |  |  |  | 558,670                    | -               | -   |
| Other l   | ocal taxes           |                            |  |  |  | 742,448                    | -               | -   |
|   | ricted revenues fro  | m use of mor               | ney and property                         |  |  | 70,109                     | 5               | -   |
| Miscella  | aneous               |                            |  |  |  | 261,175                    | 394,372         | 54,962  |
|   | and contributions r  | not restricted             | I to specific prog                       | rams                                   |  | 1,594,100                  | -               | - 270 740   |
|   | oution from County   |                            |  |  | <u>,</u> –   |                            | 9,660,906       | 270,740   |
|   | general revenues     |                            |  |  | ۵_   | 23,565,960 \$              | 10,055,283 \$   | -   |
| 3   | in net position      |                            |  |  | \$   | 2,039,812 \$               | 764,155 \$      | 41,180  |
| Net posi  | tion - beginning, as | restated                   |  |  | _  | 28,408,439                 | (8,599,282)     | 376,893   |
| Net posi  | tion - ending        |                            |  |  | \$_  | 30,448,251 \$              | (7,835,127) \$  | 418,073   |

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

- Basic Financial Statements -

Fund Financial Statements

|   |       |                     |      | Capital             |     |                           |
|---|-------|---------------------|------|---------------------|-----|---------------------------|
| ASSETS  |       | General<br>Fund     |      | Improvement<br>Fund |     | Total                     |
| Cash and cash equivalents Receivables (Net of allowance for uncollectibles):  | \$    | 24,013,688          | \$   | 544,071             | \$  | 24,557,759                |
| Taxes, including penalties  |       | 7,213,143           |      | -                   |     | 7,213,143                 |
| Accounts receivable  Due from component unit  |       | 268,165<br>32,568   |      | -                   |     | 268,165<br>32,568         |
| Due from other governmental units   |       | 1,001,752           |      | -                   |     | 1,001,752                 |
| Prepaid expenditures  | _     | 185,578             |      | -                   |     | 185,578                   |
| Total assets  | \$_   | 32,714,894          | \$   | 544,071             | \$  | 33,258,965                |
| LIABILITIES   |       |                     |      |                     |     |                           |
| Accounts payable  | \$    | 446,312             | \$   | 483,661             | \$  | 929,973                   |
| Amounts held for others Unearned grant revenue  |       | 248,839<br>25,234   |      | -                   |     | 248,839<br>25,234         |
| Due to component unit   |       | 582,864             |      | -                   |     | 582,864                   |
| Retainage payable   | _     | -                   |      | 387,463             |     | 387,463                   |
| Total liabilities   | \$_   | 1,303,249           | \$   | 871,124             | \$_ | 2,174,373                 |
| DEFERRED INFLOWS OF RESOURCES   |       |                     | _    |                     |     |                           |
| Unavailable revenue - taxes   | \$_   | 7,095,827           | \$   | -                   | \$_ | 7,095,827                 |
| FUND BALANCES   |       |                     |      |                     |     |                           |
| Nonspendable  | \$    | 185,578             | \$   | -                   | \$  | 185,578                   |
| Restricted Committed  |       | 3,812,023<br>90,850 |      | -                   |     | 3,812,023<br>90,850       |
| Assigned  |       | 5,130,922           |      | -                   |     | 5,130,922                 |
| Unassigned  | _     | 15,096,445          |      | (327,053)           |     | 14,769,392                |
| Total fund balances   | \$_   | 24,315,818          | \$   | (327,053)           | \$  | 23,988,765                |
| Total liabilities, deferred inflows of resources and fund balances  | \$_   | 32,714,894          | \$   | 544,071             | _   |                           |
| Detailed explanation of adjustments from fund statements to position:   | gove  | ernment-wide        | sta  | tement of net       |     |                           |
| When capital assets (land, buildings, equipment) that are to be purchased or constructed, the costs of those assets are report funds. However, the statement of net position includes those calcounty as a whole. | ed a  | s expenditure       | s i  | n governmental      |     | 33,097,003                |
| Interest on long-term obligations is not accrued in governmental expenditure when due.  | funds | s, but rather i     | s re | ecognized as an     |     | (285,616)                 |
| Because the focus of governmental funds is on short-term available to pay for current-period expenditures. Those assets (f by unavailable revenues in the governmental funds and thus are                         | or e  | xample, recei       | ival | oles) are offset    |     |                           |
| Unavailable revenue - property taxes  |       |                     |      |                     |     | 490,574                   |
| Deferred inflows related to measurement of net pension liability  Deferred inflows related to measurement of net OPEB liability  Net OPEB asset   | /     |                     |      |                     |     | (96,246)<br>(28,764)<br>2 |
| Pesnion and OPEB contributions subsequent to the measurement of be a reduction to the net pension and OPEB liabilities in the nex reported in the funds.  |       |                     |      |                     |     |                           |
| Deferred outflows related to pensions Deferred outflows related to OPEB   |       |                     |      |                     |     | 1,896,969<br>433,480      |
| Long-term liabilities applicable to the County's governmental acticurrent period and accordingly are not reported as fund liabilit long-termare reported in the statement of net position.                        |       |                     |      |                     |     | (29,047,916)              |
| Net position of general government activities   |       |                     |      |                     | \$_ | 30,448,251                |

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

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended June 30, 2021

|   |    | General                | Capital<br>Improvement | Total                |
|---|----|------------------------|------------------------|----------------------|
| Revenues:   |    |                        | <u> </u>               |                      |
| General property taxes                                    | \$ | 18,284,154             | \$ - \$                | 18,284,154           |
| Other local taxes   |    | 3,614,030              | -                      | 3,614,030            |
| Permits, privilege fees and regulatory licenses           |    | 242,448                | -                      | 242,448              |
| Fines and forfeitures                                     |    | 49,818                 | -                      | 49,818               |
| Revenue from use of money and property                    |    | 70,109                 | -                      | 70,109               |
| Charges for services                                      |    | 574,531                | -                      | 574,531              |
| Miscellaneous   |    | 260,723                | 452                    | 261,175              |
| Intergovernmental:  |    |                        |                        |                      |
| Commonwealth  |    | 5,257,621              | -                      | 5,257,621            |
| Federal   | _  | 3,747,257              |                        | 3,747,257            |
| Total revenues  | \$ | 32,100,691             | \$ 452 \$              | 32,101,143           |
| Expenditures:   |    |                        |                        |                      |
| Current:  |    |                        |                        |                      |
| General government administration                         | \$ | 1,777,515              | \$ - \$                | 1,777,515            |
| Judicial administration                                   |    | 1,039,955              | -                      | 1,039,955            |
| Public safety   |    | 8,706,521              | -                      | 8,706,521            |
| Public works  |    | 1,143,992              | -                      | 1,143,992            |
| Health and welfare Education                              |    | 4,738,790<br>9,401,890 | -                      | 4,738,790            |
| Parks, recreation, and cultural                           |    | 661,889                | -                      | 9,401,890<br>661,889 |
| Community development                                     |    | 759,866                | -                      | 759,866              |
| Nondepartmental   |    | 5,002                  | _                      | 5,002                |
| Capital projects  |    | 3,002                  | 10,598,856             | 10,598,856           |
| Debt service:   |    |                        | 10,370,030             | 10,370,030           |
| Principal retirement                                      |    | 640,316                | -                      | 640,316              |
| Interest and other fiscal charges                         |    | 433,626                | -                      | 433,626              |
| Total expenditures  | \$ | 29,309,362             | \$ 10,598,856 \$       | 39,908,218           |
| Excess (deficiency) of revenues over (under) expenditures | \$ | 2,791,329              | \$ (10,598,404) \$     | (7,807,075)          |
| Other Financing Sources (uses):                           |    |                        |                        |                      |
| Transfers in  | \$ | -                      | \$ 9,958,147 \$        | 9,958,147            |
| Transfers (out)   |    | (9,958,147)            | <u> </u>               | (9,958,147)          |
| Total other financing sources (uses)                      | \$ | (9,958,147)            | \$\$,958,147_\$        |                      |
| Net change in fund balances                               | \$ | (7,166,818)            | \$ (640,257) \$        | (7,807,075)          |
| Fund balances at beginning of year                        |    | 31,482,636             | 313,204                | 31,795,840           |
| Fund balances at end of year                              | \$ | 24,315,818             | \$ (327,053) \$        | 23,988,765           |

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

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

|   |    |  | Primary Government Governmental Funds |
|---|----|--|---------------------------------------|
| Amounts reported for governmental activities in the statement of activities are different because:  |    |  |                                       |
| Net change in fund balances - total governmental funds  |    | \$   | (7,807,075)                           |
| 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 outlays exceeded depreciation in the current period. The following details support this adjustment:  Capital outlay        | ÷  | 44 429 429   |                                       |
| Depreciation expense  | \$ | 11,638,128<br>(1,275,882)  | 10,362,246                            |
| Transfer of joint tenancy assets from Primary Government to the Component Unit  |    |  | (264,016)                             |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Details of this item consist of unavailable taxes.   |    |  |                                       |
| Unearned revenue - property taxes Increase (decrease) in deferred inflows related to the measurement of the net   | \$ | (257,608)  |                                       |
| OPEB liability<br>Increase (decrease) in deferred inflows related to the measurement of the net   |    | 17,815   |                                       |
| pension liability   |    | 301,906  | 62,113                                |
| 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. A summary of items supporting this adjustment is as follows: |    |  |                                       |
| Principal retired on refunding bonds Principal retired on capital lease   | \$ |  |                                       |
| Principal retired on state literary fund loan   |    | 36,316<br>310,000  | 640,316                               |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:  |    |  |                                       |
| Change in compensated absences Change in net OPEB liability/asset Change in landfill closure liability Change in net pension liability Change in deferred outflows related to pensions Change in deferred outflows related to OPEB  | \$ | (10,084)<br>(65,354)<br>29,275<br>(1,507,240)<br>890,314<br>(19,634) |                                       |
| Change in accrued interest payable  |    | (271,049)  | (953,772)                             |
| Change in net position of governmental activities   |    | \$   | 2,039,812                             |

Statement of Fiduciary Net Position --Fiduciary Fund At June 30, 2021

|                           | Custodial<br>Fund       |
|---------------------------|-------------------------|
|                           | Special<br>Welfare Fund |
| ASSETS                    |                         |
| Cash and cash equivalents | \$<br>56,269            |
| Total assets              | \$<br>56,269            |
| NET POSITION              |                         |
| Restricted:               |                         |
| Social services clients   | \$<br>56,269            |
| Total net position        | \$<br>56,269            |

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

Statement of Changes in Fiduciary Net Position - Fiduciary Fund Year Ended June 30, 2021

|   | _   | Custodial<br>Fund       |
|---|-----|-------------------------|
|   | _   | Special<br>Welfare Fund |
| Additions:                                    |     |                         |
| Interest income                               | \$  | 6                       |
| Private contributions                         |     | 44,123                  |
| Total additions                               | \$. | 44,129                  |
| Deductions:                                   |     |                         |
| Recipient payments                            | \$  | 54,538                  |
| Total deductions                              | \$  | 54,538                  |
| Change in fiduciary net position              | \$  | (10,409)                |
| Net position - beginning of year, as restated |     | 66,678                  |
| Net position - end of year                    | \$  | 56,269                  |

Notes to Financial Statements At June 30, 2021

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

The County of Madison, Virginia was formed in 1792 and is governed by an elected five member Board of Supervisors. The Board of Supervisors is responsible for appointing the County Administrator. The County provides a full range of services for its citizens. These services include police and volunteer fire protection, sanitation services, recreational activities, cultural events, education, and social services.

The financial statements of the County of Madison, Virginia have been prepared in conformity with the specifications promulgated by the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board and 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 unit. 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).

Notes to Financial Statements At June 30, 2021 (Continued)

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

Statement of Activities: (Continued)

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

#### Fund Financial Statements:

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

#### **Budgetary Comparison Schedules:**

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

#### A. Financial Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for basic financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity. These financial statements present the County of Madison, Virginia (the primary government) and its component unit. 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

<u>Blended Component Units:</u> The County has no blended component units to be included for the fiscal year ended June 30, 2021.

Notes to Financial Statements At June 30, 2021 (Continued)

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

#### B. <u>Individual Component Unit Disclosures (Continued)</u>

<u>Discretely Presented Component Unit:</u> The School Board operates the County Public School System. Members are currently elected by popular vote. 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 Fund does not issue a separate financial report. The financial statements of the School Board are presented as a discrete presentation in the County financial statements for the fiscal year ended June 30, 2021.

<u>Discretely Presented Component Unit:</u> The Madison County Parks and Recreation Authority was formed in 1982, by action of the Board of Supervisors. The Authority is a seven member board. Each member is appointed by the Board of Supervisors. The Madison County Parks and Recreation Authority is included in the financial statements of the County due to the nature of its contractual relationship with the County. The Authority provides services which benefit the County. The Authority does not issue separate financial statements and is included as a discrete presentation in the County's financial statements.

The Madison County School Board has the following funds:

#### Governmental Funds:

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

<u>School Cafeteria Fund</u> - This fund accounts for and reports the operations of the School Board's food service program. Financing is provided primarily by food and beverage sales, and state and federal grants. The School Cafeteria Fund is considered a major fund for financial reporting purposes.

<u>School Capital Fund</u> - This fund accounts for and reports for the school capital projects. The school capital fund is considered a major fund for financial reporting purposes.

School Textbook Fund - This fund accounts for and reports for the school textbook funds.

<u>School Activities Fund</u> - This fund accounts for and reports the funds received from extracurricular school activities, such as entertainment, athletic contests, club dues, fundraisers, etc., and from any and all activities of the schools involving personnel, students or property. The School Activities Fund is considered a major fund for financial reporting purposes.

Notes to Financial Statements At June 30, 2021 (Continued)

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

#### C. Other Related Organizations

Excluded from the County's Financial Statements:

Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority: The County, in conjunction with other localities, has created the Rappahannock-Rapidan Community Services Board, Central Virginia Regional Jail, Rappahannock Juvenile Detention Center, and the Rapidan Service Authority. The governing bodies of these organizations are appointed by the respective governing bodies of the participating jurisdictions.

#### 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Notes to Financial Statements At 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 government reports the following major governmental funds:

#### a. General Fund

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

# b. Capital Improvement Fund

The Capital Improvement Fund accounts for and reports all financial resources used for the acquisition or construction of major capital facilities. The Capital Improvement Fund is considered a major fund at June 30, 2021.

### 2. Fiduciary Funds (Trust and Custodial Funds):

Fiduciary Funds (Trust and Custodial Funds) account for assets held by the County in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Custodial Funds. These funds utilize the accrual basis of accounting described in the Governmental Fund Presentation. Fiduciary funds are not included in the government-wide financial statements. The County's only Custodial Fund is the Special Welfare Fund.

Notes to Financial Statements At June 30, 2021 (Continued)

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

# E. Budgets and Budgetary Accounting

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

- 1. The County Administrator submits to the Board of Supervisors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- 2. Public hearings are conducted to obtain citizen comments.
- 3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
- 4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Board of Supervisors. The School Board is authorized to transfer budgeted amounts within the school system's categories.
- 5. Formal budgetary integration is employed as a management control device during the year and budgets are legally adopted for the General Fund, Capital Improvement Fund, School Operating Fund and School Cafeteria Fund of the School Board.
- 6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 7. Appropriations lapse on June 30, for all County units.
- 8. All budgetary data presented in the accompanying financial statements is the original to the current comparison of the final budget and actual results.

### F. 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.

# G. <u>Investments</u>

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.

Notes to Financial Statements At June 30, 2021 (Continued)

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

# H. Receivables and Payables

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

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 \$233,927 at June 30, 2021 and is comprised solely of property taxes.

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

### I. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the County as land, buildings, road registered vehicles, 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 assets life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. There are no business-type activities reported for County of Madison, Virginia.

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

| Assets                        | Years    |
|-------------------------------|----------|
| Buildings                     | 40       |
| Building improvements         | 20 to 40 |
| Vehicles                      | 3 to 5   |
| Office and computer equipment | 5        |
| Buses                         | 12       |

Notes to Financial Statements At June 30, 2021 (Continued)

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

# J. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the Statement of Activities and a long-term obligation in the Statement of Net Position. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The Department of Social Services and the Component Unit School Board pay a portion of unused sick leave upon separation. The County does not have sick leave.

# K. Long-term Obligations

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

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

# L. <u>Use of Estimates</u>

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

### M. Fund Balances

## Financial Policies

The Board of Supervisors meets on a monthly basis to manage and review cash financial activities and to insure compliance with established policies. It is the County's policy to fund current expenditures with current revenues and the County's mission is to strive to maintain a diversified and stable revenue stream to protect the government from fluctuations in any single revenue source and provide stability to ongoing services. The County's unassigned General Fund balance will be maintained to provide the County with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing.

Notes to Financial Statements At June 30, 2021 (Continued)

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

# M. Fund Balances (Continued)

## Financial Policies (Continued)

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

<u>Nonspendable fund balance</u> - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

<u>Restricted fund balance</u> - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

<u>Committed fund balance</u> - Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the government's highest level of decision-making authority. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

<u>Assigned fund balance</u> - Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body (such as a Finance Committee), or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

<u>Unassigned fund balance</u> - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

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

Notes to Financial Statements At June 30, 2021 (Continued)

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

# M. Fund Balances (Continued)

# Financial Policies (Continued)

The Board of Supervisors is authorized to assign amounts for specific purposes. The Board of Supervisors is also authorized to commit amounts for specific purposes. The following is detail of County's and School Board's Fund Balances:

| Category                       |             | General<br>Fund                       |     | Capital<br>Projects<br>Fund |     | Component<br>Unit School<br>Board |
|--------------------------------|-------------|---------------------------------------|-----|-----------------------------|-----|-----------------------------------|
| Nonspendable:                  |             |                                       |     |                             | _   |                                   |
| Prepaid expenditures Inventory | \$          | 185,578<br>-                          | \$  | -                           | \$  | 10,177<br>23,327                  |
| Total Nonspendable             | Ş           | 185,578                               | s   | -                           | Ş   | 33,504                            |
| Restricted:                    | -           | · · · · · · · · · · · · · · · · · · · | = = |                             | -   |                                   |
| Asset Forfeitures              | \$          | 43,295                                | \$  | -                           | \$  | -                                 |
| Unspent bond proceeds          |             | 3,709,274                             |     | -                           |     | -                                 |
| Toppings Funds                 |             | 48,356                                |     | -                           |     | -                                 |
| Animal donations               |             | 11,098                                |     | -                           |     | -                                 |
| School Textbook Funds          |             | -                                     |     | -                           |     | 52,987                            |
| Total Restricted               | \$          | 3,812,023                             | \$  | -                           | \$  | 52,987                            |
| Committed:                     | =           |                                       | _   |                             | -   |                                   |
| Capital Projects               | \$          | -                                     | \$  | -                           | \$  | 399,642                           |
| Encumbrances                   |             | 90,850                                |     | -                           |     | 27,539                            |
| School Operations              |             | -                                     |     | -                           |     | 2,000                             |
| School Activities              |             |                                       |     |                             |     | 191,050                           |
| Cafeteria                      |             | -                                     |     | -                           |     | 683,279                           |
| Total Committed                | \$          | 90,850                                | \$  | -                           | \$  | 1,303,510                         |
| Assigned:                      |             |                                       |     |                             |     |                                   |
| Tourism                        | \$          | 256,249                               | \$  | -                           | \$  | -                                 |
| Capital Projects               |             | 500,000                               |     | -                           |     | -                                 |
| Debt Stabilization Reserve     |             | 1,242,497                             |     | -                           |     | -                                 |
| Town Business Improvement      |             | 32,987                                |     | -                           |     | -                                 |
| Budget Stabilization Reserve   |             | 1,242,497                             |     | -                           |     | -                                 |
| Opening Balance Appropriation  |             | 1,546,998                             |     | -                           |     | -                                 |
| 2025 Reassessment              |             | 300,000                               |     | -                           |     | -                                 |
| Sheriff                        | _           | 9,694                                 |     | -                           |     | -                                 |
| Total Assigned                 | \$ <u>_</u> | 5,130,922                             | \$  |                             | \$_ | -                                 |
| Unassigned                     | \$          | 15,096,445                            | \$  | (327,053)                   | \$  | (10,177)                          |
| Total Fund Balance             | \$          | 24,315,818                            | \$  | (327,053)                   | \$  | 1,379,824                         |

Notes to Financial Statements At June 30, 2021 (Continued)

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

### N. 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 government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

### 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. The other item is comprised of certain items related to the measurement of the net pension asset/liability and net OPEB asset/liability(ies) and/or contributions to the pension and OPEB plan(s) 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.

Notes to Financial Statements At June 30, 2021 (Continued)

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

# O. <u>Deferred Outflows/Inflows of Resources</u>

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, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup>, and amounts prepaid on the 2<sup>nd</sup> half installments and is deferred and recognized as an inflow of resources in the period that the amount becomes available. Under the accrual basis, 2<sup>nd</sup> half installments levied during the fiscal year but due after June 30<sup>th</sup> and amounts prepaid on the 2<sup>nd</sup> half installments are reported as deferred inflows of resources. In addition, certain items related to the measurement of the net pension asset/liability and net OPEB asset/liability(ies) are reported as deferred inflows of resources. For more detailed information on these items, reference the related notes.

### P. Pensions

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

### Q. Other Postemployment Benefits (OPEB)

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

# Note 2 - Deposits and Investments:

### **Deposits**

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

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 2 - Deposits and Investments:

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

The County's rated debt investments as of June 30, 2021 were rated by Standard & Poor's and the ratings are presented below using Standard & Poor's rating scale.

County's Rated Debt Investments' Values Fair Quality Ratings **AAAm** Rated Debt Investments AA+ U.S. Government Securities \$ \$ 79,021 SNAP 4,628,940 Local Government Investment Pool 5,769,938 Total 10,398,878 \$

### **External Investment Pool**

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

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 2 - Deposits and Investments: (Continued)

# **Interest Rate Risk**

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

# Investment Maturities (in years)

|                                  |     | ` *           | ,                   |                          |
|----------------------------------|-----|---------------|---------------------|--------------------------|
| Investment Type                  |     | Fair<br>Value | Less than<br>1 year | Greater than<br>10 years |
| U.S. Government Securities       | \$  | 79,021 \$     | - \$                | 79,021                   |
| SNAP                             |     | 4,628,940     | 4,628,940           | -                        |
| Local Government Investment Pool | _   | 5,769,938     | 5,769,938           |                          |
| Total                            | \$_ | 10,477,899 \$ | 10,398,878 \$       | 79,021                   |

# Note 3 - Due From Other Governmental Units:

|  |     | Primary<br>Government |    | Component Unit School Board |
|--|-----|-----------------------|----|-----------------------------|
| Commonwealth of Virginia:                    | _   | Government            | •  | School Board                |
| Local sales tax                              | \$  | 277,178               | Ś  | -                           |
| Public assistance and welfare administration | ·   | 67,327                | ·  | -                           |
| State sales tax                              |     | -                     |    | 314,548                     |
| Comprehensive services                       |     | 197,263               |    | -                           |
| Communications tax                           |     | 66,699                |    | -                           |
| Shared expenses                              |     | 114,768               |    | -                           |
| Department of Justice                        |     | 48,090                |    | -                           |
| Other state funds                            |     | 65,460                |    | -                           |
| Federal Government:                          |     |                       |    |                             |
| School funds                                 |     | -                     |    | 208,055                     |
| CARES Act                                    |     | 41,078                |    | -                           |
| Public safety                                |     | 23,696                |    | -                           |
| School food                                  |     | -                     |    | 98,263                      |
| Public assistance and welfare administration | _   | 100,193               | •  |                             |
| Totals                                       | \$_ | 1,001,752             | \$ | 620,866                     |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 4 - Capital Assets:

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

|  |     | Balance<br>July 1, 2020                      | Additions                              | Deletions              | Balance<br>June 30, 2021                  |
|--|-----|--|--|------------------------|---|
| Primary Government: Capital assets not being depreciated:  |     |  |  |                        |   |
| Land Construction in progress-Jointly Owned Construction in progress   | \$  | 1,462,028 \$<br>1,369,466<br>1,300,846       | - \$<br>6,742,620<br>3,614,798         | - \$<br>-<br>-         | 1,462,028<br>8,112,086<br>4,915,644       |
| Total capital assets not being depreciated   | \$  | 4,132,340 \$                                 | 10,357,418 \$                          | - \$                   | 14,489,758                                |
| Capital assets being depreciated: Buildings and improvements Equipment (including vehicles) Jointly owned assets | \$  | 17,441,791 \$<br>4,509,604<br>7,587,077      | 17,048 \$<br>1,263,662<br>-            | - \$<br>-<br>579,277   | 17,458,839<br>5,773,266<br>7,007,800      |
| Total capital assets being depreciated   | \$  | 29,538,472 \$                                | 1,280,710 \$                           | 579,277 \$             | 30,239,905                                |
| Less accumulated depreciation: Buildings and improvements Equipment (including vehicles) Jointly owned assets    | \$  | (6,840,814) \$<br>(2,959,556)<br>(871,669)   | (490,933) \$<br>(609,754)<br>(175,195) | - \$<br>-<br>(315,261) | (7,331,747)<br>(3,569,310)<br>(731,603)   |
| Total accumulated depreciation   | \$  | (10,672,039) \$                              | (1,275,882) \$                         | (315,261) \$           | (11,632,660)                              |
| Net capital assets being depreciated   | \$_ | 18,866,433 \$                                | 4,828 \$                               | 264,016 \$             | 18,607,245                                |
| Net capital assets   | \$_ | 22,998,773 \$                                | 10,362,246 \$                          | 264,016 \$             | 33,097,003                                |
| Component Unit - School Board: Capital assets not being depreciated: Land Construction in progress               | \$  | 109,803 \$<br>297,537                        | - \$<br>17,520                         | - \$<br>250,417        | 109,803<br>64,640                         |
| Total capital assets not being depreciated   | ş   | 407,340 \$                                   | 17,520 \$                              | 250,417 \$             | 174,443                                   |
| Capital assets being depreciated: Buildings and improvements Equipment (including vehicles) Jointly owned assets | \$  | 6,128,744 \$<br>5,493,182<br>12,474,136      | 273,743 \$<br>841,276<br>579,277       | - \$<br>-<br>-         | 6,402,487<br>6,334,458<br>13,053,413      |
| Total capital assets being depreciated   | \$  | 24,096,062 \$                                | 1,694,296 \$                           | - \$                   | 25,790,358                                |
| Less accumulated depreciation: Buildings and improvements Jointly owned assets Equipment (including vehicles)    | \$  | (7,863,432) \$<br>(3,438,559)<br>(4,373,502) | (759,868) \$<br>(315,261)<br>(344,355) | - \$<br>-<br>-         | (8,623,300)<br>(3,753,820)<br>(4,717,857) |
| Total accumulated depreciation   | \$_ | (15,675,493) \$                              | (1,419,484) \$                         | - \$                   | (17,094,977)                              |
| Net capital assets being depreciated   | \$_ | 8,420,569 \$                                 | 274,812 \$                             | - \$                   | 8,695,381                                 |
| Net capital assets   | \$  | 8,827,909 \$                                 | 292,332 \$                             | 250,417 \$             | 8,869,824                                 |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 4 - Capital Assets: (Continued)

The following is a summary of capital assets for the fiscal year ended June 30, 2021: (Continued)

|  | _     | Balance<br>July 1, 2020 | Additions               | Deletions  | Balance<br>June 30, 2021 |
|--|-------|-------------------------|-------------------------|------------|--------------------------|
| Component Unit - Parks and Recreation Author                           | ority | <b>/</b> :              |                         |            |                          |
| Capital assets not being depreciated:                                  |       |                         |                         |            |                          |
| Construction in progress   | \$    | 129,042 \$              | 2,587 \$                | 123,404 \$ | 8,225                    |
| Total capital assets not being depreciated                             | \$    | 129,042 \$              | 2,587 \$                | 123,404 \$ | 8,225                    |
| Capital assets being depreciated: Buildings and improvements Equipment | \$    | 169,738 \$<br>80,131    | 134,374 \$<br>32,187    | - \$<br>-  | 304,112<br>112,318       |
| Total capital assets being depreciated                                 | \$    | 249,869 \$              | 166,561 \$              | - \$       |                          |
| Less accumulated depreciation: Buildings and improvements Equipment    | \$    | (14,782) \$<br>(71,718) | (16,703) \$<br>(10,896) | - \$<br>-  | (31,485) (82,614)        |
| Total accumulated depreciation   | \$    | (86,500) \$             | (27,599) \$             | - \$       | (114,099)                |
| Net capital assets being depreciated                                   | \$    | 163,369 \$              | 138,962 \$              | - \$       | 302,331                  |
| Net capital assets   | \$    | 292,411 \$              | 141,549 \$              | 123,404 \$ | 310,556                  |

Depreciation expense was charged to functions/programs of the primary government and Component Unit School Board as follows:

| Primary Government:  |     |           |
|--|-----|-----------|
| Governmental activities:                                   |     |           |
| General government administration                          | \$  | 91,265    |
| Judicial administration                                    |     | 337,967   |
| Public safety  |     | 514,127   |
| Public works   |     | 47,499    |
| Health and welfare   |     | 33,526    |
| Education  |     | 175,195   |
| Parks, recreation and cultural                             |     | 75,164    |
| Community development                                      |     | 1,139     |
| Total  | \$  | 1,275,882 |
| Component Unit School Board                                | \$  | 1,104,223 |
| Depreciation Expense                                       | Ś   | 1,104,223 |
| Joint tenancy transfer of accumulated depreciation         | · _ | 315,261   |
| Total additions to accumulated depreciation, previous page | \$_ | 1,419,484 |
| Component Unit Parks and Recreation Authority              | \$  | 27,599    |

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 5 - Compensated Absences:

The County has accrued the liability arising from compensated absences.

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

| Primary Government          | \$_ | 524,300 |
|-----------------------------|-----|---------|
| Component Unit School Board | \$  | 327,468 |

# Note 6 - Due From/To Primary Government/Component Units:

| Fund                           |        | Due from     | Due to                               |
|--------------------------------|--------|--------------|--------------------------------------|
| General                        | \$     | 32,568       | \$<br>582,864                        |
| Parks and Recreation Authority |        | -            | 32,568                               |
| School Board                   |        | 582,864      | -                                    |
| Total                          | \$     | 615,432      | \$<br>615,432                        |
|                                |        |              |                                      |
| Fund                           | _ =    | Transfers In | Transfers Out                        |
| Fund<br>General                | <br>\$ |              | \$<br><b>Transfers Out</b> 9,958,147 |
|                                | <br>\$ |              |                                      |

### Note 7 - Pension Plan:

### 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 <u>Code of Virginia</u>, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 7 - Pension Plan: (Continued)

### Benefit Structures

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

- a. Employees with a measurement date before July 1, 2010, vested as of January 1, 2013, and have not taken a refund, are covered under Plan 1, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. Non-hazardous duty employees may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit. Hazardous duty employees (law enforcement officers, firefighters, and sheriffs) are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. Hazardous duty employees may retire with a reduced benefit as early as age 50 with at least 5 years of service credit.
- b. Employees with a membership date from July 1, 2010 to December 31, 2013, that have not taken a refund or employees with a membership date prior to July 1, 2010 and not vested before January 1, 2013, are covered under Plan 2, a defined benefit plan. Non-hazardous duty employees are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit or when the sum of their age plus service credit equals 90. Non-hazardous duty employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. Hazardous duty employees are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit. 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 measurement date on or after January 1, 2014 are covered by the Hybrid Plan combining the features of a defined benefit plan and a defined contribution plan. Plan 1 and Plan 2 members also had the option of opting into this plan during the election window held January 1 April 30, 2014 with an effective date of July 1, 2014. Employees covered by this plan are eligible for an unreduced benefit beginning at their normal social security retirement age with at least 5 years of service credit, or when the sum of their age plus service credit equals 90. Employees may retire with a reduced benefit as early as age 60 with at least 5 years of service credit. For the defined contribution component, members are eligible to receive distributions upon leaving employment, subject to restrictions.

### Average Final Compensation and Service Retirement Multiplier

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

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 7 - Pension Plan: (Continued)

# 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<br>Government | Component Unit<br>School Board<br>Nonprofessional |
|--|-----------------------|---|
| Inactive members or their beneficiaries currently receiving benefits | 64                    | 40  |
| Inactive members: Vested inactive members                            | 16                    | 14  |
| Non-vested inactive members  | 27                    | 14  |
| Inactive members active elsewhere in VRS                             | 45                    | 14  |
| Total inactive members   | 88                    | 42  |
| Active members   | 109                   | 46  |
| Total covered employees  | 261                   | 128   |

### **Contributions**

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

The County's contractually required contribution rate for the year ended June 30, 2021 was 10.59% 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 \$561,113 and \$429,701 for the years ended June 30, 2021 and June 30, 2020, respectively.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 7 - Pension Plan: (Continued)

Contributions: (Continued)

The Component Unit School Board's contractually required contribution rate for nonprofessional employees for the year ended June 30, 2021 was 0.67% 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 \$46 and \$199 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, 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, 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 - 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.

Inflation 2.5%

Salary increases, including inflation 3.5% - 5.35%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation\*

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.

<sup>\*</sup> 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.

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

Actuarial Assumptions - General Employees: (Continued)

Mortality rates: (Continued)

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%                                    |

### 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 2.5%

Salary increases, including inflation 3.5% - 4.75%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation\*

<sup>\*</sup> 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.

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

# Actuarial Assumptions - Public Safety Employees: (Continued)

# Mortality rates:

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

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

### Post-Retirement:

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

### Post-Disablement:

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

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

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

| Mortality Rates (pre-retirement, post- | Updated to a more current mortality table - RP-2014      |
|--|--|
| retirement healthy, and disabled)      | projected to 2020  |
| Retirement Rates                       | Increased age 50 rates, and lowered rates at older ages  |
|  | Adjusted rates to better fit experience at each year age |
| Withdrawal Rates                       | 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%                       |

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

# Long-Term Expected Rate of Return

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

| Asset Class (Strategy)               | Long-Term<br>Target<br>Asset<br>Allocation | Arithmetic<br>Long-Term<br>Expected<br>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%   |
| Ex                                   | pected arithmet                            | ic nominal return*                                    | 7.14%   |

<sup>\*</sup> 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 40<sup>th</sup> 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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 7 - Pension Plan: (Continued)

# Discount Rate: (Continued)

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 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 (Asset)

|                                     |    | Primary Government                   |     |  |                |  |  |  |
|-------------------------------------|----|--------------------------------------|-----|--|----------------|--|--|--|
|                                     |    |                                      | ln  | crease (Decrease                         | <del>:</del> ) |  |  |  |
|                                     | _  | Total<br>Pension<br>Liability<br>(a) |     | Plan<br>Fiduciary<br>Net Position<br>(b) | _              | Net<br>Pension<br>Liability<br>(a) - (b) |  |  |
| Balances at June 30, 2019           | \$ | 19,023,430                           | \$_ | 18,233,044                               | \$             | 790,386                                  |  |  |
| Changes for the year:               |    |                                      |     |  |                |  |  |  |
| Service cost                        | \$ | 677,748                              | \$  | -  | \$             | 677,748                                  |  |  |
| Interest                            |    | 1,251,916                            |     | -  |                | 1,251,916                                |  |  |
| Differences between expected        |    |                                      |     |  |                |  |  |  |
| and actual experience               |    | 592,229                              |     | -  |                | 592,229                                  |  |  |
| Contributions - employer            |    | -                                    |     | 427,549                                  |                | (427,549)                                |  |  |
| Contributions - employee            |    | -                                    |     | 251,406                                  |                | (251,406)                                |  |  |
| Net investment income               |    | -                                    |     | 347,959                                  |                | (347,959)                                |  |  |
| Benefit payments, including refunds |    |                                      |     |  |                |  |  |  |
| of employee contributions           |    | (953,051)                            |     | (953,051)                                |                | -  |  |  |
| Administrative expenses             |    | -                                    |     | (11,849)                                 |                | 11,849                                   |  |  |
| Other changes                       |    | -                                    |     | (412)                                    |                | 412                                      |  |  |
| Net changes                         | \$ | 1,568,842                            | \$  | 61,602                                   | \$             | 1,507,240                                |  |  |
| Balances at June 30, 2020           | \$ | 20,592,272                           | \$  | 18,294,646                               | \$             | 2,297,626                                |  |  |

Notes to Financial Statements At June 30, 2021 (Continued)

Note 7 - Pension Plan: (Continued)

# Changes in Net Pension Liability (Asset) (Continued)

|                                     | Component School Board (nonprofessional) Increase (Decrease) |                                      |           |                                 |                   |  |  |
|-------------------------------------|--|--------------------------------------|-----------|---------------------------------|-------------------|--|--|
|                                     |  | Total<br>Pension<br>Liability<br>(a) | <u>In</u> | Plan Fiduciary Net Position (b) | <del>?)</del><br> | Net<br>Pension<br>Liability (asset)<br>(a) - (b) |  |
| Balances at June 30, 2019           | \$   | 3,537,483                            | \$_       | 4,265,980                       | \$                | (728,497)  |  |
| Changes for the year:               |  |                                      |           |                                 |                   |  |  |
| Service cost                        | \$   | 72,976                               | \$        | -                               | \$                | 72,976   |  |
| Interest                            |  | 232,552                              |           | -                               |                   | 232,552  |  |
| Differences between expected        |  |                                      |           |                                 |                   |  |  |
| and actual experience               |  | 49,027                               |           | -                               |                   | 49,027   |  |
| Contributions - employer            |  | -                                    |           | 3,252                           |                   | (3,252)  |  |
| Contributions - employee            |  | -                                    |           | 38,491                          |                   | (38,491)   |  |
| Net investment income               |  | -                                    |           | 80,870                          |                   | (80,870)   |  |
| Benefit payments, including refunds |  |                                      |           |                                 |                   | , , ,  |  |
| of employee contributions           |  | (184,535)                            |           | (184,535)                       |                   | -  |  |
| Administrative expenses             |  | -                                    |           | (2,825)                         |                   | 2,825  |  |
| Other changes                       |  | -                                    |           | (95)                            |                   | 95   |  |
| Net changes                         | \$   | 170,020                              | \$        | (64,842)                        | \$                | 234,862  |  |
| Balances at June 30, 2020           | \$   | 3,707,503                            | \$_       | 4,201,138                       | \$                | (493,635)  |  |

## 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:

|  | <br>Rate           |              |           |  |  |
|--|--------------------|--------------|-----------|--|--|
|  | (5.75%)            | (6.75%)      | (7.75%)   |  |  |
| County<br>Net Pension Liability (Asset)  | \$<br>5,016,129 \$ | 2,297,626 \$ | 57,843    |  |  |
| Component Unit School Board (nonprofessional)<br>Net Pension Liability (Asset) | \$<br>(74,751) \$  | (493,635) \$ | (844,777) |  |  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 7 - Pension Plan: (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 \$873,981 and \$78,730, 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 Go                           | vernment                            | Component<br>Board (nonp             | Unit School professional)           |  |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--|
|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |  |
| Differences between expected and actual experience \$                            | 521,885                              | \$ 96,246 \$                        | 28,427                               | 4,610                               |  |
| Change in assumptions  | 267,480                              | -                                   | 21,819                               | -                                   |  |
| Net difference between projected and actual earnings on pension plan investments | 546,491                              | -                                   | 124,399                              | -                                   |  |
| Employer contributions subsequent to the measurement date                        | 561,113                              |                                     | 46                                   |                                     |  |
| Total  | 1,896,969                            | \$ 96,246 \$                        | 174,691                              | 4,610                               |  |

\$561,113 and \$46 reported as deferred outflows of resources related to pensions resulting from the County's and Component Unit School Board's (nonprofessional) contributions, respectively, subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Year ended June 30 | Primary<br>Government |    | Component Unit<br>School Board<br>(nonprofessional) |
|--------------------|-----------------------|----|---|
|                    |                       |    |   |
| 2022               | \$<br>272,113         | \$ | 39,340  |
| 2023               | 485,697               |    | 47,259  |
| 2024               | 307,178               |    | 43,002  |
| 2025               | 174,622               |    | 40,434  |
| Thereafter         | -                     |    | -   |

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 7 - Pension Plan: (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 <a href="http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf">http://www.varetire.org/Pdf/Publications/2020-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

### Component Unit School Board (professional)

### Plan Description

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

#### **Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the <u>Code of Virginia</u>, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Each school division's contractually required employer contribution rate for the year ended June 30, 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 \$1,609,602 and \$1,539,369 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 \$16,857,762 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 0.11580% as compared to 0.12028% at June 30, 2019.

For the year ended June 30, 2021, the school division recognized pension expense of \$1,550,947. 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.

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

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

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

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

|   | Deferred Outflows of Resources | <br>Deferred Inflows of Resources |
|---|--------------------------------|-----------------------------------|
| Differences between expected and actual experience  | \$<br>-                        | \$<br>988,126                     |
| Change in assumptions   | 1,150,754                      | -                                 |
| Net difference between projected and actual earnings on pension plan investments                              | 1,282,220                      | -                                 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 49,162                         | 971,951                           |
| Employer contributions subsequent to the measurement date   | 1,609,602                      | <br><u> </u>                      |
| Total   | \$<br>4,091,738                | \$<br>1,960,077                   |

\$1,609,602 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

| Year ended June 30 | _  |           |
|--------------------|----|-----------|
| 2022               | \$ | (249,499) |
| 2023               |    | 211,787   |
| 2024               |    | 327,958   |
| 2025               |    | 275,890   |
| Thereafter         |    | (44,077)  |

Notes to Financial Statements At June 30, 2021 (Continued)

### Note 7 - Pension Plan: (Continued)

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

## Actuarial Assumptions

The total pension liability for the VRS Teacher Retirement Plan was based on an actuarial valuation as of June 30, 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 2.5%

Salary increases, including inflation 3.5% - 5.95%

Investment rate of return 6.75%, net of pension plan investment

expenses, including inflation\*

## 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 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.

<sup>\*</sup> 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.

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

# Component Unit School Board (professional): (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, 2029. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

| Mortality Rates (pre-retirement, post- | Updated to a more current mortality table - RP-2014      |
|--|--|
| retirement healthy, and disabled)      | projected to 2020  |
|  | Lowered rates at older ages and changed final            |
| Retirement Rates                       | retirement from 70 to 75                                 |
|  | Adjusted rates to better fit experience at each year age |
| Withdrawal Rates                       | 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<br>Retirement Plan    |
|--|----------|--|
| Total Pension Liability Plan Fiduciary Net Position Employer's Net Pension Liability (Asset) | \$<br>\$ | 51,001,855<br>36,449,229<br>14,552,626 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                   |          | 71.47%                                 |

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 7 - Pension Plan: (Continued)

## Net Pension Liability: (Continued)

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.

## Long-Term Expected Rate of Return

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

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

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

|  |                     |   | Rate       |    |            |
|--|---------------------|---|------------|----|------------|
|  | (5.75%)             |   | (6.75%)    | _  | (7.75%)    |
| School division's proportionate<br>share of the VRS Teacher<br>Employee Retirement Plan<br>Net Pension Liability (Asset) | \$<br>24,734,123 \$ | 5 | 16,857,762 | \$ | 10,343,015 |

# 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 <a href="http://www.varetire.org/pdf/publications/2020-annual-report.pdf">http://www.varetire.org/pdf/publications/2020-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 7 - Pension Plan: (Continued)

# **Aggregate Pension Information**

## **VRS Pension Plans:**

|                              |                      |              |                     |    | Net Pension          |                    |  |
|------------------------------|----------------------|--------------|---------------------|----|----------------------|--------------------|--|
|                              | Deferred<br>Outflows |              | Deferred<br>Inflows |    | Liability<br>(Asset) | Pension<br>Expense |  |
| Primary Government           | _                    |              |                     |    |                      |                    |  |
| Primary Government           | \$                   | 1,896,969 \$ | 96,246              | \$ | 2,297,626 \$         | 873,981            |  |
| Totals                       | \$                   | 1,896,969 \$ | 96,246              | \$ | 2,297,626 \$         | 873,981            |  |
| Component Unit School Board  |                      |              |                     |    |                      |                    |  |
| School Board Nonprofessional | \$                   | 174,691 \$   | 4,610               | \$ | (493,635) \$         | (78,730)           |  |
| School Board Professional    |                      | 4,091,738    | 1,960,077           |    | 16,857,762           | 1,550,947          |  |
| Totals                       | \$                   | 4,266,429 \$ | 1,964,687           | \$ | 16,364,127 \$        | 1,472,217          |  |

# Note 8 - Long-Term Obligations:

# Primary Government-Long-term Obligations:

# Changes in Long-Term Obligations:

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

|  | _               | Balance at<br>July 1,<br>2020 | Issuances/<br>Increases | Retirements/<br>Decreases | Balance at<br>June 30,<br>2021 | Amounts<br>Due<br>Within<br>One Year |
|--|-----------------|-------------------------------|-------------------------|---------------------------|--------------------------------|--------------------------------------|
| Governmental Activities:                 |                 |                               |                         |                           |                                |                                      |
| Direct Borrowings and Direct Placements: |                 |                               |                         |                           |                                |                                      |
| Public Facility Lease Revenue Bond       | \$              | 16,600,000 \$                 | - \$                    | - \$                      | 16,600,000 \$                  | 453,000                              |
| Public Facility Lease Revenue            |                 |                               |                         |                           |                                |                                      |
| Refunding Bonds                          |                 | 8,041,000                     | -                       | 294,000                   | 7,747,000                      | 543,000                              |
| Landfill closure liability               |                 | 328,190                       | 3,938                   | 33,213                    | 298,915                        | 33,213                               |
| State literary fund loan                 |                 | 310,000                       | -                       | 310,000                   | -                              | -                                    |
| Capital leases                           |                 | 305,192                       | -                       | 36,316                    | 268,876                        | 37,580                               |
| Net OPEB liability:                      |                 |                               |                         |                           |                                |                                      |
| Net Health Insurance OPEB liability      | \$              | 856,135 \$                    | 64,075 \$               | 37,902 \$                 | 882,308 \$                     | -                                    |
| Net Group Life Insurance OPEB liability  |                 | 413,001                       | 132,739                 | 116,849                   | 428,891                        | -                                    |
| Total net OPEB liability                 | \$ <sup>-</sup> | 1,269,136 \$                  | 196,814 \$              | 154,751 \$                | 1,311,199 \$                   | -                                    |
| Net pension liability                    |                 | 790,386                       | 2,534,154               | 1,026,914                 | 2,297,626                      | -                                    |
| Compensated absences                     | _               | 514,216                       | 61,506                  | 51,422                    | 524,300                        | 52,430                               |
| Total governmental activities            | \$_             | 28,158,120 \$                 | 2,796,412 \$            | 1,906,616 \$              | 29,047,916 \$                  | 1,119,223                            |

Notes to Financial Statements At June 30, 2021 (Continued)

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

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

|                    |    | Public Fa     | cility      | Public F        | acility   |               |          |
|--------------------|----|---------------|-------------|-----------------|-----------|---------------|----------|
| Year Lease Revenue |    | Lease Re      | evenue      |                 |           |               |          |
| <b>Ending</b>      |    | Bond          |             | Refundin        | g Bond    | Capital L     | eases    |
| June 30,           | _  | Principal     | Interest    | Principal       | Interest  | Principal     | Interest |
|                    | _  |               |             |                 |           |               |          |
| 2022               | \$ | 453,000 \$    | 498,000     | \$ 543,000 \$   | 184,853   | \$ 37,580 \$  | 11,066   |
| 2023               |    | 466,000       | 484,410     | 556,000         | 171,897   | 38,890        | 9,756    |
| 2024               |    | 480,000       | 470,430     | 596,000         | 158,631   | 12,716        | 8,398    |
| 2025               |    | 493,000       | 456,030     | 611,000         | 144,409   | 13,300        | 7,814    |
| 2026               |    | 507,000       | 441,240     | 626,000         | 129,831   | 13,911        | 7,203    |
| 2027               |    | 523,000       | 426,030     | 640,000         | 114,893   | 14,550        | 6,564    |
| 2028               |    | 538,000       | 410,340     | 655,000         | 99,622    | 15,218        | 5,896    |
| 2029               |    | 553,000       | 394,200     | 671,000         | 83,993    | 15,917        | 5,196    |
| 2030               |    | 569,000       | 377,610     | 687,000         | 67,981    | 16,649        | 4,465    |
| 2031               |    | 584,000       | 360,540     | 704,000         | 51,589    | 17,413        | 3,700    |
| 2032               |    | 600,000       | 343,020     | 721,000         | 34,790    | 18,213        | 2,900    |
| 2033               |    | 619,000       | 325,020     | 737,000         | 17,586    | 19,050        | 2,064    |
| 2034               |    | 1,293,000     | 306,450     | -               | -         | 19,925        | 1,188    |
| 2035               |    | 1,331,000     | 267,660     | -               | -         | 15,544        | 292      |
| 2036               |    | 1,370,000     | 227,730     | -               | -         | -             | -        |
| 2037               |    | 1,175,000     | 186,630     | -               | -         | -             | -        |
| 2038               |    | 1,208,000     | 151,380     | -               | -         | -             | -        |
| 2039               |    | 1,243,000     | 115,140     | -               | -         | -             | -        |
| 2040               |    | 1,279,000     | 77,850      | -               | -         | -             | -        |
| 2041               |    | 1,316,000     | 39,480      |                 | -         |               |          |
|                    | _  |               |             |                 |           |               |          |
| Total              | \$ | 16,600,000 \$ | 6,359,190 9 | \$ 7,747,000 \$ | 1,260,075 | \$ 268,876 \$ | 76,502   |

Notes to Financial Statements At June 30, 2021 (Continued)

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

# **Details of Long-Term Obligations:**

|  |                  | Amount<br>Outstanding                 |        | Amounts<br>Due Within<br>One Year |
|--|------------------|---------------------------------------|--------|-----------------------------------|
| Public Facility Lease Revenue Bond:<br>\$16,600,000 Public Facilities Lease Revenue Bond, Series 2020A issued<br>June 24, 2020 due in varying installments through February 2041.<br>Interest is payable annually at 3.00%.  | \$_              | 16,600,000                            | \$     | 453,000                           |
| Public Facility Lease Revenue Refunding Bonds.:  |                  |                                       |        |                                   |
| \$1,625,000 Public Facilities Lease Revenue Refunding Bond, Series 2020B issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.37%.  | \$               | 1,503,000                             | \$     | 110,000                           |
| \$6,416,000 Public Facilities Lease Revenue Refunding Bond, Series 2020C issued June 24, 2020 due in varying installments through February 2033. Interest is payable annually at 2.39%.  |                  | 6,244,000                             |        | 433,000                           |
| Total Public Facility Lease Revenue Refunding Bonds  | \$               | 7,747,000                             | \$     | 543,000                           |
| Capital Leases:  |                  |                                       | _      |                                   |
| \$230,000 lease issued March 24, 2020, due in monthly installments of principal and interest of \$1,759 through March 2035. Interest is payable at 4.50%. The assets acquired through the capital lease are \$230,000 for a building and had \$0 of accumulated depreciation as of June 30, 2020.                | \$               | 216,186                               | \$     | 25,957                            |
| \$126,126 lease issued October 20, 2017 due in annual installments of principal and interest of \$27,532 through October 2022. Interest is payable at 2.99%. The assets acquired through the capital lease are \$118,886 for election equipment and had \$7,925 of accumulated depreciation as of June 30, 2018. | \$               | 52,690                                | \$     | 11,623                            |
| Total Capital Leases   | ς<br>Ş           | 268,876                               | ,<br>Ş | 37,580                            |
|  | ` <b>-</b><br>\$ | · · · · · · · · · · · · · · · · · · · | \$     | 33,213                            |
| Net OPEB liability   | ş <b>–</b>       | 1,311,199                             | \$     | -                                 |
| Net pension liability  | \$_<br>_         | 2,297,626                             | \$     | -                                 |
| Compensated absences   | \$_              | 524,300                               | \$     | 52,430                            |
| Total long-term obligations  | \$_              | 29,047,916                            | \$     | 1,119,223                         |

Notes to Financial Statements At June 30, 2021 (Continued)

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

# Discretely Presented Component Unit-School Board Obligations:

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

|  | _   | Balance at<br>July 1,<br>2020 | Issuances/<br>Increases | Retirements/<br>Decreases | Balance at<br>June 30,<br>2021 | Amounts<br>Due Within<br>One Year |
|--|-----|-------------------------------|-------------------------|---------------------------|--------------------------------|-----------------------------------|
| Compensated absences                       | \$  | 498,790 \$                    | 49,879 \$               | 221,201 \$                | 327,468 \$                     | 32,747                            |
| Net pension liability                      |     | 15,829,532                    | 6,173,975               | 5,145,745                 | 16,857,762                     | -                                 |
| Net OPEB liability:                        |     |                               |                         |                           |                                |                                   |
| Net Health Insurance OPEB liability        | \$  | 1,230,175 \$                  | 109,860 \$              | 24,779 \$                 | 1,315,256\$                    | -                                 |
| Net Group Life Insurance OPEB liability    |     | 913,873                       | 260,090                 | 277,798                   | 896,165                        | -                                 |
| Net Health Insurance Credit OPEB liability |     | 1,588,328                     | 345,763                 | 313,768                   | 1,620,323                      | -                                 |
| Total net OPEB liability                   | \$  | 3,732,376 \$                  | 715,713 \$              | 616,345 \$                | 3,831,744 \$                   |                                   |
| Total Component Unit                       | \$_ | 20,060,698 \$                 | 6,939,567 \$            | 5,983,291 \$              | 21,016,974 \$                  | 32,747                            |

## Note 9 - Deferred/Unavailable/Unearned Revenue:

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 periods are deferred.

|   | _   | Government-wide Statements Governmental |    | Balance<br>Sheet<br>Governmental |
|---|-----|---|----|----------------------------------|
|   |     | Activities                              |    | Funds                            |
| Primary Government:   | _   |   |    |                                  |
| Deferred/Unavailable property tax revenue:  |     |   |    |                                  |
| Deferred/Unavailable revenue representing uncollected property tax billings for which asset recognition criteria has not been met. The uncollected tax billings are not |     |   |    |                                  |
| available for the funding of current expenditures.  | \$  | -                                       | \$ | 490,574                          |
| 2nd half assessments due after June 30th  |     | 6,303,759                               |    | 6,303,759                        |
| Prepaid property tax revenues representing collections received for property taxes that are applicable to the   |     |   |    |                                  |
| subsequent budget year.   |     | 301,494                                 |    | 301,494                          |
| Total governmental activities   | \$_ | 6,605,253                               | \$ | 7,095,827                        |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 10 - Contingent Liabilities:

Federal programs in which the County and its component unit participate were audited in accordance with the provisions of U.S. Office of Management and the Uniform Guidance. Pursuant to the provisions of this circular, all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by audit, the federal government may subject grant programs to additional compliance tests which may result in disallowed expenditures. In the opinion of management, any future disallowances of current grant program expenditures, if any, would be immaterial.

## Note 11 - Surety Bonds:

|  |    | Amount    |  |  |  |  |  |
|--|----|-----------|--|--|--|--|--|
| Virginia Department of Risk Management - Surety                    |    |           |  |  |  |  |  |
| Stephanie Murray, Treasurer  | \$ | 400,000   |  |  |  |  |  |
| Leeta D. Louk, Clerk of the Circuit Court                          |    | 25,000    |  |  |  |  |  |
| Brian Daniel, Commissioner of the Revenue                          |    | 3,000     |  |  |  |  |  |
| Erik Weaver, Sheriff   |    | 30,000    |  |  |  |  |  |
| Above constitutional officers' employees - blanket bond            |    | 50,000    |  |  |  |  |  |
| Madison County Department of Social Services employee blanket bond |    | 100,000   |  |  |  |  |  |
| Virginia Association of Counties Group Self Insurance Risk Pool    |    |           |  |  |  |  |  |
| Madison County School Board Public Officials Liability             |    | 1,000,000 |  |  |  |  |  |
| Madison County Public Officials Liability                          |    | 250,000   |  |  |  |  |  |
| Madison County Crime Coverage                                      |    | 250,000   |  |  |  |  |  |

### Note 12 - Risk Management:

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

The County is insured by the Virginia Association of Counties (VACO) for all risks of losses. Settled claims from these risks have not exceeded commercial coverage in any of the past three fiscal years. Worker's Compensation is also carried through VACO.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 13 - Landfill Closure and Postclosure Care Cost:

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, which occurred in fiscal year 2005, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The \$298,915 reported as landfill closure and postclosure care liability at June 30, 2021, represents the cumulative amount reported based on the use of 100 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County intends to fund these costs from any funds accumulated for this purpose in the General Fund.

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

The County plans to meet all federal laws, regulations and tests of financial assurance related to the financing of closure and postclosure care when they become effective.

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan):

#### County:

#### Plan Description

The County post-retirement health care plan is a single employer defined benefit healthcare plan that offers insurance benefits for employees who are eligible for retirement benefits. All full-time employees who have at least 10 years of service with Madison County, and is eligible for immediate retirement benefits under VRS, or have at least 10 years of service with Madison County and is eligible for immediate disability retirement benefits under VRS. Once the participant is Medicare eligible they are no longer eligible to remain in the plan. The County's post-retirement health care Plan does not issue a separate, audited GAAP basis report.

## **Benefits Provided**

Postemployment benefits are provided to eligible retirees include health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. For participating retirees, the retirees pay 100% of the published rates for individual and dependent coverage until age 65. Surviving spouses are not allowed access to the plan.

Notes to Financial Statements At June 30, 2021 (Continued)

## Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

## **County: (Continued)**

### Plan Membership

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

| Total active employees with coverage | \$<br>110 |
|--------------------------------------|-----------|
| Total retirees with coverage         | 4         |
| Total spouses of retirees            | <br>1     |
| Total                                | \$<br>115 |

#### **Contributions**

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the County Board.

### **Total OPEB Liability**

The County's total OPEB liability was measured as of June 30, 2021. The total 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%  |
|------------------|--|
| Salary Increases | Ranging from 3.50% to 5.35% depending on years of service per year for general salary inflations |
| Discount Rate    | 2.16%  |

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2019.

#### Discount Rate

The final equivalent single discount rate used for this year's valuation is 2.16% as of the end of the fiscal year with the expectation that the County will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

## County: (Continued)

# Changes in Total OPEB Liability

|                           |    | Primary Government Total OPEB Liability |  |  |  |
|---------------------------|----|---|--|--|--|
| Balances at June 30, 2020 | \$ | 856,135                                 |  |  |  |
| Changes for the year:     |    |   |  |  |  |
| Service cost              |    | 40,138                                  |  |  |  |
| Interest                  |    | 19,391                                  |  |  |  |
| Changes in assumptions    |    | 4,546                                   |  |  |  |
| Benefit payments          |    | (37,902)                                |  |  |  |
| Net changes               | •  | 26,173                                  |  |  |  |
| Balances at June 30, 2021 | \$ | 882,308                                 |  |  |  |

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

The following amounts present the total OPEB liability of the County, 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<br>(1.16%) | Current Discount<br>Rate (2.16%) | 1% Increase<br>(3.16%) |  |  |
| \$<br>978,845          | \$<br>882,308                    | \$<br>796,349          |  |  |

The following presents the total OPEB liability of the County was calculated using healthcare cost trend rates that are one percentage point lower (4.80% decreasing to 3.20% after 2073) or one percentage point higher (6.80% decreasing to 5.20% after 2073) than the current healthcare cost trend rates:

|    |                      | Rates                |                      |
|----|----------------------|----------------------|----------------------|
| •  |                      | Healthcare Cost      |                      |
|    | 1% Decrease          | Trend                | 1% Increase          |
|    | (4.80% decreasing to | (5.90% decreasing to | (6.80% decreasing to |
|    | 3.20% after 2073)    | 4.00% after 2073)    | 5.20% after 2073)    |
| \$ | 757,145              | \$<br>882,308        | \$<br>1,034,196      |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

## **County: (Continued)**

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

For the year ended June 30, 2021, the County recognized OPEB expense in the amount of \$112,716. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | De | eferred Outflows<br>of Resouces | Deferred Inflows of Resources |
|--|----|---------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ | 168,818                         | \$<br>-                       |
| Changes in assumptions                             |    | 123,594                         | 6,440                         |
| Total  | \$ | 292,412                         | \$<br>6,440                   |

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 |              |
|--------------------|--------------|
|                    |              |
| 2022               | \$<br>53,187 |
| 2023               | 53,187       |
| 2024               | 53,187       |
| 2025               | 53,110       |
| 2026               | 52,359       |
| Thereafter         | 20,942       |

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

### School Board:

### Plan Description

The School Board Retiree Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. Employees who receive an unreduced retirement benefit from VRS, has at least seven consecutive years of service immediately preceding retirement, is a full time, salaried employee of the school division at the time of applying for the program, and is not eligible for disability retirement benefits under VRS are eligible for the program. The School Board Extended Service Program does not issue a separate GAAP basis report.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

# School Board: (Continued)

#### Benefits Provided

Postemployment benefits are provided to eligible retirees include Health insurance. The benefits that are provided for active employees are the same for eligible retirees, spouses and dependents of eligible retirees. The School Board Extended Service Program is a single employer defined benefit healthcare plan that offers health insurance for retirees. For participating retirees the School Board pays an amount per month towards the monthly premium and the retiree contributes remaining funds towards the monthly premium. Coverage ceases after seven years and there is no benefit provided after age 65. Surviving spouses are not allowed access to the plan.

# Plan Membership

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

| Total active employees with coverage | \$<br>233 |
|--------------------------------------|-----------|
| Total retirees with coverage         | <br>2     |
| Total                                | \$<br>235 |

#### **Contributions**

The board does not pre-fund benefits; therefore, no assets are accumulated in a trust fund. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis. The funding requirements are established and may be amended by the School Board.

#### **Total OPEB Liability**

The School Board's total OPEB liability was measured as of June 30, 2021. The total 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%  |
|------------------|--|
| Salary Increases | Ranging from 3.50% to 5.95% depending on years of service per year for general salary inflations |
| Discount Rate    | 2.16%  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

# School Board: (Continued)

# Actuarial Assumptions: (Continued)

Mortality rates for Active employees and healthy retirees were based on a RP-2014 Total Dataset Mortality Table fully generational using scale BB while mortality rates for disabled retirees were based on a RP-2014 Disabled Mortality Table fully generational using scale BB.

The date of the most recent actuarial experience study for which significant assumptions were based is July 1, 2019.

#### Discount Rate

The final equivalent single discount rate used for this year's valuation is 2.16% as of the end of the fiscal year with the expectation that the School Board will continue contributing the Actuarially Determined Contribution and paying the pay-go cost.

# Changes in Total OPEB Liability

|   |    | School Board<br>Total OPEB Liability |  |  |
|---|----|--------------------------------------|--|--|
| Balances at June 30, 2020                         | \$ | 1,230,175                            |  |  |
| Changes for the year:                             |    |                                      |  |  |
| Service cost                                      |    | 76,387                               |  |  |
| Interest  |    | 28,603                               |  |  |
| Difference between expected and actual experience |    | -                                    |  |  |
| Changes in assumptions                            |    | 4,870                                |  |  |
| Benefit payments                                  |    | (24,779)                             |  |  |
| Net changes                                       | •  | 85,081                               |  |  |
| Balances at June 30, 2021                         | \$ | 1,315,256                            |  |  |
|   |    |                                      |  |  |

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

The following amounts present the total OPEB liability of the County, 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<br>(1.16%) | Current Discount<br>Rate (2.16%) | 1% Increase<br>(3.16%) |
| \$<br>1,414,142        | \$<br>1,315,256                  | \$<br>1,219,670        |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 14 - Health Insurance - Pay-as-you-Go (OPEB Plan): (Continued)

# 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 School Board was calculated using healthcare cost trend rates that are one percentage point lower (4.80% decreasing to 3.20% after 2073) or one percentage point higher (6.80% decreasing to 5.20% after 2073) than the current healthcare cost trend rates:

|    |  |    | Rates                                  |  |
|----|--|----|--|--|
| _  |  |    | Healthcare Cost                        |  |
|    | 1% Decrease                            |    | Trend                                  | 1% Increase                            |
|    | (4.80% decreasing to 3.20% after 2073) | _  | (5.90% decreasing to 4.00% after 2073) | (6.80% decreasing to 5.20% after 2073) |
| \$ | 1,136,692                              | \$ | 1,315,256                              | \$<br>1,527,532                        |

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

For the year ended June 30, 2021, the School Board recognized OPEB expense in the amount of \$102,230. At June 30, 2021, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | _  | Deferred Outflows of Resouces |    | Deferred Inflows of Resources |  |
|--|----|-------------------------------|----|-------------------------------|--|
| Differences between expected and actual experience | \$ | -                             | \$ | 174,000                       |  |
| Changes in assumptions                             |    | 168,339                       |    | 14,301                        |  |
| Total  | \$ | 168,339                       | \$ | 188,301                       |  |

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 |               |
|--------------------|---------------|
| 2022               | \$<br>(2,760) |
| 2023               | (2,760)       |
| 2024               | (2,760)       |
| 2025               | (2,760)       |
| 2026               | (3,362)       |
| Thereafter         | (5,560)       |

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

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - 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 <u>Code of Virginia</u>, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of participating political subdivisions are automatically covered by the VRS Political Subdivision HIC Plan upon employment. This is an agent multiple-employer plan administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

# Eligible Employees

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

# Benefit Amounts

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

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### 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:

|  | Primary<br>Government | Component Unit<br>School Board<br>Nonprofessional |
|--|-----------------------|---|
| Inactive members or their beneficiaries currently receiving benefits | 7                     | -   |
| Inactive members: Vested inactive members                            | -                     | -   |
| Total inactive members   | 7                     |   |
| Active members   | 48                    | 46  |
| Total covered employees  | 55                    | 46  |

#### **Contributions**

The contribution requirements for active employees is governed by \$51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2021 was 0.13% 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 County to the HIC Plan were \$3,081 and \$1,746 for the years ended June 30, 2021 and June 30, 2020, respectively. The School Board's contractually required employer contribution rate for the year ended June 30, 2021 was 0.98% 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 School Board to the HIC Plan were \$8,009 and \$0 for the years ended June 30, 2021 and June 30, 2020, respectively.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

# Net HIC OPEB Liability

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

# **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\*

<sup>\*</sup>Administrative expenses as a percent of the market 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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

#### Pre-Retirement:

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

#### Post-Retirement:

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

#### Post-Disablement:

RP-2014 Disability 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%   |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

#### Pre-Retirement:

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

#### Post-Retirement:

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

# Post-Disablement:

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, 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%                                    |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Program (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<br>Target<br>Asset<br>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 Investement Partnership | 3.00%                                      | 6.49%  | 0.19%   |
| Total                                 | 100.00%                                    |  | 4.64%   |
|                                       |  | Inflation                                    | 2.50%   |
|                                       | *Expected arithme                          | tic 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 40<sup>th</sup> 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.

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

# Changes in Net HIC OPEB Liability (Asset)

|   |      | Increase (Decrease)                   |    |  |    |   |  |
|---|------|---------------------------------------|----|--|----|---|--|
|   | _    | Total<br>HIC OPEB<br>Liability<br>(a) | _  | Plan<br>Fiduciary<br>Net Position<br>(b) | i  | Net<br>HIC OPEB<br>Liability (Asset)<br>(a) - (b) |  |
| Primary Government                      | _    |                                       |    |  |    |   |  |
| Balances at June 30, 2019               | \$_  | 48,398                                | \$ | 71,691                                   | \$ | (23,293)  |  |
| Changes for the year:                   |      |                                       |    |  |    |   |  |
| Service cost                            | \$   | 3,021                                 | \$ | -  | \$ | 3,021   |  |
| Interest                                |      | 3,090                                 |    | -  |    | 3,090   |  |
| Differences between expected            |      |                                       |    |  |    |   |  |
| and actual experience                   |      | 20,211                                |    | -  |    | 20,211  |  |
| Contributions - employer                |      | -                                     |    | 1,747                                    |    | (1,747)   |  |
| Net investment income                   |      | -                                     |    | 1,417                                    |    | (1,417)   |  |
| Benefit payments                        |      | (5,238)                               |    | (5,238)                                  |    | -   |  |
| Administrative expenses                 |      | -                                     |    | (132)                                    |    | 132   |  |
| Other changes                           |      | -                                     |    | (1)                                      |    | 1   |  |
| Net changes                             | \$   | 21,084                                | \$ | (2,207)                                  | \$ | 23,291  |  |
| Balances at June 30, 2020               | \$ _ | 69,482                                | \$ | 69,484                                   | \$ | (2)   |  |
| Component School Board (nonprofessional | l)   |                                       |    |  |    |   |  |
| Balances at June 30, 2019               | \$_  | -                                     | \$ | -  | \$ |   |  |
| Changes for the year:                   |      |                                       |    |  |    |   |  |
| Service cost                            | \$   | -                                     | \$ | -  | \$ | -   |  |
| Benefit changes                         | -    | 100,300                               |    | -  | -  | 100,300   |  |
| Net changes                             | \$   | 100,300                               | \$ | -  | \$ | 100,300   |  |
| Balances at June 30, 2020               | \$   | 100,300                               | \$ | -  | \$ | 100,300   |  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

The follow presents the County's HIC Plan net HIC OPEB liability (asset) using the discount rate of 6.75%, as well as what the County's 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 | Current Discount | 1% Increase |  |  |  |
|   | (5.75%)     | (6.75%)          | (7.75%)     |  |  |  |
| County's Net HIC OPEB Liability (Asset) \$                                      | 7,863       | \$ (2) \$        | (6,648)     |  |  |  |
| Component Unit School Board (nonprofessional) Net HIC OPEB Liability (Asset) \$ | 110,855     | \$ 100,300 \$    | 91,233      |  |  |  |

# 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 County and School Board recognized HIC Plan OPEB expense of \$3,114 and \$100,300, respectively. At June 30, 2021, the County and School Board reported deferred outflows of resources and deferred inflows of resources related to the County's HIC Plan from the following sources:

|   |                         |                        | Component l             | Jnit School            |  |  |
|---|-------------------------|------------------------|-------------------------|------------------------|--|--|
|   | Primary Go              | overnment              | Board (nonprofessional) |                        |  |  |
|   | Deferred<br>Outflows of | Deferred<br>Inflows of | Deferred<br>Outflows of | Deferred<br>Inflows of |  |  |
|   | Resources               | Resources              | Resources               | Resources              |  |  |
| Differences between expected and actual experiencs                                | 20,618                  | \$ 8,403 \$            | - \$                    | -                      |  |  |
| Net difference between projected and actual earnings on HIC OPEB plan investments | 2,285                   | -                      | -                       | -                      |  |  |
| Change in assumptions   | 1,025                   | 1,114                  | -                       | -                      |  |  |
| Employer contributions subsequent to the measurement date                         | 3,081                   |                        | 8,009                   |                        |  |  |
| Total \$  | 27,009                  | \$ 9,517 \$            | 8,009 \$                |                        |  |  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 15 - Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

\$3,081 and \$8,009 reported as deferred outflows of resources related to the HIC OPEB resulting from the County and School Board's contributions subsequent to the measurement date will be recognized as a reduction of the Net HIC OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

| Year Ended June 30 | Primary<br>Government | Component Unit<br>School Board<br>(nonprofessional) |
|--------------------|-----------------------|---|
|                    |                       |   |
| 2022               | \$<br>1,589           | \$<br>-   |
| 2023               | 2,121                 | -   |
| 2024               | 2,145                 | -   |
| 2025               | 2,084                 | -   |
| 2026               | 1,692                 | -   |
| Thereafter         | 4,780                 | -   |

#### HIC Plan Data

Information about the VRS Political Subdivision HIC Plan 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 <a href="http://www.varetire.org/pdf/publications/2020-annual-report.pdf">http://www.varetire.org/pdf/publications/2020-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

#### Note 16 - 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 <u>Code of Virginia</u>, 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:

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

# 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 <u>Code of Virginia</u>, 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 \$122,067 and \$122,577 for the years ended June 30, 2021 and June 30, 2020, respectively.

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

At June 30, 2021, the school division reported a liability of \$1,520,023 for its proportionate share of the VRS Teacher Employee HIC Net OPEB Liability. The Net VRS Teacher Employee HIC OPEB Liability was measured as of June 30, 2020 and the total VRS Teacher Employee HIC OPEB liability used to calculate the Net VRS Teacher Employee HIC OPEB Liability was determined by an actuarial valuation performed as of June 30, 2019 and rolled forward to the measurement date of June 30, 2020. The school division's proportion of the Net VRS Teacher Employee HIC OPEB Liability was based on the school division's actuarially determined employer contributions to the VRS Teacher Employee HIC OPEB plan for the year ended June 30, 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 0.11650% as compared to 0.12133% at June 30, 2019.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

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

For the year ended June 30, 2021, the school division recognized VRS Teacher Employee HIC Plan OPEB expense of \$110,594. 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:

|   | _  | Deferred Outflows of Resources | <br>Deferred Inflows of Resources |
|---|----|--------------------------------|-----------------------------------|
| Differences between expected and actual experience  | \$ | -                              | \$<br>20,300                      |
| Net difference between projected and actual earnings on Teacher HIC OPEB plan investments |    | 6,736                          | -                                 |
| Change in assumptions   |    | 30,049                         | 8,305                             |
| Changes in proportionate share  |    | 13,526                         | 108,242                           |
| Employer contributions subsequent to the measurement date                                 | -  | 122,067                        | <br><u> </u>                      |
| Total   | \$ | 172,378                        | \$<br>136,847                     |

\$122,067 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:

| Year Ended June 30, |                |
|---------------------|----------------|
| 2022                | \$<br>(13,886) |
| 2023                | (13,219)       |
| 2024                | (13,443)       |
| 2025                | (14,183)       |
| 2026                | (15,512)       |
| Thereafter          | (16,293)       |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

# **Actuarial Assumptions**

The total Teacher Employee HIC OPEB liability for the VRS Teacher Employee HIC Plan was based on an actuarial valuation as of June 30, 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 2.5%

Salary increases, including inflation:

Teacher employees 3.5%-5.95%

Investment rate of return 6.75%, net of investment expenses,

including inflation\*

#### 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.

<sup>\*</sup>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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

Mortality Rates - Teachers: (Continued)

The actuarial assumptions used in the June 30, 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 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<br>Employee HIC<br>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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - 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<br>Target<br>Asset<br>Allocation | Arithmetic<br>Long-term<br>Expected<br>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%   |
| *Ex                                  | pected arithme                             | tic nominal return                                    | 7.14%   |

<sup>\*</sup>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 40<sup>th</sup> 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%.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 16 - Teacher Employee Health Insurance Credit (HIC) Plan (OPEB Plan): (Continued)

#### Discount Rate

The discount rate used to measure the total Teacher Employee HIC OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ended June 30, 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.

# 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             |                 |
|---------------------------------|-----------------|-----|------------------|-----------------|
|                                 | <br>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          | \$<br>1,701,507 | \$  | 1,520,023        | \$<br>1,365,774 |

# 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 <a href="http://www.varetire.org/pdf/publications/2020-annual-report.pdf">http://www.varetire.org/pdf/publications/2020-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - 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 <u>Code of Virginia</u>, 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 GLI 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 program, 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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

#### **Contributions**

The contribution requirements for the GLI Plan are governed by \$51.1-506 and \$51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Plan was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution; however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Plan from the entity were \$30,373 and \$27,506 for the years ended June 30, 2021 and June 30, 2020, respectively, for the County; \$4,413 and \$4,353 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (nonprofessional); and \$54,476 and \$53,117 for the years ended June 30, 2021 and June 30, 2020, respectively, for the School Board (professional).

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

At June 30, 2021, the entity reported a liability of \$428,891, \$67,921, and \$828,244 for the County, School Board Nonprofessional, and School Board Professional, 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 participating employer's proportion was 0.02570%, 0.00410%, and 0.04960% as compared to 0.02538%, 0.00425%, and 0.05191% at June 30, 2019 for the County, School Board Nonprofessional, and School Board Professional, respectively.

For the year ended June 30, 2021, the participating employer recognized GLI OPEB expense of \$22,759, \$2,354, and \$24,267 for the County, School Board Nonprofessional, and School Board Professional, respectively. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - 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:

|  |     | Deferred<br>Outflows of<br>Resources |     | Deferred<br>Inflows of<br>Resources |
|--|-----|--------------------------------------|-----|-------------------------------------|
| Primary Government   | _   |                                      |     |                                     |
| Differences between expected and actual experience                                   | \$  | 27,509                               | \$  | 3,852                               |
| Net difference between projected and actual  |     |                                      |     |                                     |
| earnings on GLI OPEB program investments   |     | 12,884                               |     | -                                   |
| Change in assumptions  |     | 21,449                               |     | 8,955                               |
| Changes in proportionate share   |     | 21,844                               |     | -                                   |
| Employer contributions subsequent to the   |     | 20.272                               |     |                                     |
| measurement date   | _   | 30,373                               |     | -                                   |
| Total Primary Government   | \$_ | 114,059                              | \$_ | 12,807                              |
| Component Unit School Board (nonprofessional)  |     |                                      |     |                                     |
| Differences between expected and actual experience                                   | \$  | 4,357                                | \$  | 611                                 |
| Net difference between projected and actual  |     | ŕ                                    | -   |                                     |
| earnings on GLI OPEB program investments   |     | 2,040                                |     | -                                   |
| Change in assumptions  |     | 3,397                                |     | 1,418                               |
| Changes in proportionate share   |     | 1,884                                |     | 4,139                               |
| Employer contributions subsequent to the   |     |                                      |     |                                     |
| measurement date   | _   | 4,413                                | _   | -                                   |
| Total Component Unit School Board (nonprofessional)                                  | \$_ | 16,091                               | \$_ | 6,168                               |
| Component Unit School Board (professional)   |     |                                      |     |                                     |
| Differences between expected and actual experience                                   | \$  | 53,124                               | \$  | 7,440                               |
| Net difference between projected and actual earnings on GLI OPEB program investments |     | 24,880                               |     | -                                   |
| Change in assumptions  |     | 41,422                               |     | 17,294                              |
| Changes in proportionate share   |     | 9,360                                |     | 55,207                              |
| Employer contributions subsequent to the   |     | 7,230                                |     | 33,207                              |
| measurement date   |     | 54,476                               |     | -                                   |
| Total Component Unit School Board (professional)                                     | \$  | 183,262                              | \$  | 79,941                              |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - 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)

\$30,373, \$4,413 and \$54,476 for the County, School Board Nonprofessional, and School Board Professional, respectively, reported as deferred outflows of resources related to the GLI OPEB resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OEPB will be recognized in the GLI OPEB expense in future reporting periods as follows:

| Year Ended June 30 |   | Primary<br>Government |   | Component Unit<br>School Board<br>(nonprofessional) |    | Component Unit<br>School Board<br>(professional) |
|--------------------|---|-----------------------|---|---|----|--|
| 2022               | Ś | 12,864                | Ś | 787   | \$ | 5,158  |
| 2023               |   | 16,502                |   | 1,363   | '  | 12,184   |
| 2024               |   | 18,463                |   | 1,889   |    | 16,497   |
| 2025               |   | 17,498                |   | 1,564   |    | 16,216   |
| 2026               |   | 5,129                 |   | (30)  |    | (398)  |
| Thereafter         |   | 423                   |   | (63)  |    | (812)  |

# 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 as noted below. 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* |

<sup>\*</sup>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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - Group Life Insurance (GLI) 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   |
| Discount Rate   | Decreased rate from 7.00% to 6.75%  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

#### Pre-Retirement:

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

#### Post-Retirement:

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

#### Post-Disablement:

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

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

| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Updated to a more current mortality table - RP-2014 projected to 2020                  |
|---|--|
| Retirement Rates  | Lowered retirement rates at older ages and extended final retirement age from 70 to 75 |
| Withdrawal Rates  | Adjusted termination rates to better fit experience at each age and service year       |
| Disability Rates  | Lowered disability rates   |
| Salary Scale  | No change  |
| Line of Duty Disability   | Increased rate from 14% to 15%   |
| 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.

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

Actuarial Assumptions: (Continued)

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

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

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

# **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):

|   | _    | Group Life<br>Insurance OPEB<br>Program |
|---|------|---|
| Total GLI OPEB Liability Plan Fiduciary Net Position                        | \$   | 3,523,937<br>1,855,102                  |
| GLI Net OPEB Liability (Asset)  | \$ _ | 1,668,835                               |
| Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability |      | 52.64%                                  |

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

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - 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<br>Target<br>Asset<br>Allocation | Arithmetic<br>Long-term<br>Expected<br>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 arithme                          | tic nominal return                                    | 7.14%  |

<sup>\*</sup>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 40<sup>th</sup> 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

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 17 - Group Life Insurance (GLI) Plan (OPEB Plan): (Continued)

# Discount Rate: (Continued)

entity for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100% of the actuarially determined contribution rate. From July 1, 2020 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

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

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

|   |    | Rate        |                  |             |         |         |  |  |  |  |  |
|---|----|-------------|------------------|-------------|---------|---------|--|--|--|--|--|
| _   |    | 1% Decrease | Current Discount | 1% Increase |         |         |  |  |  |  |  |
|   |    | (5.75%)     |                  | (6.75%)     | (7.75%) |         |  |  |  |  |  |
| County's proportionate<br>share of the Group Life<br>Insurance Program<br>Net OPEB Liability                        | \$ | 563,810     | \$               | 428,891     | \$      | 319,324 |  |  |  |  |  |
| School Board(nonprofessional)'s<br>proportionate share of the<br>Group Life Insurance Program<br>Net OPEB Liability | \$ | 89,288      | \$               | 67,921      | \$      | 50,570  |  |  |  |  |  |
| School Board(professional)'s<br>proportionate share of the<br>Group Life Insurance Program<br>Net OPEB Liability    | \$ | 1,088,790   | \$               | 828,244     | \$      | 616,656 |  |  |  |  |  |

#### 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 CAFR may be downloaded from the VRS website at <a href="http://www.varetire.org/pdf/publications/2020-annual-report.pdf">http://www.varetire.org/pdf/publications/2020-annual-report.pdf</a>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

# Note 18 - Aggregate OPEB Information:

Group Life Insurance Program (Note 17):

School Board Health Insurance Credit Program (Note 15) Teacher Health Insurance Credit Program (Note 15)

School Board Nonprofessional

School Stand-Alone Plan (Note 14)

School Board Professional

|  |     | Deferred   | Deferred  | Net OPEB     | OPEB    |
|--|-----|------------|-----------|--------------|---------|
|  | _(  | Outflows   | Inflows   | Liability    | Expense |
| Primary Government                               |     |            |           |              |         |
| Group Life Insurance Program (Note 17):          |     |            |           |              |         |
| County   | \$  | 114,059 \$ | 12,807 \$ | 428,891 \$   | 22,759  |
| County Health Insurance Credit Program (Note 15) |     | 27,009     | 9,517     | (2)          | 3,114   |
| County Stand-Alone Plan (Note 14)                |     | 292,412    | 6,440     | 882,308      | 112,716 |
| Totals   | \$_ | 433,480 \$ | 28,764 \$ | 1,311,197 \$ | 138,589 |
| Component Unit School Board                      |     |            |           |              |         |

16,091 \$

183,262

172,378

168,339

548,079 S

8,009

6,168 \$

79,941

136,847

188,301

411,257 \$

67,921 \$

828,244

100,300

1,520,023

1,315,256

3,831,744 \$

2,354

24,267

100,300

110,594

102,230

339,745

**VRS OPEB Plans** 

# Note 19 - Litigation:

**Totals** 

At June 30, 2021, there were no matters of litigation involving the County or its component unit that would have an adverse material effect on the financial position of the reporting entity.

#### Note 20 - Fair Value Measurements:

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

- Level 1. Quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at a measurement date
- Level 2. Directly or indirectly observable inputs for the asset or liability other than quoted prices
- Level 3. Unobservable inputs that are supported by little or no market activity for the asset or Liability

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 20 - Fair Value Measurements: (Continued)

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

The County has the following recurring fair value measurements as of June 30, 2021:

|                            |              |               | Fair Value Measurements Using               |    |                                   |             |                                     |  |  |  |
|----------------------------|--------------|---------------|---|----|-----------------------------------|-------------|-------------------------------------|--|--|--|
|                            |              | Quoted Prices |   |    | Significant                       |             |                                     |  |  |  |
|                            |              |               | in Active                                   |    | Other                             |             | Significant                         |  |  |  |
| Investment                 | 6/30/2021    |               | Markets or<br>Identical Assets<br>(Level 1) |    | Observable<br>Inputs<br>(Level 2) |             | Unobservable<br>Inputs<br>(Level 3) |  |  |  |
| U.S. Government Securities | \$<br>79,021 | \$            | 79,021                                      | \$ | - 5                               | \$ <u>_</u> | -                                   |  |  |  |
|                            | \$<br>79,021 | \$            | 79,021                                      | \$ | - 9                               | \$          | -                                   |  |  |  |

# 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:

|   | _       | Custodial<br>Fund |                                |                 |  |
|---|---------|-------------------|--------------------------------|-----------------|--|
|   | Special |                   | Component Unit<br>School Board |                 |  |
|   | _       | Welfare<br>Fund   | Net<br>Position                | Fund<br>Balance |  |
| Net Position, beginning of year, as previously reported | \$      | - \$              | (8,781,850) \$                 | 502,220         |  |
| Implementation of GASB 84                               | _       | 66,678            | 182,568                        | 182,568         |  |
| Net Position, beginning of year, as restated            | \$_     | 66,678 \$         | (8,599,282) \$                 | 684,788         |  |

Notes to Financial Statements At June 30, 2021 (Continued)

# Note 22 - Upcoming Pronouncements:

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

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

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

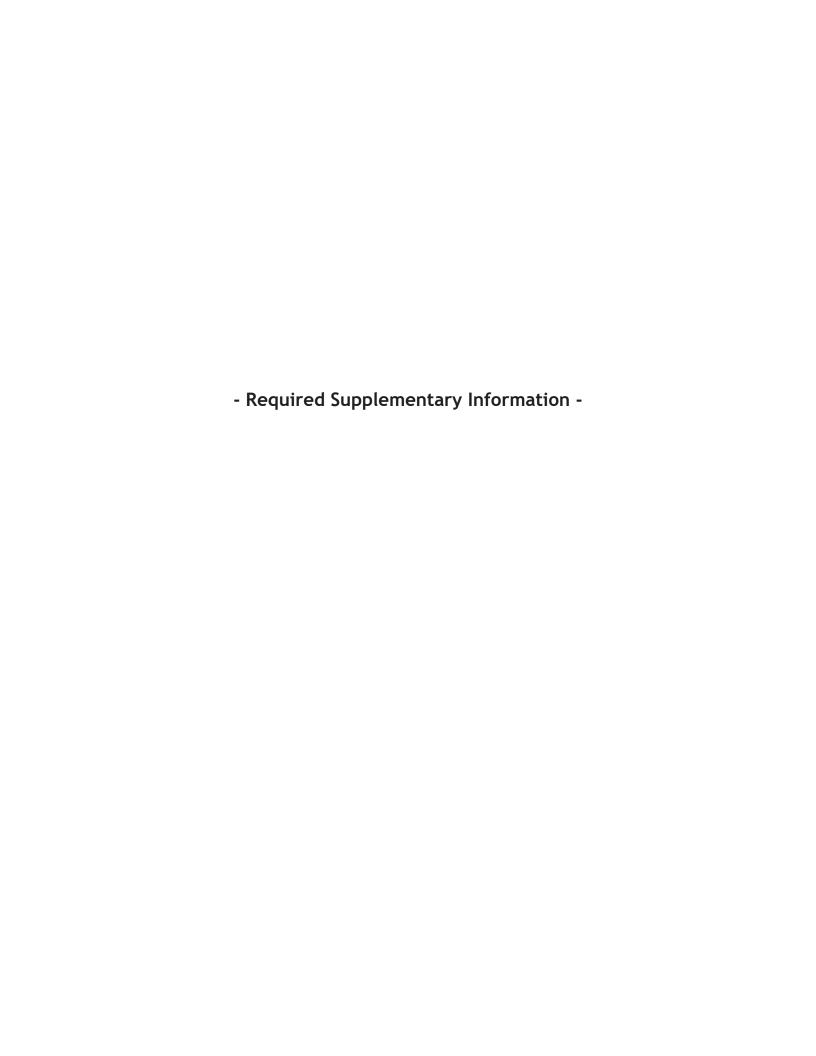
#### Note 23 - COVID-19 Pandemic Subsequent Event:

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. The County received total CRF funding of \$2,199,018. As a condition of receiving CRF funds, any funds unexpended as of December 31, 2021 will be returned to the federal government. The County reported unspent CRF funds as of June 30 of \$10,659 as unearned revenue.



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

| Revenues:         General property taxes         \$ 17,363,700 s         \$ 17,363,700 s         \$ 18,284,154 s         \$ 920,454 s           Other local taxes         2,975,644 s         2,975,644 s         3,614,030 s         638,386 s           Permits, privitege fees and regulatory licenses Fines and forfeitures         160,900 s         160,900 s         49,818 s         111,082) s           Revenue from use of money and property         177,300 s         177,300 s         70,109 s         (107,191) s           Charges for services         586,389 s         592,389 s         574,531 s         (117,858) s           Miscellaneous         344,096 s         336,770 s         200,723 s         (96,047) s           Intergovernmental:         1,702,537 s         3,994,770 s         3,747,257 s         (247,513) s           Total revenues         \$ 29,411,011 s         \$ 31,973,866 s         32,100,691 s         126,825           Expenditures:         Current:         S         6,941,106 s         \$ 2,027,247 s         1,777,515 s         249,732 s           Total revenues         \$ 1,694,106 s         \$ 2,027,247 s         \$ 1,777,515 s         \$ 249,732 s           Judicial administration         \$ 1,694,106 s         \$ 2,027,247 s         \$ 1,777,515 s         \$ 249,732 s           Public works<   |                                      |     | Original<br>Budget | _            | Budget<br>As<br>Amended |          | Actual      |     | Variance With Amended Budget Positive (Negative) |
|---|--------------------------------------|-----|--------------------|--------------|-------------------------|----------|-------------|-----|--|
| Other local taxes         2,975,644         2,975,644         3,614,030         638,386           Permits, privilege fees and regulatory licenses         230,050         230,050         242,448         12,398           Fines and forfeitures         160,900         160,900         49,818         (111,082)           Revenue from use of money and property         177,300         177,300         70,109         (107,191)           Charges for services         586,389         592,389         574,531         (17,858)           Miscellaneous         344,096         356,770         260,723         (96,047)           Intergovernmental:         Commonwealth         5,870,395         6,122,343         5,257,621         (864,722)           Federal         1,702,537         3,994,770         3,747,257         (247,513)           Total revenues         \$ 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:         Current:         Current:         \$ 2,027,227         \$ 1,777,515         \$ 249,732           Current:         General government administration         \$ 1,694,106         \$ 2,027,224         \$ 1,777,515         \$ 249,732           Expenditures:         Total expenditures         1,694,106         \$ 2,027,247         \$ 1   | Revenues:                            | ċ   | 47 272 700         | ċ            | 47 2/2 700              | ċ        | 40 204 454  | ċ   | 020 454  |
| Permits, privilege fees and regulatory licenses         230,050         230,050         242,448         12,398           Fines and forfeitures         160,900         160,900         49,818         (11,082)           Revenue from use of money and property         177,300         170,109         (107,191)           Charges for services         586,389         592,389         574,531         (17,858)           Miscellaneous         344,096         356,770         260,723         (96,047)           Intergovernmental:         Commonwealth         5,870,395         6,122,343         5,257,621         (864,722)           Federal         1,702,537         3,994,770         3,747,257         (247,513)           Total revenues         \$ 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:         Current:         General government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration         981,592         1,083,184         1,039,955         43,229           Public safety         7,363,521         9,146,979         8,706,521         440,458           Public works         1,164,012         1,229,386         1,143,992         85,394  |                                      | \$  |                    | \$           |                         | >        |             | \$  | •  |
| Fines and forfeitures         160,900         49,818         (111,082)           Revenue from use of money and property         177,300         177,300         70,109         (107,191)           Charges for services         586,389         592,389         574,531         (17,858)           Miscellaneous         344,096         356,770         260,723         (96,047)           Intergovernmental:         Commonwealth         5,870,395         6,122,343         5,257,621         (864,722)           Commonwealth         5,870,395         3,1973,866         32,100,691         \$ 126,825           Expenditures:         Current:         Current:         Commonwealth         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Current:         General government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           General government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Unicial administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Unicial administration         \$ 981,592         \$ 1,083,184         \$ 1,039,955         43,229           Public safety         7,363,521         \$ 9,146,979 </td <td></td> <td></td> <td>, ,</td> <td></td> <td>, ,</td> <td></td> <td></td> <td></td> <td>•</td>  |                                      |     | , ,                |              | , ,                     |          |             |     | •  |
| Revenue from use of money and property Charges for services         177,300         177,300         70,109         (107,191)           Miscellaneous         344,096         559,389         574,531         (17,858)           Miscellaneous         344,096         356,770         260,723         (96,047)           Intergovernmental:         5,870,395         6,122,343         5,257,621         (864,722)           Federal         1,702,537         3,994,770         3,747,257         (247,513)           Total revenues         \$ 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:         Current:         Current:         Ceneral government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration         9,185,921         1,083,184         1,039,955         43,229           Public safety         7,363,521         9,146,979         8,706,521         440,458           Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510  |                                      |     | ,                  |              |                         |          | •           |     | •  |
| Charges for services         586,389         592,389         574,531         (17,858)           Miscellaneous         344,096         356,770         260,723         (96,047)           Intergovernmental:         2         (96,047)         (96,047)           Federal         1,702,537         3,994,770         3,747,257         (247,513)           Total revenues         \$ 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:         Current:         S         S         2,027,247         \$ 1,777,515         \$ 249,732           General government administration         981,592         1,083,184         1,039,955         43,229           Public safety         7,363,521         9,146,979         8,706,521         440,458           Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866   |                                      |     | •                  |              |                         |          | •           |     |  |
| Miscellaneous   344,096   356,770   260,723   (96,047)     Intergovernmental:   |                                      |     |                    |              |                         |          |             |     |  |
| Intergovernmental:   Commonwealth   5,870,395   6,122,343   3,947,7257   (247,513)     Total revenues   \$29,411,011   \$31,973,866   \$32,100,691   \$126,825     Expenditures:   Current:   General government administration   \$1,694,106   \$2,027,247   \$1,777,515   \$249,732     Judicial administration   \$981,592   \$1,083,184   \$1,039,955   \$43,229     Public safety   \$7,363,521   \$9,146,979   \$8,706,521   \$440,458     Public works   \$1,164,012   \$1,229,386   \$1,143,992   \$85,394     Health and welfare   \$6,084,116   \$6,084,116   \$4,738,790   \$1,345,326     Education   \$9,785,846   \$10,558,400   \$9,401,890   \$1,156,510     Parks, recreation, and cultural   \$518,413   \$665,255   \$661,889   \$3,366     Community development   \$624,177   \$806,678   \$759,866   \$46,812     Nondepartmental   \$307,355   \$34,518   \$5,002   \$29,516     Debt service:   Principal retirement   \$631,533   \$642,646   \$640,316   \$2,330     Interest and other fiscal charges   \$29,578,288   \$32,712,037   \$29,309,362   \$3,402,675     Excess (deficiency) of revenues over (under) expenditures   \$29,578,289   \$32,712,037   \$29,309,362   \$3,402,675     Excess (deficiency) of revenues over (under) expenditures   \$11,582,201   \$11,949,022   \$0,958,147   \$1,990,875     Total other financing sources (uses)   \$11,582,201   \$11,949,022   \$0,958,147   \$1,990,875     Total other financing sources (uses)   \$11,749,488   \$12,687,193   \$1,482,636   \$1,879,5445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$1,482,636   \$18,795,445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$1,482,636   \$18,795,445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$1,482,636   \$18,795,445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$1,482,636   \$18,795,445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$11,482,636   \$18,795,445     Fund balances at beginning of year   \$11,088,129   \$12,687,193   \$12,687,193   \$14,82,636   \$18,795,445     Fund balances at beginning of yea | <u> </u>                             |     | •                  |              |                         |          |             |     |  |
| Commonwealth Federal         5,870,395         6,122,343         5,257,621         (864,722) (247,513)           Total revenues         \$ 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:           Current:         S 29,411,011         \$ 31,973,866         \$ 32,100,691         \$ 126,825           Expenditures:         S 5,870,395         \$ 2,027,247         \$ 1,777,515         \$ 249,732           General government administration         981,592         1,083,184         1,039,955         43,229           Public safety         7,363,521         9,146,979         8,706,521         440,458           Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         P  |                                      |     | 344,096            |              | 356,770                 |          | 260,723     |     | (96,047)   |
| Total revenues  | =                                    |     | E 070 30E          |              | ( 422 242               |          | E 257 /24   |     | (0/ 4 722)                                       |
| Total revenues   \$ 29,411,011   \$ 31,973,866   \$ 32,100,691   \$ 126,825   |                                      |     |                    |              |                         |          |             |     |  |
| Expenditures: Current: General government administration  | Federal                              | _   | 1,/02,53/          | _            | 3,994,770               |          | 3,/4/,25/   | _   | (247,513)  |
| Current: General government administration Judicial administration Judicial administration P81,592 Public safety Public safety Public works Public works Public works Parks, recreation, and cultural P81,384 Community development P10 Debt service: Principal retirement P11 Debt service: P12 Total expenditures P13 Carrent P14 Services P15 Carrent P16 Carrent P17 Services P18 Carrent P18 Carrent P18 Carrent P19 Carr  | Total revenues                       | \$_ | 29,411,011         | \$_          | 31,973,866              | \$_      | 32,100,691  | \$_ | 126,825  |
| General government administration         \$ 1,694,106 \$ 2,027,247 \$ 1,777,515 \$ 249,732           Judicial administration         981,592 1,083,184 1,039,955 43,229           Public safety         7,363,521 9,146,979 8,706,521 440,458           Public works         1,164,012 1,229,386 1,143,992 85,394           Health and welfare         6,084,116 6,084,116 4,738,790 1,345,326           Education         9,785,846 10,558,400 9,401,890 1,156,510           Parks, recreation, and cultural         518,413 665,255 661,889 3,366           Community development         624,177 806,678 759,866 46,812           Nondepartmental         307,355 34,518 5,002 29,516           Debt service:         Principal retirement Interest and other fiscal charges         631,533 642,646 640,316 2,330           Interest and other fiscal charges         423,627 433,628 433,628 433,626 2           Total expenditures         \$ 29,578,298 \$ 32,712,037 \$ 29,309,362 \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287) \$ (738,171) \$ 2,791,329 \$ 3,529,500           Other Financing Sources (uses):         \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875           Net change in fund balances         \$ (11,749,488) \$ (12,687,193) \$ 31,482,636 18,795,443           Fund balances at beginning of year   | Expenditures:                        |     |                    |              |                         |          |             |     |  |
| Judicial administration         981,592         1,083,184         1,039,955         43,229           Public safety         7,363,521         9,146,979         8,706,521         440,488           Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         \$29,578,298         \$32,712,037         \$29,309,362         \$3,402,675           Excess (deficiency) of revenues over         (under) expenditures         \$(167,287)         (738,171)         \$2,791,329         \$3,529,500           Other Financing Sources (uses):         \$(11,582,201)         (11,949,022)         (9,958,147)         \$1,990,875   | Current:                             |     |                    |              |                         |          |             |     |  |
| Public safety         7,363,521         9,146,979         8,706,521         440,458           Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         \$ (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)  | General government administration    | \$  | 1,694,106          | \$           | 2,027,247               | \$       | 1,777,515   | \$  | 249,732  |
| Public works         1,164,012         1,229,386         1,143,992         85,394           Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         \$ (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)   | Judicial administration              |     | 981,592            |              | 1,083,184               |          | 1,039,955   |     | 43,229   |
| Health and welfare         6,084,116         6,084,116         4,738,790         1,345,326           Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Total other financing sources (uses):         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129  | Public safety                        |     | 7,363,521          |              | 9,146,979               |          | 8,706,521   |     | 440,458  |
| Education         9,785,846         10,558,400         9,401,890         1,156,510           Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Transfers (out)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,   | Public works                         |     | 1,164,012          |              | 1,229,386               |          | 1,143,992   |     | 85,394   |
| Parks, recreation, and cultural         518,413         665,255         661,889         3,366           Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129         12,687,193         31,482,636         18,795,443   | Health and welfare                   |     | 6,084,116          |              | 6,084,116               |          | 4,738,790   |     | 1,345,326  |
| Community development         624,177         806,678         759,866         46,812           Nondepartmental         307,355         34,518         5,002         29,516           Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Transfers (out)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129         12,687,193         31,482,636         18,795,443  | Education                            |     | 9,785,846          |              | 10,558,400              |          | 9,401,890   |     | 1,156,510  |
| Nondepartmental Debt service:         307,355         34,518         5,002         29,516           Principal retirement Interest and other fiscal charges         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         \$ (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Transfers (out)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129         12,687,193         31,482,636         18,795,443  | Parks, recreation, and cultural      |     | 518,413            |              | 665,255                 |          | 661,889     |     | 3,366  |
| Debt service:         Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Transfers (out)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129         12,687,193         31,482,636         18,795,443   | Community development                |     | 624,177            |              | 806,678                 |          | 759,866     |     | 46,812   |
| Principal retirement         631,533         642,646         640,316         2,330           Interest and other fiscal charges         423,627         433,628         433,626         2           Total expenditures         \$ 29,578,298         \$ 32,712,037         \$ 29,309,362         \$ 3,402,675           Excess (deficiency) of revenues over (under) expenditures         \$ (167,287)         \$ (738,171)         \$ 2,791,329         \$ 3,529,500           Other Financing Sources (uses):         Transfers (out)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Total other financing sources (uses)         \$ (11,582,201)         \$ (11,949,022)         \$ (9,958,147)         \$ 1,990,875           Net change in fund balances         \$ (11,749,488)         \$ (12,687,193)         \$ (7,166,818)         \$ 5,520,375           Fund balances at beginning of year         11,088,129         12,687,193         31,482,636         18,795,443  | Nondepartmental                      |     | 307,355            |              | 34,518                  |          | 5,002       |     | 29,516   |
| Interest and other fiscal charges       423,627       433,628       433,626       2         Total expenditures       \$ 29,578,298 \$ 32,712,037 \$ 29,309,362 \$ 3,402,675         Excess (deficiency) of revenues over (under) expenditures       \$ (167,287) \$ (738,171) \$ 2,791,329 \$ 3,529,500         Other Financing Sources (uses):       Transfers (out)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Total other financing sources (uses)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443   | Debt service:                        |     |                    |              |                         |          |             |     |  |
| Total expenditures \$ 29,578,298 \$ 32,712,037 \$ 29,309,362 \$ 3,402,675  Excess (deficiency) of revenues over (under) expenditures \$ (167,287) \$ (738,171) \$ 2,791,329 \$ 3,529,500  Other Financing Sources (uses): Transfers (out) \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875  Total other financing sources (uses) \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875  Net change in fund balances \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375  Fund balances at beginning of year \$ 11,088,129 \$ 12,687,193 \$ 31,482,636 \$ 18,795,443  | Principal retirement                 |     | 631,533            |              | 642,646                 |          | 640,316     |     | 2,330  |
| Excess (deficiency) of revenues over (under) expenditures \$ (167,287) \$ (738,171) \$ 2,791,329 \$ 3,529,500  Other Financing Sources (uses): Transfers (out) \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875  Total other financing sources (uses) \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875  Net change in fund balances \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375  Fund balances at beginning of year 11,088,129 12,687,193 31,482,636 18,795,443   | Interest and other fiscal charges    | _   | 423,627            | _            | 433,628                 | _        | 433,626     | _   | 2  |
| (under) expenditures       \$ (167,287) \$ (738,171) \$ 2,791,329 \$ 3,529,500         Other Financing Sources (uses):       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Total other financing sources (uses)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443  | Total expenditures                   | \$_ | 29,578,298         | \$_          | 32,712,037              | \$_      | 29,309,362  | \$_ | 3,402,675  |
| Other Financing Sources (uses):       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Total other financing sources (uses)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443   |                                      |     |                    |              |                         |          |             |     |  |
| Transfers (out)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Total other financing sources (uses)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443   | (under) expenditures                 | \$_ | (167,287)          | . \$ <u></u> | (738,171)               | . Ş<br>_ | 2,791,329   | \$_ | 3,529,500  |
| Total other financing sources (uses)       \$ (11,582,201) \$ (11,949,022) \$ (9,958,147) \$ 1,990,875         Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443   | Other Financing Sources (uses):      |     |                    |              |                         |          |             |     |  |
| Net change in fund balances       \$ (11,749,488) \$ (12,687,193) \$ (7,166,818) \$ 5,520,375         Fund balances at beginning of year       11,088,129       12,687,193       31,482,636       18,795,443  |                                      | \$  | (11,582,201)       | \$           | (11,949,022)            | \$       | (9,958,147) | \$  | 1,990,875  |
| Fund balances at beginning of year 11,088,129 12,687,193 31,482,636 18,795,443  | Total other financing sources (uses) | \$  | (11,582,201)       | \$           | (11,949,022)            | \$       | (9,958,147) | \$  | 1,990,875  |
| <del></del>   | Net change in fund balances          | \$  | (11,749,488)       | \$           | (12,687,193)            | \$       | (7,166,818) | \$  | 5,520,375  |
| Fund balances at end of year \$ (661,359) \$ - \$ 24,315,818 \$ 24,315,818  | Fund balances at beginning of year   | _   | 11,088,129         | _            | 12,687,193              |          | 31,482,636  | _   | 18,795,443                                       |
|   | Fund balances at end of year         | \$_ | (661,359)          | \$_          | <u>-</u>                | \$_      | 24,315,818  | \$_ | 24,315,818                                       |

Schedule of Changes in Net Pension Liability and Related Ratios Primary Government

For the Measurement Dates of June 30, 2014 through June 30, 2020

|   |    | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020       |
|---|----|---------------|---------------|---------------|---------------|---------------|---------------|------------|
| Total pension liability                           | -  |               |               |               |               |               |               |            |
| Service cost                                      | \$ | 541,330 \$    | 541,394 \$    | 516,914 \$    | 561,082 \$    | 570,023 \$    | 606,878 \$    | 677,748    |
| Interest  |    | 977,153       | 1,037,311     | 1,078,393     | 1,111,394     | 1,174,284     | 1,189,868     | 1,251,916  |
| Differences between expected and actual           |    |               |               |               |               |               |               |            |
| experience  |    | -             | (156,191)     | (282,251)     | 140,511       | (508,725)     | 182,252       | 592,229    |
| Changes in assumptions                            |    | -             | -             | -             | (44,022)      | -             | 564,680       | -          |
| Benefit payments, including refunds of            |    |               |               |               |               |               |               |            |
| employee contributions                            |    | (578,303)     | (739,879)     | (931,371)     | (751,849)     | (989,214)     | (1,036,713)   | (953,051)  |
| Net change in total pension liability             | \$ | 940,180 \$    | 682,635 \$    | 381,685 \$    | 1,017,116 \$  | 246,368 \$    | 1,506,965 \$  | 1,568,842  |
| Total pension liability - beginning               |    | 14,248,481    | 15,188,661    | 15,871,296    | 16,252,981    | 17,270,097    | 17,516,465    | 19,023,430 |
| Total pension liability - ending (a)              | \$ | 15,188,661 \$ | 15,871,296 \$ | 16,252,981 \$ | 17,270,097 \$ | 17,516,465 \$ | 19,023,430 \$ | 20,592,272 |
|   | =  |               |               |               |               |               |               |            |
| Plan fiduciary net position                       |    |               |               |               |               |               |               |            |
| Contributions - employer                          | \$ | 506,793 \$    | 471,484 \$    | 489,952 \$    | 390,309 \$    | 394,766 \$    | 407,989 \$    | 427,549    |
| Contributions - employee                          |    | 198,721       | 201,091       | 208,419       | 219,531       | 222,548       | 239,126       | 251,406    |
| Net investment income                             |    | 1,957,999     | 663,732       | 261,173       | 1,825,862     | 1,217,607     | 1,157,589     | 347,959    |
| Benefit payments, including refunds of            |    |               |               |               |               |               |               |            |
| employee contributions                            |    | (578,303)     | (739,879)     | (931,371)     | (751,849)     | (989,214)     | (1,036,713)   | (953,051)  |
| Administrative expense                            |    | (10,342)      | (9,028)       | (9,269)       | (10,482)      | (10,613)      | (11,514)      | (11,849)   |
| Other   | _  | 103           | (137)         | (110)         | (1,626)       | (1,085)       | (728)         | (412)      |
| Net change in plan fiduciary net position         | \$ | 2,074,971 \$  | 587,263 \$    | 18,794 \$     | 1,671,745 \$  | 834,009 \$    | 755,749 \$    | 61,602     |
| Plan fiduciary net position - beginning           | _  | 12,290,513    | 14,365,484    | 14,952,747    | 14,971,541    | 16,643,286    | 17,477,295    | 18,233,044 |
| Plan fiduciary net position - ending (b)          | \$ | 14,365,484 \$ | 14,952,747 \$ | 14,971,541 \$ | 16,643,286 \$ | 17,477,295 \$ | 18,233,044 \$ | 18,294,646 |
|   | -  |               |               |               |               |               |               |            |
| County's net pension liability - ending (a) - (b) | \$ | 823,177 \$    | 918,549 \$    | 1,281,440 \$  | 626,811 \$    | 39,170 \$     | 790,386 \$    | 2,297,626  |
|   |    |               |               |               |               |               |               |            |
| Plan fiduciary net position as a percentage       |    |               |               |               |               |               |               |            |
| of the total pension liability                    |    | 94.58%        | 94.21%        | 92.12%        | 96.37%        | 99.78%        | 95.85%        | 88.84%     |
|   |    |               |               |               |               |               |               |            |
| Covered payroll                                   | \$ | 3,980,282 \$  | 4,048,172 \$  | 4,233,595 \$  | 4,466,281 \$  | 4,584,440 \$  | 4,940,970 \$  | 5,244,199  |
|   |    |               |               |               |               |               |               |            |
| County's net pension liability as a percentage    |    |               |               |               |               |               |               | 40.04      |
| of covered payroll                                |    | 20.68%        | 22.69%        | 30.27%        | 14.03%        | 0.85%         | 16.00%        | 43.81%     |

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

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

|  |     | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020       |
|--|-----|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| Total pension liability                              |     |              |              |              |              |              |              |            |
| Service cost   | \$  | 76,301 \$    | 74,089 \$    | 66,822 \$    | 68,751 \$    | 63,158 \$    | 70,774 \$    | 72,976     |
| Interest   |     | 218,017      | 226,502      | 227,787      | 220,674      | 221,119      | 228,352      | 232,552    |
| Differences between expected and actual experience   | e   | -            | (103,073)    | (210,778)    | (61,562)     | 8,879        | (19,974)     | 49,027     |
| Changes in assumptions                               |     | -            | -            | -            | (21,588)     | -            | 94,551       | -          |
| Benefit payments, including refunds of employee      |     |              |              |              |              |              |              |            |
| contributions  |     | (141,719)    | (204,473)    | (153,861)    | (217,007)    | (182,847)    | (196,793)    | (184,535)  |
| Net change in total pension liability                | \$  | 152,599 \$   | (6,955) \$   | (70,030) \$  | (10,732) \$  | 110,309 \$   | 176,910 \$   | 170,020    |
| Total pension liability - beginning                  |     | 3,185,382    | 3,337,981    | 3,331,026    | 3,260,996    | 3,250,264    | 3,360,573    | 3,537,483  |
| Total pension liability - ending (a)                 | \$  | 3,337,981 \$ | 3,331,026 \$ | 3,260,996 \$ | 3,250,264 \$ | 3,360,573 \$ | 3,537,483 \$ | 3,707,503  |
| Diag Gdustan and analytica                           |     |              |              |              |              |              |              |            |
| Plan fiduciary net position                          | ,   | 44 (24 6     | 22.042.6     | 24.045.6     | 4 2 42 . 6   | 4 200 6      | 2 454 6      | 2 252      |
| Contributions - employer                             | \$  | 41,634 \$    | 33,962 \$    | 34,045 \$    | 1,243 \$     | 1,208 \$     | 3,454 \$     | 3,252      |
| Contributions - employee                             |     | 38,268       | 35,046       | 35,144       | 37,596       | 39,120       | 38,555       | 38,491     |
| Net investment income                                |     | 515,077      | 167,887      | 64,136       | 444,970      | 293,037      | 272,231      | 80,870     |
| Benefit payments, including refunds of employee      |     | (1.11.710)   | (20.4.472)   | (453.8(4)    | (2.47, 227)  | (100.017)    | (104 703)    | (40.4.535) |
| contributions  |     | (141,719)    | (204,473)    | (153,861)    | (217,007)    | (182,847)    | (196,793)    | (184,535)  |
| Administrative expense                               |     | (2,804)      | (2,399)      | (2,362)      | (2,689)      | (2,597)      | (2,800)      | (2,825)    |
| Other  | _   | 27           | (38)         | (27)         | (391)        | (258)        | (170)        | (95)       |
| Net change in plan fiduciary net position            | \$  | 450,483 \$   | 29,985 \$    | (22,925) \$  | 263,722 \$   | 147,663 \$   | 114,477 \$   | (64,842)   |
| Plan fiduciary net position - beginning              |     | 3,282,575    | 3,733,058    | 3,763,043    | 3,740,118    | 4,003,840    | 4,151,503    | 4,265,980  |
| Plan fiduciary net position - ending (b)             | \$_ | 3,733,058 \$ | 3,763,043 \$ | 3,740,118 \$ | 4,003,840 \$ | 4,151,503 \$ | 4,265,980 \$ | 4,201,138  |
| School Division's net pension liability (asset) -    |     |              |              |              |              |              |              |            |
| ending (a) - (b)                                     | \$  | (395,077) \$ | (432,017) \$ | (479,122) \$ | (753,576) \$ | (790,930) \$ | (728,497) \$ | (493,635)  |
|  |     | , , , , ,    | , , , ,      |              | , , , ,      | , , , ,      | , , , , ,    | , , ,      |
| Plan fiduciary net position as a percentage of the   |     |              |              |              |              |              |              |            |
| total pension liability                              |     | 111.84%      | 112.97%      | 114.69%      | 123.19%      | 123.54%      | 120.59%      | 113.31%    |
| Coursed according                                    | ċ   | 7/F 340 ¢    | 707 F4F ¢    | 724 224 6    | 7/2 202 ¢    | 044 045 ¢    | 024 457 .    | 027.447    |
| Covered payroll                                      | \$  | 765,340 \$   | 707,545 \$   | 731,331 \$   | 763,392 \$   | 841,045 \$   | 831,157 \$   | 837,116    |
| School Division's net pension liability (asset) as a |     |              |              |              |              |              |              |            |
| percentage of covered payroll                        |     | -51.62%      | -61.06%      | -65.51%      | -98.71%      | -94.04%      | -87.65%      | -58.97%    |

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.

COUNTY OF MADISON, VIRGINIA Exhibit 11

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

|   | 2014             | 2015             | 2016       | 2017          | 2018          | 2019          | 2020          |
|---|------------------|------------------|------------|---------------|---------------|---------------|---------------|
| Employer's Proportion of the Net Pension Liability (Asset)  | 0.13142%         | 0.12919%         | 0.12492%   | 0.12619%      | 0.12517%      | 0.12028%      | 0.11584%      |
| Employer's Proportionate Share of the Net Pension<br>Liability (Asset)  | \$ 15,882,000 \$ | \$ 16,260,000 \$ | 17,507,000 | \$ 15,518,000 | \$ 14,720,000 | \$ 15,829,532 | \$ 16,857,762 |
| Employer's Covered Payroll  | 9,603,425        | 9,660,903        | 9,359,189  | 10,295,095    | 10,210,771    | 10,176,839    | 10,214,762    |
| Employer's Proportionate Share of the Net Pension<br>Liability (Asset) as a Percentage of its Covered Payroll | 165.38%          | 168.31%          | 187.06%    | 150.73%       | 144.16%       | 155.54%       | 165.03%       |
| Plan Fiduciary Net Position as a Percentage of the<br>Total Pension Liability                                 | 70.88%           | 70.88%           | 68.28%     | 72.92%        | 74.81%        | 73.51%        | 71.47%        |

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.

Schedule of Employer Contributions - Pension Years Ended June 30, 2012 through June 30, 2021

| Date  |       | Contractually<br>Required<br>Contribution<br>(1) |    | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) |    | Contribution<br>Deficiency<br>(Excess)<br>(3) | _  | Employer's<br>Covered<br>Employee<br>Payroll<br>(4) | Contributions as a % of Covered Employee Payroll (5) |  |
|---|-------|--|----|---|----|---|----|---|--|--|
| Primary G                                     | overr | ment   |    |   |    |   |    |   |  |  |
| 2021  | \$    | 561,113  | \$ | 561,113   | \$ | -   | \$ | 5,573,211   | 10.07%   |  |
| 2020  |       | 429,701  |    | 429,701   |    | -   |    | 5,244,199   | 8.19%  |  |
| 2019  |       | 407,487  |    | 407,487   |    | -   |    | 4,940,970   | 8.25%  |  |
| 2018  |       | 394,774  |    | 394,774   |    | -   |    | 4,584,440   | 8.61%  |  |
| 2017  |       | 393,926  |    | 393,926   |    | -   |    | 4,466,281   | 8.82%  |  |
| 2016  |       | 493,214  |    | 493,214   |    | -   |    | 4,233,595   | 11.65%   |  |
| 2015  |       | 471,612  |    | 471,612   |    | -   |    | 4,048,172   | 11.65%   |  |
| 2014  |       | 507,088  |    | 507,088   |    | -   |    | 3,980,282   | 12.74%   |  |
| 2013  |       | 504,675  |    | 504,675   |    | -   |    | 3,961,344   | 12.74%   |  |
| 2012  |       | 326,368  |    | 326,368   |    | -   |    | 3,464,625   | 9.42%  |  |
| Component Unit School Board (nonprofessional) |       |  |    |   |    |   |    |   |  |  |
| 2021  | \$    | 46   | \$ | 46  | \$ | -   | \$ | 817,250   | 0.01%  |  |
| 2020  |       | 199  |    | 199   |    | -   |    | 837,116   | 0.02%  |  |
| 2019  |       | 1,333  |    | 1,333   |    | -   |    | 831,157   | 0.16%  |  |
| 2018  |       | 1,201  |    | 1,201   |    | -   |    | 841,045   | 0.14%  |  |
| 2017  |       | 4,002  |    | 4,002   |    | -   |    | 763,392   | 0.52%  |  |
| 2016  |       | 35,470   |    | 35,470  |    | -   |    | 731,331   | 4.85%  |  |
| 2015  |       | 34,316   |    | 34,316  |    | -   |    | 707,545   | 4.85%  |  |
| 2014  |       | 41,634   |    | 41,634  |    | -   |    | 765,340   | 5.44%  |  |
| 2013  |       | 41,830   |    | 41,830  |    | -   |    | 768,936   | 5.44%  |  |
| 2012  |       | 11,625   |    | 11,625  |    | -   |    | 653,093   | 1.78%  |  |
| Component Unit School Board (professional)    |       |  |    |   |    |   |    |   |  |  |
| 2021  | \$    | 1,609,602  | \$ | 1,609,602   | \$ | -   | \$ | 10,088,200  | 15.96%   |  |
| 2020  |       | 1,539,369  |    | 1,539,369   |    | -   |    | 10,214,762  | 15.07%   |  |
| 2019  |       | 1,541,453  |    | 1,541,453   |    | -   |    | 10,176,839  | 15.15%   |  |
| 2018  |       | 1,590,403  |    | 1,590,403   |    | -   |    | 10,210,771  | 15.58%   |  |
| 2017  |       | 1,509,261  |    | 1,509,261   |    | -   |    | 10,295,095  | 14.66%   |  |
| 2016  |       | 1,315,902  |    | 1,315,902   |    | -   |    | 9,359,189   | 14.06%   |  |
| 2015  |       | 1,400,831  |    | 1,400,831   |    | -   |    | 9,660,903   | 14.50%   |  |

Current year contributions are from County of Madison and Madison County School Board's records and prior year contributions are from the VRS actuarial valuation performed each year.

The School Board Professional 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.

Notes to Required Supplementary Information - Pension Pension Plans 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

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

| Mortality Rates (pre-retirement, post-retirement | Updated to a more current mortality table - RP-                        |
|--|--|
| healthy, and disabled)                           | 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% to 15%   |
| Discount Rate                                    | Decreased rate from 7% to 6.75%  |

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

| ` ,  |   |
|--|---|
| Mortality Rates (pre-retirement, post-retirement | Updated to a more current mortality table - RP- |
| healthy, and disabled)                           | 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% to 45%                  |
| Discount Rate                                    | Decreased rate from 7% 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% to 6.75%   |

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios Primary Government

For the Measurement Dates of June 30, 2018 through June 30, 2021

|   |    | 2018         | 2019         | 2020      |     | 2021      |
|---|----|--------------|--------------|-----------|-----|-----------|
| Total OPEB liability  |    |              |              |           | _   |           |
| Service cost  | \$ | 18,953 \$    | 18,578 \$    | 28,207    | \$  | 40,138    |
| Interest  |    | 15,356       | 16,760       | 16,541    |     | 19,391    |
| Changes in assumptions  |    | (13,048)     | 17,115       | 150,855   |     | 4,546     |
| Differences between expected and actual experience                                |    | -            | -            | 231,344   |     | -         |
| Benefit payments  |    | (18,464)     | (15,016)     | (30,191)  |     | (37,902)  |
| Net change in total OPEB liability  | \$ | 2,797 \$     | 37,437 \$    | 396,756   | \$  | 26,173    |
| Total OPEB liability - beginning  | _  | 419,145      | 421,942      | 459,379   |     | 856,135   |
| Total OPEB liability - ending   | \$ | 421,942 \$   | 459,379 \$   | 856,135   | \$_ | 882,308   |
| Covered employee payroll  | \$ | 4,288,858 \$ | 4,288,858 \$ | 5,220,405 | \$  | 5,220,405 |
| County's total OPEB liability (asset) as a percentage of covered employee payroll | of | 9.84%        | 10.71%       | 16.40%    |     | 16.90%    |

Schedule is intended to show information for 10 years.

Schedule of Changes in Total OPEB Liability (Asset) and Related Ratios Component Unit School Board

For the Measurement Dates of June 30, 2018 through June 30, 2021

|  |    | 2018      |      | 2019         | 2020         | 2021      |
|--|----|-----------|------|--------------|--------------|-----------|
| Total OPEB liability   | _  |           | _    |              |              |           |
| Service cost   | \$ | 57,167    | \$   | 56,266 \$    | 56,693 \$    | 76,387    |
| Interest   |    | 39,196    |      | 43,605       | 43,237       | 28,603    |
| Changes in assumptions   |    | (26,737)  |      | 35,146       | 188,216      | 4,870     |
| Differences between expected and actual experience                             |    | -         |      | -            | (229,238)    | -         |
| Benefit payments   |    | (34,934)  |      | (38,827)     | (14,635)     | (24,779)  |
| Net change in total OPEB liability   | \$ | 34,692    | \$ _ | 96,190 \$    | 44,273 \$    | 85,081    |
| Total OPEB liability - beginning   | _  | 1,055,020 |      | 1,089,712    | 1,185,902    | 1,230,175 |
| Total OPEB liability - ending  | \$ | 1,089,712 | \$ _ | 1,185,902 \$ | 1,230,175 \$ | 1,315,256 |
| Covered employee payroll   | \$ | 9,729,827 | \$   | 9,729,827 \$ | 9,522,007 \$ | 9,522,007 |
| County's total OPEB liability (asset) as a percentage covered employee payroll | of | 11.20%    |      | 12.19%       | 12.92%       | 13.81%    |

Schedule is intended to show information for 10 years.

Notes to Required Supplementary Information - County and Component Unit School Board OPEB 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%  |
| Inflation             |  |
|                       | 2.50%  |
| Healthcare Trend Rate | The healthcare trend rate assumption starts at 5.90% in 2018 and gradually declines to 4.00% by the year 2074  |
| Salary Increase Rates | The salary increase rate starts at 5.95% salary increase for 1 year of service and gradually declines to 3.50% salary increase for 20 or more years of service   |
| Retirement Age        | The average age of retirement is 62  |
| Mortality Rates       | The mortality rates for active and healthy retirees was calculated using the RP-2014 Total Dataset Mortality Table fully generational using scale BB. The mortality rates for disabled retirees and calculated using the RP-2014 Disabled Mortality Table fully generational using scale BB. |

Schedule of Changes in the County's Net OPEB Liability (Asset) and Related Ratios Health Insurance Credit (HIC) Plan Primary Government

For the Measurement Dates of June 30, 2017 through June 30, 2020

|  |          | 2017      |             | 2018      |          | 2019         |     | 2020      |
|--|----------|-----------|-------------|-----------|----------|--------------|-----|-----------|
| Total HIC OPEB Liability   |          |           |             |           | _        |              |     |           |
| Service cost   | \$       | 2,985     | \$          | 3,059     | \$       | 3,438        | 5   | 3,021     |
| Interest   |          | 3,183     |             | 3,350     |          | 2,686        |     | 3,090     |
| Differences between expected and actual experience                 |          | -         |             | (13,071)  |          | 3,974        |     | 20,211    |
| Changes in assumptions   |          | (2,242)   |             | -         |          | 1,353        |     | -         |
| Benefit payments   |          | (234)     | _           | (2,817)   | _        | (2,846)      |     | (5,238)   |
| Net change in total HIC OPEB liability                             | \$       | 3,692     | \$          | (9,479)   | \$       | 8,605        | \$  | 21,084    |
| Total HIC OPEB Liability - beginning                               |          | 45,580    | _           | 49,272    | _        | 39,793       |     | 48,398    |
| Total HIC OPEB Liability - ending (a)                              | \$       | 49,272    | \$          | 39,793    | \$       | 48,398       | \$_ | 69,482    |
|  |          |           | _           |           | _        |              |     |           |
| Plan fiduciary net position  |          |           |             |           |          |              |     |           |
| Contributions - employer   | \$       | 1,632     | \$          | 1,683     | \$       | 1,645        | \$  | 1,747     |
| Net investment income  |          | 6,718     |             | 4,655     |          | 4,385        |     | 1,417     |
| Benefit payments   |          | (234)     |             | (2,817)   |          | (2,846)      |     | (5,238)   |
| Administrative expense   |          | (111)     |             | (109)     |          | (95)         |     | (132)     |
| Other  |          | 335       |             | (335)     |          | (5)          |     | (1)       |
| Net change in plan fiduciary net position                          | \$       | 8,340     | \$          | 3,077     | \$       | 3,084 \$     |     | (2,207)   |
| Plan fiduciary net position - beginning                            |          | 57,190    |             | 65,530    |          | 68,607       |     | 71,691    |
| Plan fiduciary net position - ending (b)                           | \$       | 65,530    | \$          | 68,607    | \$       | 71,691 \$    |     | 69,484    |
| Countrie not IIIC ODER liability (coast) and firm (c) (b)          | <u> </u> | (47, 250) | <u>-</u>    | (20.04.4) | <u>-</u> | (22.202) ¢   |     | (2)       |
| County's net HIC OPEB liability (asset) - ending (a) - (b)         | \$       | (16,258)  | <b>&gt;</b> | (28,814)  | þ        | (23,293) \$  | '   | (2)       |
| Plan fiduciary net position as a percentage of the total           |          |           |             |           |          |              |     |           |
| HIC OPEB liability   |          | 133.00%   |             | 172.41%   |          | 148.13%      |     | 100.00%   |
| Covered payroll  | \$       | 1,812,803 | \$          | 1,870,043 | \$       | 2,056,575 \$ |     | 2,182,925 |
| County's net HIC OPEB liability as a percentage of covered payroll |          | -0.90%    |             | -1.54%    |          | -1.13%       |     | 0.00%     |

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

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

|                 | 2020                                 |
|-----------------|--------------------------------------|
|                 |                                      |
| \$              | -                                    |
|                 | -                                    |
|                 | 100,300                              |
|                 | -                                    |
|                 | -                                    |
|                 | -                                    |
| \$              | 100,300                              |
|                 | -                                    |
| \$ _            | 100,300                              |
|                 |                                      |
| \$              | -                                    |
|                 | -                                    |
|                 | -                                    |
|                 | -                                    |
|                 | -                                    |
| \$ <sup>—</sup> | -                                    |
|                 | -                                    |
| \$ _            | -                                    |
|                 |                                      |
| ς               | 100,300                              |
| 7               | 100,300                              |
|                 |                                      |
|                 | 0.00%                                |
| \$              | 837,116                              |
|                 | , -                                  |
|                 |                                      |
|                 | 11.98%                               |
|                 | \$ \$ \$ \$ <b>\$</b> \$ \$ \$ \$ \$ |

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

Schedule of Employer Contributions Health Insurance Credit (HIC) Plan Primary Government and Component Unit School Board (nonprofessional) Years Ended June 30, 2012 through June 30, 2021

| Date       |   | Contractually<br>Required<br>Contribution<br>(1) | (  | Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | _  | Contribution Deficiency (Excess) (3) |    | Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|------------|---|--|----|---|----|--------------------------------------|----|---|---|
| Primary Go | vern  | ment   |    |   |    |                                      |    |   |   |
| 2021       | \$  | 3,081  | \$ | 3,081   | \$ | -                                    | \$ | 2,369,969                               | 0.13%   |
| 2020       |   | 1,746  |    | 1,746   |    | -                                    |    | 2,182,925                               | 0.08%   |
| 2019       |   | 1,645  |    | 1,645   |    | -                                    |    | 2,056,575                               | 0.08%   |
| 2018       |   | 1,683  |    | 1,683   |    | -                                    |    | 1,870,043                               | 0.09%   |
| 2017       |   | 1,632  |    | 1,632   |    | -                                    |    | 1,812,803                               | 0.09%   |
| 2016       |   | 2,052  |    | 2,052   |    | -                                    |    | 1,710,367                               | 0.12%   |
| 2015       |   | 1,942  |    | 1,942   |    | -                                    |    | 1,618,587                               | 0.12%   |
| 2014       |   | 942  |    | 942   |    | -                                    |    | 1,570,676                               | 0.06%   |
| 2013       |   | 2,377  |    | 2,377   |    | -                                    |    | 3,961,344                               | 0.06%   |
| 2012       |   | 1,732  |    | 1,732   |    | -                                    |    | 3,464,625                               | 0.05%   |
| Component  | Component Unit School Board (nonprofessional) |  |    |   |    |                                      |    |   |   |
| 2021       | \$  | 8,009  | \$ | 8,009   | \$ | -                                    | \$ | 817,250                                 | 0.98%   |

Notes to Required Supplementary Information Health Insurance Credit (HIC) Plan Primary Government and Component Unit School Board (nonprofessional) Year Ended June 30, 2021

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

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

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

| Mortality Rates (pre-retirement, post-retirement healthy, and disabled) | Updated to a more current mortality table - RP-2014 projected to 2020                  |
|---|--|
| Retirement Rates  | Lowered retirement rates at older ages and extended final retirement age from 70 to 75 |
| Withdrawal Rates  | Adjusted termination rates to better fit experience at each age and service year       |
| Disability Rates  | Lowered disability rates   |
| Salary Scale  | No change  |
| Line of Duty Disability   | Increased rate from 14% to 15%   |
| Discount Rate   | Decreased rate from 7% to 6.75%  |

#### Non-Largest Ten Locality Employers - Hazardous Duty Employees

| <u> </u>   | , , , ,   |
|--|---|
| Mortality Rates (pre-retirement, post-retirement | Updated to a more current mortality table - RP-2014         |
| healthy, and disabled)                           | 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% to 6.75%                             |
|  |   |

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

| Date | Employer's<br>Proportion of the<br>Net HIC OPEB<br>Liability (Asset) | Employer's<br>Proportionate<br>Share of the<br>Net HIC OPEB<br>Liability (Asset) |    | Employer's<br>Covered<br>Payroll | Employer's Proportionate Share of the Net HIC OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) | Plan Fiduciary<br>Net Position as a<br>Percentage of Total<br>HIC OPEB Liability |  |
|------|--|--|----|----------------------------------|---|--|--|
| (1)  | (2)  | (3)  | _  | (4)                              | (5)   | (6)  |  |
| 2020 | 0.1165% \$   | 1,520,023  | \$ | 10,214,762                       | 14.88%  | 9.95%  |  |
| 2019 | 0.1213%  | 1,588,328  |    | 10,176,839                       | 15.61%  | 8.97%  |  |
| 2018 | 0.1264%  | 1,604,000  |    | 10,218,425                       | 15.70%  | 8.08%  |  |
| 2017 | 0.1272%  | 1,614,000  |    | 10,038,856                       | 16.08%  | 7.04%  |  |

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

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

| Date | <br>Contractually<br>Required<br>Contribution<br>(1) | <br>Contributions in<br>Relation to<br>Contractually<br>Required<br>Contribution<br>(2) | <br>Contribution Deficiency (Excess) (3) | <br>Employer's<br>Covered<br>Payroll<br>(4) | Contributions<br>as a % of<br>Covered<br>Payroll<br>(5) |
|------|--|---|--|---|---|
| 2021 | \$<br>122,067  | \$<br>122,067   | \$<br>-                                  | \$<br>10,088,200                            | 1.21%   |
| 2020 | 122,577  | 122,577   | -  | 10,214,762                                  | 1.20%   |
| 2019 | 122,122  | 122,122   | -  | 10,176,839                                  | 1.20%   |
| 2018 | 125,687  | 125,687   | -  | 10,218,425                                  | 1.23%   |
| 2017 | 111,431  | 111,431   | -  | 10,038,856                                  | 1.11%   |
| 2016 | 100,960  | 100,960   | -  | 9,524,521                                   | 1.06%   |
| 2015 | 101,806  | 101,806   | -  | 9,604,352                                   | 1.06%   |
| 2014 | 106,683  | 106,683   | -  | 9,611,082                                   | 1.11%   |
| 2013 | 105,543  | 105,543   | -  | 9,508,337                                   | 1.11%   |
| 2012 | 54,435   | 54,435  | -  | 9,072,582                                   | 0.60%   |

Notes to Required Supplementary Information Teacher Employee Health Insurance Credit (HIC) Plan 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% to 6.75%   |

Schedule of County and School Board's Share of Net OPEB Liability Group Life Insurance (GLI) Plan For the Measurement Dates of June 30, 2017 through June 30, 2020

| Date<br>(1)                                | Employer's<br>Proportion of the<br>Net GLI OPEB<br>Liability (Asset)<br>(2) |         | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) (3) |    | Employer's<br>Covered<br>Payroll<br>(4) | Employer's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of Covered Payroll (3)/(4) (5) | Plan Fiduciary<br>Net Position as a<br>Percentage of Total<br>GLI OPEB Liability<br>(6) |  |  |  |  |
|--|---|---------|--|----|---|---|---|--|--|--|--|
| Primary Go                                 | vernment  |         |  |    |   |   |   |  |  |  |  |
| 2020                                       | 0.02570%  | \$      | 428,891  | \$ | 5,289,525                               | 8.11%   | 52.64%  |  |  |  |  |
| 2019                                       | 0.02538%  |         | 413,001  |    | 4,974,756                               | 8.30%   | 52.00%  |  |  |  |  |
| 2018                                       | 0.02430%  |         | 369,000  |    | 4,621,166                               | 7.98%   | 51.22%  |  |  |  |  |
| 2017                                       | 0.02441%  | 367,000 |  |    | 4,502,245                               | 8.15%   | 48.86%  |  |  |  |  |
| Component                                  | Unit School Board (non  | pr      | ofessional)  |    |   |   |   |  |  |  |  |
| 2020                                       | 0.00407%  | \$      | 67,921   | \$ | 837,116                                 | 8.11%   | 52.64%  |  |  |  |  |
| 2019                                       | 0.00425%  |         | 69,159   |    | 834,058                                 | 8.29%   | 52.00%  |  |  |  |  |
| 2018                                       | 0.00442%  |         | 68,000   |    | 841,045                                 | 8.09%   | 51.22%  |  |  |  |  |
| 2017                                       | 0.00413%  |         | 63,000   |    | 762,592                                 | 8.26%   | 48.86%  |  |  |  |  |
| Component Unit School Board (professional) |   |         |  |    |   |   |   |  |  |  |  |
| 2020                                       | 0.04963%  | \$      | 828,244  | \$ | 10,214,762                              | 8.11%   | 52.64%  |  |  |  |  |
| 2019                                       | 0.05191%  |         | 844,714  |    | 10,176,839                              | 8.30%   | 52.00%  |  |  |  |  |
| 2018                                       | 0.05374%  |         | 816,000  |    | 10,218,425                              | 7.99%   | 51.22%  |  |  |  |  |
| 2017                                       | 0.05445%  |         | 819,000  |    | 10,042,981                              | 8.15%   | 48.86%  |  |  |  |  |

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

Schedule of Employer Contributions Group Life Insurance (GLI) Plan Years Ended June 30, 2012 through June 30, 2021

| Date  |      | Contractually<br>Required<br>Contribution<br>(1) | _   | Contributions in Relation to Contractually Required Contribution (2) |    | Contribution Deficiency (Excess) (3) |    | Employer's<br>Covered<br>Payroll<br>(4) | Contributions as a % of Covered Payroll (5) |  |  |  |
|---|------|--|-----|--|----|--------------------------------------|----|---|---|--|--|--|
| Primary Go                                    | verr | nment  |     |  |    |                                      |    |   |   |  |  |  |
| 2021  | \$   | 30,373   | \$  | 30,373   | \$ | -                                    | \$ | 5,624,685                               | 0.54%                                       |  |  |  |
| 2020  |      | 27,506   |     | 27,506   |    | -                                    |    | 5,289,525                               | 0.52%                                       |  |  |  |
| 2019  |      | 25,869   |     | 25,869   |    | -                                    |    | 4,974,756                               | 0.52%                                       |  |  |  |
| 2018  |      | 24,030   |     | 24,030   |    | -                                    |    | 4,621,166                               | 0.52%                                       |  |  |  |
| 2017  |      | 23,412   |     | 23,412   |    | -                                    |    | 4,502,245                               | 0.52%                                       |  |  |  |
| 2016  |      | 20,338   |     | 20,338   |    | -                                    |    | 4,237,107                               | 0.48%                                       |  |  |  |
| 2015  |      | 19,517   |     | 19,517   |    | -                                    |    | 4,066,077                               | 0.48%                                       |  |  |  |
| 2014  |      | 19,138   |     | 19,138   |    | -                                    |    | 3,987,155                               | 0.48%                                       |  |  |  |
| 2013  |      | 19,063   |     | 19,063   |    | -                                    |    | 3,971,451                               | 0.48%                                       |  |  |  |
| 2012  |      | 9,701  |     | 9,701  |    | -                                    |    | 3,464,625                               | 0.28%                                       |  |  |  |
| Component Unit School Board (nonprofessional) |      |  |     |  |    |                                      |    |   |   |  |  |  |
| 2021  | \$   | 4,413  | \$  | 4,413  | \$ | -                                    | \$ | 817,250                                 | 0.54%                                       |  |  |  |
| 2020  |      | 4,353  |     | 4,353  |    | -                                    |    | 837,116                                 | 0.52%                                       |  |  |  |
| 2019  |      | 4,337  |     | 4,337  |    | -                                    |    | 834,058                                 | 0.52%                                       |  |  |  |
| 2018  |      | 4,373  |     | 4,373  |    | -                                    |    | 841,045                                 | 0.52%                                       |  |  |  |
| 2017  |      | 3,965  |     | 3,965  |    | -                                    |    | 762,592                                 | 0.52%                                       |  |  |  |
| 2016  |      | 3,510  |     | 3,510  |    | -                                    |    | 731,331                                 | 0.48%                                       |  |  |  |
| 2015  |      | 3,475  |     | 3,475  |    | -                                    |    | 724,051                                 | 0.48%                                       |  |  |  |
| 2014  |      | 3,674  |     | 3,674  |    | -                                    |    | 765,340                                 | 0.48%                                       |  |  |  |
| 2013  |      | 3,691  |     | 3,691  |    | -                                    |    | 768,936                                 | 0.48%                                       |  |  |  |
| 2012  |      | 1,829  |     | 1,829  |    | -                                    |    | 653,093                                 | 0.28%                                       |  |  |  |
| Componen                                      | t Un | it School Board                                  | (pı | rofessional)   |    |                                      |    |   |   |  |  |  |
| 2021  | \$   | 54,476   | \$  | 54,476   | \$ | -                                    | \$ | 10,088,200                              | 0.54%                                       |  |  |  |
| 2020  |      | 53,117   |     | 53,117   |    | -                                    |    | 10,214,762                              | 0.52%                                       |  |  |  |
| 2019  |      | 52,920   |     | 52,920   |    | -                                    |    | 10,176,839                              | 0.52%                                       |  |  |  |
| 2018  |      | 53,136   |     | 53,136   |    | -                                    |    | 10,218,425                              | 0.52%                                       |  |  |  |
| 2017  |      | 52,224   |     | 52,224   |    | -                                    |    | 10,042,981                              | 0.52%                                       |  |  |  |
| 2016  |      | 45,745   |     | 45,745   |    | -                                    |    | 9,530,192                               | 0.48%                                       |  |  |  |
| 2015  |      | 46,101   |     | 46,101   |    | -                                    |    | 9,604,352                               | 0.48%                                       |  |  |  |
| 2014  |      | 46,133   |     | 46,133   |    | -                                    |    | 9,611,082                               | 0.48%                                       |  |  |  |
| 2013  |      | 46,361   |     | 46,361   |    | -                                    |    | 9,658,467                               | 0.48%                                       |  |  |  |
| 2012  |      | 25,791   |     | 25,791   |    | -                                    |    | 9,211,022                               | 0.28%                                       |  |  |  |

Notes to Required Supplementary Information Group Life Insurance (GLI) Plan 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:

#### **Teachers**

| Mortality Rates (pre-retirement, post-<br>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% to 6.75%   |

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

|   | 1 /  |
|---|--|
| Mortality Rates (pre-retirement, post-<br>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% to 15%   |
| Discount Rate   | Decreased rate from 7% to 6.75%  |
|   |  |

## Non-Largest Ten Locality Employers - Hazardous Duty Employees

| , , ,                                  |   |
|--|---|
| Mortality Rates (pre-retirement, post- | Updated to a more current mortality table - RP-2014 projected   |
| retirement healthy, and disabled)      | 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% to 6.75%                                 |
|  |   |

- Other Supplementary Information Combining and Individual Fund Statements and Schedules

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

|                                      | _   | Budgeted A      | mounts       |     |                   |    | Variance with<br>Final Budget - |
|--------------------------------------|-----|-----------------|--------------|-----|-------------------|----|---------------------------------|
|                                      | _   | Original        | Final        |     | Actual<br>Amounts | •  | Positive<br>(Negative)          |
| REVENUES                             |     |                 |              |     |                   |    |                                 |
| Miscellaneous                        | \$_ | - \$            | -            | \$_ |                   | \$ | 452                             |
| Total revenues                       | \$_ | <u> </u>        | -            | \$_ | 452               | \$ | 452                             |
| EXPENDITURES                         |     |                 |              |     |                   |    |                                 |
| Capital projects                     | \$_ | 11,818,313 \$   | 12,256,506   | \$  | 10,598,856        | \$ | 1,657,650                       |
| Total expenditures                   | \$  | 11,818,313 \$   | 12,256,506   | \$  | 10,598,856        | \$ | 1,657,650                       |
| Excess (deficiency) of revenues over |     |                 |              |     |                   |    |                                 |
| (under) expenditures                 | \$_ | (11,818,313) \$ | (12,256,506) | \$_ | (10,598,404)      | \$ | 1,658,102                       |
| OTHER FINANCING SOURCES (USES)       |     |                 |              |     |                   |    |                                 |
| Transfers in                         | \$_ | 11,544,941 \$   | 11,949,022   | \$_ | 9,958,147         | \$ | (1,990,875)                     |
| Total other financing sources (uses) | \$  | 11,544,941 \$   | 11,949,022   | \$_ | 9,958,147         | \$ | (1,990,875)                     |
| Net change in fund balances          | \$  | (273,372) \$    | (307,484)    | \$  | (640,257)         | \$ | (332,773)                       |
| Fund balances at beginning of year   | _   | 273,372         | 307,484      | _   | 313,204           |    | 5,720                           |
| Fund balances at end of year         | \$  | - \$            | -            | \$  | (327,053)         | \$ | (327,053)                       |

Combining Balance Sheet - Discretely Presented Component Unit - School Board At June 30, 2021

long-term--are reported in the statement of net position.

Net position of General Government Activities

|  | _            | School<br>Operating<br>Fund          |      | School<br>Cafeteria<br>Fund |        | School<br>Capital<br>Fund | Nonmajor<br>Funds |     | School<br>Activities<br>Fund |     | Total                                    |
|--|--------------|--------------------------------------|------|-----------------------------|--------|---------------------------|-------------------|-----|------------------------------|-----|--|
| ASSETS   |              |                                      |      |                             |        |                           |                   |     |                              |     |  |
| Cash and cash equivalents Accounts receivable Due from other governmental units Due from Primary Government                                    | \$           | 2,025<br>3,942<br>522,603<br>582,864 | \$   | 624,955<br>3,851<br>98,263  | \$     | 427,181 \$<br>-<br>-      | 52,987<br>-<br>-  | \$  | 191,050<br>-<br>-            | \$  | 1,298,198<br>7,793<br>620,866<br>582,864 |
| Prepaid expenditures Inventory   | _            | 10,177                               | _    | 23,327                      |        | <u>-</u>                  | -                 |     | -                            |     | 10,177<br>23,327                         |
| Total assets   | \$ <u>_</u>  | 1,121,611                            | \$   | 750,396                     | = \$ = | 427,181                   | 52,987            | \$  | 191,050                      | \$_ | 2,543,225                                |
| LIABILITIES  |              |                                      |      |                             |        |                           |                   |     |                              |     |  |
| Accounts payable<br>Accrued liabilities  | \$           | 119,609<br>1,000,002                 | \$   | 12,966<br>30,824            |        | - \$<br>                  | -<br>-            | \$  | -                            | \$  | 132,575<br>1,030,826                     |
| Total liabilities  | \$_          | 1,119,611                            | \$   | 43,790                      | _\$_   | <u> </u>                  | <u>-</u>          | \$  | -                            | \$_ | 1,163,401                                |
| FUND BALANCES Nonspendable   | \$           | 10,177                               | \$   | 23,327                      | \$     | - (                       |                   | \$  | -                            | \$  | 33,504                                   |
| Restricted<br>Committed<br>Unassigned  | -            | 2,000<br>(10,177)                    |      | 683,279                     |        | 427,181                   | 52,987            |     | 191,050<br>-                 |     | 52,987<br>1,303,510<br>(10,177)          |
| Total fund balances  | \$_          | 2,000                                | \$   | 706,606                     | \$_    | 427,181                   | 52,987            | \$  | 191,050                      | \$_ | 1,379,824                                |
| Total liabilities and fund balances  | \$ <u></u>   | 1,121,611                            | \$   | 750,396                     | \$_    | 427,181                   | 52,987            | \$_ | 191,050                      | =   |  |
| Detailed explanation of adjustments from fund st   | tatements t  | o government                         | -wi  | de statemen                 | it of  | net position:             |                   |     |                              |     |  |
| When capital assets (land, buildings, equipme purchased or constructed, the costs of those ass However, the statement of net position includes | sets are rep | orted as expe                        | end  | itures in gov               | ernr   | mental funds.             |                   |     |                              |     |  |
| as a whole.  |              |                                      |      |                             |        |                           |                   |     |                              |     | 8,869,824                                |
| The net pension asset is not an available resource   | e and, there | efore, is not r                      | еро  | rted in the f               | und    | s.                        |                   |     |                              |     | 493,635                                  |
| Deferred inflows related to measurement of net<br>current-period expenditures<br>Deferred inflows related to pensions                          | pension an   | d OPEB liabili                       | ity/ | asset not av                | ailal  | ole to pay for            |                   |     |                              |     | (1,964,687)                              |
| Deferred inflows related to OPEB   |              |                                      |      |                             |        |                           |                   |     |                              |     | (411,257)                                |
| Pesnion and OPEB contributions subsequent to the a reduction to the net pension and OPEB liabilities in the funds.                             |              |                                      |      |                             |        |                           |                   |     |                              |     |  |
| Deferred outflows related to Pensions Deferred outflows related to OPEB  |              |                                      |      |                             |        |                           |                   |     |                              |     | 4,266,429<br>548,079                     |
| Long-term liabilities applicable to the School Bothe current period and accordingly are not represented in the statement of pet                | orted as fu  |                                      |      |                             |        |                           |                   |     |                              |     |  |

(21,016,974) (7,835,127)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Discretely Presented Component Unit - School Board Year Ended June 30, 2021

|   | _   | School<br>Operating<br>Fund |     | School<br>Cafeteria<br>Fund |          | School<br>Capital<br>Fund |    | Nonmajor<br>Funds |    | School<br>Activities<br>Fund |     | Total             |
|---|-----|-----------------------------|-----|-----------------------------|----------|---------------------------|----|-------------------|----|------------------------------|-----|-------------------|
| Revenues:                                       |     |                             |     |                             | <u>,</u> |                           | ,  | _                 | ,  |                              | _   | _                 |
| Revenue from use of money and property          | \$  |                             | \$  |                             | \$       | -                         | \$ | 5                 | \$ | -                            | >   | 5                 |
| Charges for services Miscellaneous              |     | 7,597<br>195,230            |     | 32,585<br>(2,654)           |          | -                         |    | -                 |    | 201,796                      |     | 40,182<br>394,372 |
| Intergovernmental:                              |     | 193,230                     |     | (2,034)                     |          | -                         |    | -                 |    | 201,790                      |     | 394,372           |
| County contribution to School Board             |     | 8,531,409                   |     | _                           |          | 394,138                   |    | _                 |    | _                            |     | 8,925,547         |
| County contribution to School Board-CARES Act   |     | 471,343                     |     | -                           |          | 37 <del>4</del> ,130      |    | _                 |    | _                            |     | 471,343           |
| Commonwealth                                    |     | 9,773,296                   |     | 14,737                      |          | _                         |    | _                 |    | _                            |     | 9,788,033         |
| Federal   | _   | 1,364,824                   |     | 1,415,397                   |          | -                         |    | -                 |    | -                            | _   | 2,780,221         |
| Total revenues                                  | \$_ | 20,343,699                  | \$_ | 1,460,065                   | \$       | 394,138                   | \$ | 5                 | \$ | 201,796                      | \$_ | 22,399,703        |
| Expenditures:                                   |     |                             |     |                             |          |                           |    |                   |    |                              |     |                   |
| Current:  |     |                             |     |                             |          |                           |    |                   |    |                              |     |                   |
| Education                                       | \$  | 20,343,699                  | \$  | 1,124,009                   | \$       | -                         | \$ | -                 | \$ | 193,314                      | \$  | 21,661,022        |
| Capital projects                                | _   | -                           |     | -                           |          | 43,645                    |    | -                 | -  | -                            | -   | 43,645            |
| Total expenditures                              | \$_ | 20,343,699                  | \$_ | 1,124,009                   | \$       | 43,645                    | \$ | -                 | \$ | 193,314                      | \$_ | 21,704,667        |
| Excess (deficiency) of revenues over            |     |                             |     |                             |          |                           |    |                   |    |                              |     |                   |
| (under) expenditures                            | \$_ | -                           | \$_ | 336,056                     | \$       | 350,493                   | \$ | 5                 | \$ | 8,482                        | \$_ | 695,036           |
| Changes in fund balances                        | \$  | -                           | \$  | 336,056                     | \$       | 350,493                   | \$ | 5                 | \$ | 8,482                        | \$  | 695,036           |
| Fund balances at beginning of year, as restated | _   | 2,000                       |     | 370,550                     |          | 76,688                    |    | 52,982            |    | 182,568                      |     | 684,788           |
| Fund balances at end of year                    | \$_ | 2,000                       | \$_ | 706,606                     | \$       | 427,181                   | \$ | 52,987            | \$ | 191,050                      | \$_ | 1,379,824         |

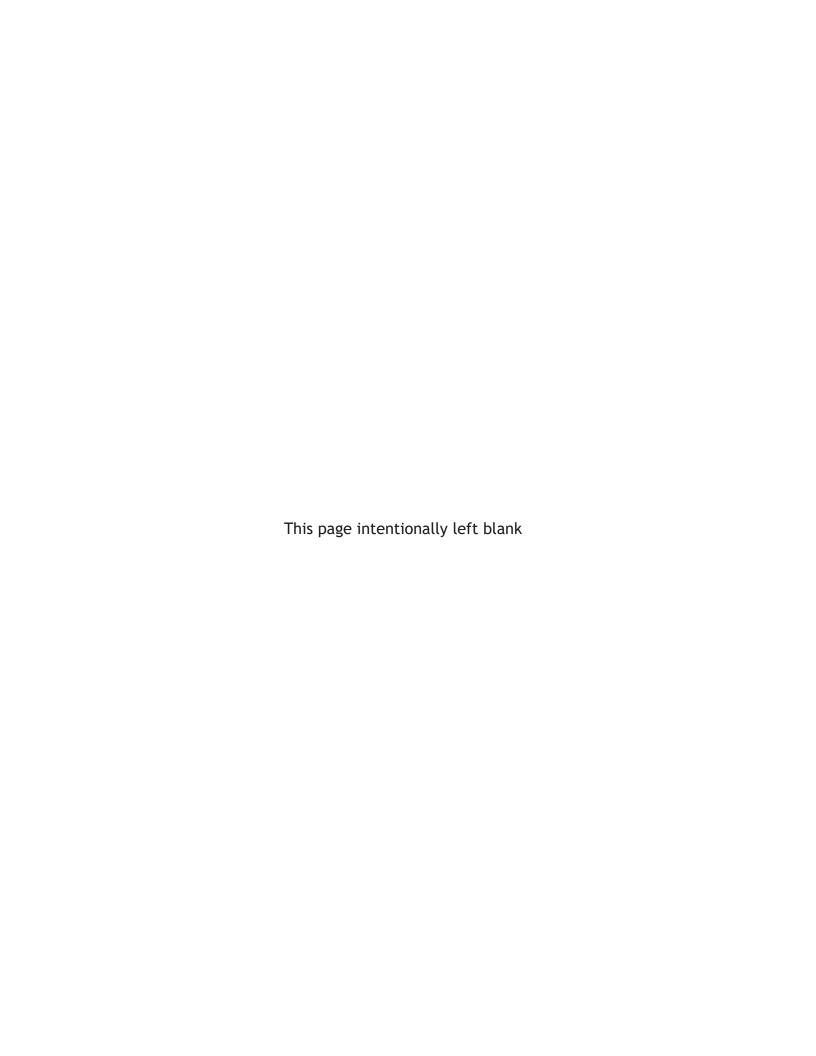
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities - Discretely Presented Component Unit - School Board Year Ended June 30, 2021

|   |                        | Component Unit School Board |
|---|------------------------|-----------------------------|
| Amounts reported for governmental activities in the statement of activities are different because:  | •                      |                             |
| Net change in fund balances - total governmental funds  | \$                     | 695,036                     |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation exceeded capital outlays in the current period computed as follows: |                        |                             |
| Capital additions \$ Depreciation expense   | 882,122<br>(1,104,223) | (222,101)                   |
| Change in deferred inflows related to the measurement of the net pension liability/asset  |                        | 225,486                     |
| Change in deferred inflows related to the measurement of the net OPEB liability/asset   |                        | (14,665)                    |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. The following is a summary of items supporting this adjustment:  |                        |                             |
| Change in compensated absences  | 171,322                |                             |
| Change in deferred outflows related to pensions   | (1,263,092)            |                             |
| Change in deferred outflows related to pensions  Change in deferred outflows related to OPEB  | 1,019,353              |                             |
| Change in net OPEB liability  | (11,832)<br>(99,368)   | (183,617)                   |
| Transfer of joint tenancy assets from Primary Government to the Component Unit  |                        | 264,016                     |
| Change in net position of governmental activities   | \$                     | 764,155                     |

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

|   |     |                    |     | School O                | oera | ting Fund  |     |   |
|---|-----|--------------------|-----|-------------------------|------|------------|-----|---|
|   | _   | Original<br>Budget |     | Budget<br>As<br>Amended |      | Actual     |     | Variance<br>From<br>Amended<br>Budget<br>Positive<br>(Negative) |
| Revenues:   |     |                    | _   |                         |      |            | _   | ===>  |
| Revenue from use of money and property                  | \$  | 1,500              | \$  | 1,500                   | \$   | -          | \$  | (1,500)   |
| Charges for services                                    |     | 202 574            |     | 202 574                 |      | 7,597      |     | 7,597   |
| Miscellaneous   |     | 202,571            |     | 202,571                 |      | 195,230    |     | (7,341)   |
| Intergovernmental:  County contribution to School Board |     | 9,754,720          |     | 10,028,392              |      | 8,531,409  |     | (1,496,983)   |
| County contribution to School Board-CARES Act           |     | 9,734,720          |     | 471,343                 |      | 471,343    |     | (1,470,703)   |
| Commonwealth  |     | 8,956,514          |     | 9,066,747               |      | 9,773,296  |     | 706,549   |
| Federal   |     | 1,054,386          |     | 1,398,166               |      | 1,364,824  |     | (33,342)  |
| Total revenues  | \$_ | 19,969,691         | \$  | 21,168,719              | \$   | 20,343,699 | \$  | (825,020)   |
| Expenditures:   |     |                    |     |                         |      |            |     |   |
| Current:  |     |                    |     |                         |      |            |     |   |
| Education   | \$  | 19,969,691         | \$  | 21,168,719              | \$   | 20,343,699 | \$  | 825,020   |
| Capital projects  |     | -                  |     | -                       | _    | -          |     |   |
| Total expenditures                                      | \$_ | 19,969,691         | \$_ | 21,168,719              | \$_  | 20,343,699 | \$_ | 825,020   |
| Excess (deficiency) of revenues                         |     |                    |     |                         |      |            |     |   |
| over (under) expenditures                               | \$_ | -                  | \$_ | -                       | \$_  | -          | \$_ | -   |
| Changes in fund balances                                | \$  | -                  | \$  | -                       | \$   | -          | \$  | -   |
| Fund balances at beginning of year                      | _   | -                  |     | -                       | _    | 2,000      | _   | 2,000   |
| Fund balances at end of year                            | \$_ | -                  | \$  | -                       | \$   | 2,000      | \$  | 2,000   |

|     |                           | School (                | Caf | eteria Fund         |   |     |                    |     | School C                | api | tal Fund    |     |   |
|-----|---------------------------|-------------------------|-----|---------------------|---|-----|--------------------|-----|-------------------------|-----|-------------|-----|---|
| _   | Original<br>Budget        | Budget<br>As<br>Amended |     | Actual              | Variance<br>From<br>Amended<br>Budget<br>Positive<br>(Negative) | _   | Original<br>Budget |     | Budget<br>As<br>Amended | _   | Actual      |     | Variance<br>From<br>Amended<br>Budget<br>Positive<br>(Negative) |
| \$  | - \$<br>286,500<br>75,000 | 286,500<br>75,000       | \$  | - \$ 32,585 (2,654) | -<br>(253,915)<br>(77,654)                                      | \$  | -<br>-<br>-        | \$  | -<br>-<br>-             | \$  | -           | \$  | -<br>-<br>-   |
|     | -                         | -                       |     | -                   | -   |     | 26,126             |     | 53,665                  |     | 394,138     |     | 340,473   |
| _   | 25,000<br>510,000         | 25,000<br>1,060,000     |     | 14,737<br>1,415,397 | (10,263)<br>355,397   |     | -                  | _   | -                       |     | -           |     | -   |
| \$_ | 896,500 \$                | 1,446,500               | \$_ | 1,460,065 \$        | 13,565  | \$_ | 26,126             | \$_ | 53,665                  | \$_ | 394,138     | \$_ | 340,473   |
| \$  | 896,500 \$<br>-           | 1,446,500               | \$  | 1,124,009 \$        | 322,491<br>-  | \$  | -<br>26,126        | \$  | -<br>178,224            | \$  | -<br>43,645 | \$  | -<br>134,579  |
| \$_ | 896,500 \$                | 1,446,500               | \$  | 1,124,009 \$        | 322,491   | \$_ | 26,126             | \$  | 178,224                 | \$_ | 43,645      | \$  | 134,579   |
| \$_ | \$                        |                         | \$  | 336,056 \$          | 336,056   | \$_ | -                  | \$  | (124,559)               | \$_ | 350,493     | \$_ | 475,052   |
| \$  | - \$                      | -                       | \$  | 336,056 \$          | 336,056   | \$  | -                  | \$  | (124,559)               | \$  | 350,493     | \$  | 475,052   |
| _   | <u>-</u>                  |                         |     | 370,550             | 370,550   | _   | -                  | _   | 124,559                 | _   | 76,688      |     | (47,871)  |
| \$_ | <u>-</u> \$               | -                       | \$  | 706,606 \$          | 706,606   | \$_ | -                  | \$  | -                       | \$_ | 427,181     | \$_ | 427,181   |



Combining Balance Sheet Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board As of June 30, 2021

|                                     | 1<br> | School<br>Fextbook<br>Fund | <br>Total    |
|-------------------------------------|-------|----------------------------|--------------|
| ASSETS                              |       |                            |              |
| Cash and cash equivalents           | \$    | 52,987                     | \$<br>52,987 |
| Total assets                        | \$    | 52,987                     | \$<br>52,987 |
| LIABILITIES                         |       |                            |              |
| Accounts payable                    | \$    | -                          | \$<br>-      |
| Total liabilities                   | \$    | -                          | \$<br>-      |
| FUND BALANCES                       |       |                            |              |
| Restricted                          | \$    | 52,987                     | \$<br>52,987 |
| Total fund balances                 | \$    | 52,987                     | \$<br>52,987 |
| Total liabilities and fund balances | \$    | 52,987                     | \$<br>52,987 |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds - Discretely Presented Component Unit - School Board For the Year Ended June 30, 2021

|  | 7  | School<br>Fextbook |     | Tatal  |
|--|----|--------------------|-----|--------|
| REVENUES                                     |    | Fund               | -   | Total  |
| Revenue from the use of money and property   | \$ | 5                  | \$  | 5      |
| Total revenues                               | \$ | 5                  | \$  | 5      |
| EXPENDITURES                                 |    |                    |     |        |
| Current:                                     |    |                    |     |        |
| Education                                    | \$ | -                  | \$  | -      |
| Total expenditures                           | \$ | -                  | \$_ |        |
| Excess (deficiency) of revenues over (under) |    |                    |     |        |
| expenditures                                 | \$ | 5                  | \$  | 5      |
| Net change in fund balances                  | \$ | 5                  | \$  | 5      |
| Fund balances - beginning                    |    | 52,982             | _   | 52,982 |
| Fund balances - ending                       | \$ | 52,987             | \$  | 52,987 |

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

|                                 | School Textbook Fund |             |          |        |   |  |  |
|---------------------------------|----------------------|-------------|----------|--------|---|--|--|
|                                 |                      | Budgeted Ar | mounts   |        | Variance with<br>Final Budget<br>Positive |  |  |
|                                 |                      | Original    | Final    | Actual | (Negative)                                |  |  |
| REVENUES                        |                      |             |          |        |   |  |  |
| Revenue from the use of money   |                      |             |          |        |   |  |  |
| and property                    | \$                   | <u> </u>    | <u> </u> | 5      | \$5                                       |  |  |
| Total revenues                  | \$                   | - \$        | - \$     | 5      | \$5                                       |  |  |
| EXPENDITURES                    |                      |             |          |        |   |  |  |
| Current:                        |                      |             |          |        |   |  |  |
| Education                       | \$                   | - \$        | - \$     | - 1    | \$ -                                      |  |  |
| Total expenditures              | \$                   | - \$        | - \$     | -      | \$  |  |  |
| Excess (deficiency) of revenues |                      |             |          |        |   |  |  |
| over (under) expenditures       | \$                   | - \$        | - \$_    | 5      | \$5                                       |  |  |
| Net change in fund balances     | \$                   | - \$        | - \$     | 5      | \$ 5                                      |  |  |
| Fund balances - beginning       |                      | -           | -        | 52,982 | 52,982                                    |  |  |
| Fund balances - ending          | \$                   | - \$        | - \$     | 52,987 | \$ 52,987                                 |  |  |

Statement of Fiduciary Net Position - Fiduciary Fund Discretely Presented Component Unit - School Board At June 30, 2021

|                                    | _   | Scholarship<br>Private-<br>Purpose<br>Trust<br>Fund |
|------------------------------------|-----|---|
| ASSETS                             |     |   |
| Cash and cash equivalents          | \$  | 97,535  |
| Total assets                       | \$  | 97,535  |
| NET POSITION                       |     |   |
| Held in trust for scholarships     | \$_ | 97,535  |
| Total net position                 | \$_ | 97,535  |
| Total liabilities and net position | \$  | 97,535  |

Statement of Changes in Fiduciary Net Position - Fiduciary Fund Discretely Presented Component Unit - School Board Year Ended June 30, 2021

|                                  |      | Scholarship<br>Private-<br>Purpose<br>Trust<br>Fund |
|----------------------------------|------|---|
| Additions:                       |      |   |
| Interest income                  | \$   | (1,282)   |
| Total additions                  | \$   | (1,282)   |
| Deductions:                      |      |   |
| Scholarships awarded             | \$   | 2,732   |
| Total deductions                 | \$ _ | 2,732   |
| Change in net position           | \$   | (4,014)   |
| Net position - beginning of year | -    | 101,549   |
| Net position - end of year       | \$   | 97,535  |

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Net Position

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|----|-----|------|----|----|------|----|----|---|
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| Assets                                |     |         |
|---------------------------------------|-----|---------|
| Current assets:                       |     |         |
| Cash and cash equivalents             | \$  | 137,007 |
| Accounts receivable                   |     | 6,000   |
| Total current assets                  | \$_ | 143,007 |
| Noncurrent assets:                    |     |         |
| Capital assets (net of depreciation): |     |         |
| Construction in progress              | \$  | 8,225   |
| Building improvements                 |     | 272,627 |
| Equipment                             |     | 29,704  |
| Total capital assets                  | \$  | 310,556 |
| Total assets                          | \$  | 453,563 |
| Liabilities                           |     |         |
| Current liabilities:                  |     |         |
| Accounts payable                      | \$  | 303     |
| Due to Primary Government             |     | 32,568  |
| Accrued expenses                      |     | 2,619   |
| Total liabilities                     | \$  | 35,490  |
| Net Position                          |     |         |
| Investment in capital assets          | \$  | 310,556 |
| Unrestricted                          |     | 107,517 |
|                                       | _   |         |
| Total net position                    | \$_ | 418,073 |

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2021

| Operating revenues   |                         |
|--|-------------------------|
| Charges for services Miscellaneous                               | \$<br>150,729<br>54,962 |
| Total operating revenues   | \$<br>205,691           |
| Operating Expenses   |                         |
| Personal services  | \$<br>40,020            |
| Fringe benefits  | 3,146                   |
| Contractual services   | 124,434                 |
| Other charges  | 240,052                 |
| Depreciation   | <br>27,599              |
| Total operating expenses   | \$<br>435,251           |
| Operating income (loss)  | \$<br>(229,560)         |
| Nonoperating revenues  |                         |
| Contribution from Madison County and Madison County School Board | \$<br>270,740           |
| Total nonoperating revenues                                      | \$<br>270,740           |
| Change in net position   | \$<br>41,180            |
| Net position, beginning of year                                  | <br>376,893             |
| Net position, end of year  | \$<br>418,073           |

Discretely Presented Component Unit - Madison County Parks and Recreation Authority Statement of Cash Flows Year Ended June 30, 2021

| Cash flows from operating activities   |    |           |
|--|----|-----------|
| Receipts from customers  | \$ | 199,691   |
| Payments to employees  | ·  | (44,094)  |
| Payments to suppliers  | _  | (331,615) |
| Net cash provided by (used for) by operating activities  | \$ | (176,018) |
| Cash flows from capital and related financing activities   |    |           |
| Purchases of capital assets  | \$ | (45,744)  |
| Cash flows from noncapital financing activities  |    |           |
| Contribution from Madison County and Madison County School Board                                   | \$ | 290,740   |
| Net cash provided by (used for) by financing activities  | \$ | 290,740   |
| Net increase (decrease) in cash and cash equivalents   | \$ | 68,978    |
| Cash and cash equivalents, beginning of year   |    | 68,029    |
| Cash and cash equivalents, end of year   | \$ | 137,007   |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: |    |           |
| Operating income (loss)  | \$ | (229,560) |
| Depreciation   |    | 27,599    |
| Change in assets and liabilities:  |    |           |
| Accounts receivable  |    | (6,000)   |
| Due to Primary Government  |    | 32,568    |
| Accounts payable   |    | 303       |
| Accrued expenses   | _  | (928)     |
| Net cash provided by (used for) by operating activities  | \$ | (176,018) |

- Other Supplementary Information - Supporting Schedules

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2021

| Fund, Major and Minor Revenue Source                  |     | Original<br>Budget |     | Budget<br>As<br>Amended | Actual        | Variance From<br>Amended<br>Budget<br>Positive<br>(Negative) |
|---|-----|--------------------|-----|-------------------------|---------------|--|
| Primary Government:                                   |     |                    |     |                         |               |  |
| General Fund:   |     |                    |     |                         |               |  |
| Revenue from local sources:                           |     |                    |     |                         |               |  |
| General property taxes:                               |     |                    |     |                         |               |  |
| Real property taxes                                   | \$  | 12,612,000         | \$  | 12,612,000 \$           | 13,297,516 \$ | 685,516  |
| Real and personal public service corporation          |     |                    |     |                         |               |  |
| property taxes  |     | 353,000            |     | 353,000                 | 373,853       | 20,853   |
| Personal property taxes                               |     | 3,725,000          |     | 3,725,000               | 3,895,229     | 170,229  |
| Mobile home taxes                                     |     | 7,700              |     | 7,700                   | 6,816         | (884)  |
| Machinery and tools taxes                             |     | 125,000            |     | 125,000                 | 133,978       | 8,978  |
| Merchants capital taxes                               |     | 233,000            |     | 233,000                 | 234,705       | 1,705  |
| Penalties   |     | 143,000            |     | 143,000                 | 161,304       | 18,304   |
| Interest  |     | 100,000            |     | 100,000                 | 116,763       | 16,763   |
| Tax collection fee                                    | _   | 65,000             |     | 65,000                  | 63,990        | (1,010)  |
| Total general property taxes                          | \$_ | 17,363,700         | \$_ | 17,363,700 \$           | 18,284,154 \$ | 920,454  |
| Other local taxes:                                    |     |                    |     |                         |               |  |
| Local sales and use taxes                             | \$  | 1,147,644          | \$  | 1,147,644 \$            | 1,486,571 \$  | 338,927  |
| Consumers' utility taxes                              |     | 344,000            |     | 344,000                 | 361,341       | 17,341   |
| Local consumption tax                                 |     | 40,000             |     | 40,000                  | 42,405        | 2,405  |
| Restaurant food taxes                                 |     | 500,000            |     | 500,000                 | 558,670       | 58,670   |
| Transient occupancy taxes                             |     | 175,000            |     | 175,000                 | 248,487       | 73,487   |
| Gross receipts taxes                                  |     | 16,000             |     | 16,000                  | 11,325        | (4,675)  |
| Bank stock taxes                                      |     | 125,000            |     | 125,000                 | 137,656       | 12,656   |
| Motor vehicle licenses                                |     | 470,000            |     | 470,000                 | 465,000       | (5,000)  |
| Taxes on recordation and wills                        | _   | 158,000            |     | 158,000                 | 302,575       | 144,575  |
| Total other local taxes                               | \$_ | 2,975,644          | \$_ | 2,975,644 \$            | 3,614,030 \$  | 638,386  |
| Permits, privilege fees and regulatory licenses:      |     |                    |     |                         |               |  |
| Animal licenses                                       | \$  | 3,000              | \$  | 3,000 \$                | 3,500 \$      | 500  |
| Addressing fee  |     | 100                |     | 100                     | 400           | 300  |
| Building and related permits                          |     | 201,450            |     | 201,450                 | 212,540       | 11,090   |
| Land transfer fees                                    |     | 500                |     | 500                     | 658           | 158  |
| Land use application fees                             | _   | 25,000             |     | 25,000                  | 25,350        | 350  |
| Total permits, privilege fees and regulatory licenses | \$_ | 230,050            | \$_ | 230,050 \$              | 242,448 \$    | 12,398   |
| Fines and Forfeitures:                                |     |                    |     |                         |               |  |
| Court fines and forfeitures                           | \$_ | 160,900            | \$_ | 160,900 \$              | 49,818 \$     | (111,082)  |
| Total fines and forfeitures                           | \$_ | 160,900            | \$_ | 160,900 \$              | 49,818 \$     | (111,082)  |
| Revenue from use of money and property:               |     |                    |     |                         |               |  |
| Revenue from use of money                             | \$  | 175,000            | \$  | 175,000 \$              | 67,258 \$     | (107,742)  |
| Revenue from use of property                          | _   | 2,300              |     | 2,300                   | 2,851         | 551  |
| Total revenue from use of money and property          | \$_ | 177,300            | \$_ | 177,300 \$              | 70,109 \$     | (107,191)  |

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2021 (continued)

| Fund, Major and Minor Revenue Source   |     | Original<br>Budget                   |     | Budget<br>As<br>Amended              | Actual     | \   | /ariance From<br>Amended<br>Budget<br>Positive<br>(Negative) |
|--|-----|--------------------------------------|-----|--------------------------------------|------------|-----|--|
| Primary Government: (Continued)  |     |                                      |     |                                      |            |     |  |
| General Fund: (Continued)  |     |                                      |     |                                      |            |     |  |
| Revenue from local sources: (continued)  |     |                                      |     |                                      |            |     |  |
| Charges for services:  |     |                                      |     |                                      |            |     |  |
| Sheriff's fees   | \$  | 344                                  | \$  | 344 \$                               | 344        | \$  | -  |
| Commonwealth attorney fees   | •   | 1,200                                |     | 1,200                                | 1,018      | •   | (182)  |
| Courthouse maintenance fees  |     | 7,000                                |     | 7,000                                | 3,573      |     | (3,427)  |
| Courtroom security fees  |     | 30,000                               |     | 30,000                               | 29,383     |     | (617)  |
| Other charges for services   |     | 32,845                               |     | 32,845                               | 13,887     |     | (18,958)   |
| Ambulance transportation fees  |     | 345,000                              |     | 351,000                              | 315,426    |     | (35,574)   |
| Waste collection and disposal charges  |     | 170,000                              |     | 170,000                              | 210,900    |     | 40,900   |
| The state of the s | _   | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |     | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | 2.0,700    | _   | ,,,,,  |
| Total charges for services   | \$_ | 586,389                              | \$_ | 592,389 \$                           | 574,531    | \$_ | (17,858)   |
| Miscellaneous:   |     |                                      |     |                                      |            |     |  |
| Expenditure refunds  | \$  | 129,089                              | \$  | 129,089 \$                           | 99,133     | \$  | (29,956)   |
| CSA  | •   | 79,089                               |     | 79,089                               | 29,762     |     | (49,327)   |
| Miscellaneous  | _   | 135,918                              |     | 148,592                              | 131,828    | _   | (16,764)   |
| Total miscellaneous  | \$_ | 344,096                              | \$_ | 356,770 \$                           | 260,723    | \$  | (96,047)   |
| Total revenue from local sources   | \$_ | 21,838,079                           | \$_ | 21,856,753 \$                        | 23,095,813 | \$  | 1,239,060  |
| Intergovernmental:   |     |                                      |     |                                      |            |     |  |
| Revenue from the Commonwealth:   |     |                                      |     |                                      |            |     |  |
| Noncategorical aid:  |     |                                      |     |                                      |            |     |  |
| Motor vehicle carrier's tax  | \$  | 250                                  | \$  | 250 \$                               | -          | \$  | (250)  |
| Rental tax - DMV   | •   | 750                                  |     | 750                                  | 253        |     | (497)  |
| Peer-to-peer vehicle sharing tax   |     | _                                    |     | -                                    | 120        |     | 120  |
| Moped ATV sales tax  |     | 500                                  |     | 500                                  | 415        |     | (85)   |
| Mobile home titling taxes  |     | 12,000                               |     | 12,000                               | 16,560     |     | 4,560  |
| PPTRA  |     | 1,029,053                            |     | 1,029,053                            | 1,029,053  |     | -  |
| Communication taxes  |     | 500,000                              |     | 500,000                              | 427,630    |     | (72,370)   |
| Game of skills tax   |     | _                                    |     | -                                    | 25,056     |     | 25,056   |
| Recordation tax  | _   | -                                    |     |                                      | -          | _   | -  |
| Total noncategorical aid   | \$_ | 1,542,553                            | \$_ | 1,542,553 \$                         | 1,499,087  | \$  | (43,466)   |
| Categorical aid:   |     |                                      |     |                                      |            |     |  |
| Shared expenses:   |     |                                      |     |                                      |            |     |  |
| Commonwealth's attorney  | \$  | 177,374                              | \$  | 177,374 \$                           | 176,224    | Ś   | (1,150)  |
| Sheriff  | *   | 778,447                              | 7   | 784,368                              | 764,225    | T   | (20,143)   |
| Commissioner of the Revenue  |     | 88,889                               |     | 88,889                               | 89,497     |     | 608  |
| Treasurer  |     | 94,853                               |     | 94,853                               | 93,532     |     | (1,321)  |
| Registrar/electoral board  |     | 37,882                               |     | 38,542                               | 40,043     |     | 1,501  |
| Clerk of the Circuit Court   | _   | 225,500                              |     | 227,730                              | 222,106    | _   | (5,624)  |
| Total shared expenses  | \$_ | 1,402,945                            | \$_ | 1,411,756 \$                         | 1,385,627  | \$  | (26,129)   |

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2021 (continued)

| Fund, Major and Minor Revenue Source       |    | Original<br>Budget |                     | Budget<br>As<br>Amended | Actual                                | Variance From<br>Amended<br>Budget<br>Positive<br>(Negative) |
|--|----|--------------------|---------------------|-------------------------|---------------------------------------|--|
| Primary Government: (Continued)            |    |                    |                     |                         |                                       |  |
| General Fund: (Continued)                  |    |                    |                     |                         |                                       |  |
| Intergovernmental: (continued)             |    |                    |                     |                         |                                       |  |
| Revenue from the Commonwealth: (continued) |    |                    |                     |                         |                                       |  |
| Other categorical aid:                     |    |                    | _                   |                         |                                       |  |
| Fire programs                              | \$ | 44,880             | \$                  | 49,844 \$               | 49,844 \$                             |  |
| Litter Control                             |    | 7,241              |                     | 7,241                   | 5,608                                 | (1,633)  |
| Four for life                              |    | 15,000             |                     | 15,000                  | 45.000                                | (15,000)   |
| Domestic Violence                          |    | 45,000             |                     | 45,000                  | 45,000                                | (025)  |
| Victim witness                             |    | 15,876             |                     | 15,876                  | 14,951                                | (925)  |
| Department of Juvenile Justice<br>E-911    |    | 8,079<br>46,000    |                     | 8,079<br>46,000         | -<br>51,391                           | (8,079)<br>5,391   |
| PSAP State 911 grant                       |    | 50,387             |                     | 270,107                 | 198,057                               | (72,050)   |
| Comprehensive Services Act                 |    | 1,749,447          |                     | 1,749,447               | 1,150,322                             | (599,125)  |
| Public assistance and welfare              |    | 892,607            |                     | 892,607                 | 792,305                               | (100,302)  |
| Other state grants                         |    | 50,380             |                     | 68,833                  | 65,429                                | (3,404)  |
| other state 5. and                         |    | 20,000             |                     |                         | 00, .=:                               | (0) 10 1)  |
| Total other categorical aid                | \$ | 2,924,897          | \$_                 | 3,168,034 \$            | 2,372,907 \$                          | (795,127)  |
| Total categorical aid                      | \$ | 4,327,842          | \$_                 | 4,579,790 \$            | 3,758,534 \$                          | (821,256)  |
| Total revenue from the Commonwealth        | \$ | 5,870,395          | \$_                 | 6,122,343 \$            | 5,257,621 \$                          | (864,722)  |
| Devenue from the Foderal Covernment        |    |                    |                     |                         |                                       |  |
| Revenue from the Federal Government:       | Ś  | 99 000             | ċ                   | 99 000 ¢                | 0E 042 ¢                              | 7.042  |
| Payments in lieu of taxes                  | ې  | 88,000             | - <sup>&gt;</sup> - | 88,000 \$               | 95,013 \$                             | 7,013  |
| Categorical aid:                           |    |                    |                     |                         |                                       |  |
| Public assistance and welfare              | \$ | 1,566,908          | \$                  | 1,566,908 \$            | 1,314,958 \$                          | (251,950)  |
| Victim Witness                             |    | 47,629             |                     | 48,040                  | 44,851                                | (3,189)  |
| FEMA                                       |    | · -                |                     | 7,500                   | 7,500                                 | -  |
| COVID-19 fostering futures                 |    | -                  |                     | · -                     | 721                                   | 721  |
| Coronavirus Relief Fund                    |    | _                  |                     | 2,258,834               | 2,240,096                             | (18,738)   |
| CARES Act - Election                       |    | -                  |                     | 25,488                  | 44,118                                | 18,630   |
|  |    |                    | _                   |                         | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · ·                        |
| Total categorical aid                      | \$ | 1,614,537          | \$_                 | 3,906,770 \$            | 3,652,244 \$                          | (254,526)  |
| Total revenue from the Federal Government  | \$ | 1,702,537          | \$                  | 3,994,770 \$            | 3,747,257 \$                          | (247,513)  |
| Total General Fund                         | \$ | 29,411,011         | \$                  | 31,973,866 \$           | 32,100,691 \$                         | 126,825  |
| Capital Improvement Fund:                  |    |                    | _                   |                         |                                       |  |
| Revenue from local sources:                |    |                    |                     |                         |                                       |  |
| Miscellaneous                              | Ś  | _                  | \$                  | - \$                    | 452 \$                                | 452  |
| miscertaneous                              | ٧  | <u> </u>           | _ ۲ _               |                         |                                       | 732  |
| Total Capital Improvement Fund             | \$ |                    | \$_                 | <u>-</u> \$_            | 452 \$                                | 452  |

Governmental Funds -Schedule of Revenues -- Budget and Actual Year Ended June 30, 2021 (continued)

| Fund, Major and Minor Revenue Source                   |          | Original<br>Budget |                     | Budget<br>As<br>Amended               | Actual              | Variance From<br>Amended<br>Budget<br>Positive<br>(Negative) |
|--|----------|--------------------|---------------------|---------------------------------------|---------------------|--|
| Discretely Presented Component Unit - School Board:    |          |                    |                     |                                       | ·                   |  |
| School Operating Fund:                                 |          |                    |                     |                                       |                     |  |
| Revenue from local sources:                            |          |                    |                     |                                       |                     |  |
| Revenue from use of money and property:                |          |                    |                     |                                       |                     |  |
| Revenue from use of property                           | \$       | 1,500              | \$                  | 1,500 \$                              | - \$                | (1,500)  |
| Charges for services:                                  |          | ,                  |                     | · · · · · · · · · · · · · · · · · · · |                     |  |
| Charges for education                                  | \$       | _                  | \$                  | - \$                                  | 7,597 \$            | 7,597  |
| •  | · —      |                    | - ' -               |                                       |                     |  |
| Total charges for services                             | \$       | -                  | \$_                 |                                       | 7,597 \$            | 7,597  |
| Miscellaneous:   |          |                    |                     |                                       |                     |  |
| Rebates and refunds                                    | \$       | 147,571            | \$                  | 147,571 \$                            | 135,273 \$          | (12,298)   |
| Miscellaneous  |          | 55,000             |                     | 55,000                                | 59,957              | 4,957  |
| Total miscellaneous                                    |          | 202,571            |                     | 202,571                               | 195,230             | (7,341)  |
| Total revenue from local sources                       | <u> </u> | 204,071            |                     | 204,071 \$                            | 202,827 \$          | (1,244)  |
|  | ٧        | 204,071            | - ۲                 | 204,071 3                             | 202,027 3           | (1,244)  |
| Intergovernmental:                                     |          |                    |                     |                                       |                     |  |
| County contribution to School Board                    | \$       | 9,754,720          | \$                  | 10,028,392 \$                         | 8,531,409 \$        | (1,496,983)  |
| County contribution to School Board - CARES Act        | .—       | •                  |                     | 471,343                               | 471,343             | <u>-</u>   |
| Total County contribution                              | \$       | 9,754,720          | _ \$ _              | 10,499,735 \$                         | 9,002,752 \$        | (1,496,983)  |
| Revenue from the Commonwealth:                         |          |                    |                     |                                       |                     |  |
| Categorical aid:                                       |          |                    |                     |                                       |                     |  |
| Share of state sales tax                               | \$       | 1,756,644          | \$                  | 1,756,644 \$                          | 2,501,357 \$        | 744,713  |
| Basic school aid                                       |          | 4,453,971          |                     | 4,453,971                             | 4,305,199           | (148,772)  |
| Special ed SOQ   |          | 303,102            |                     | 303,102                               | 297,947             | (5,155)  |
| Vocational SOQ   |          | 140,632            |                     | 140,632                               | 138,241             | (2,391)  |
| At risk funds  |          | 170,622            |                     | 170,622                               | 167,947             | (2,675)  |
| Remedial education                                     |          | 147,620            |                     | 147,620                               | 145,110             | (2,510)  |
| Technology   |          | 154,000            |                     | 154,000                               | 154,000             | 2.000  |
| Special education - Regional tuition Textbook payments |          | 150,000            |                     | 150,000                               | 152,089             | 2,089  |
| Primary class size                                     |          | 93,874<br>148,006  |                     | 93,874<br>148,006                     | 92,278<br>148,190   | (1,596)<br>184   |
| Fringe benefits  |          | 867,378            |                     | 867,378                               | 852,626             | (14,752)   |
| Lottery  |          | 317,773            |                     | 317,773                               | 358,067             | 40,294   |
| Other state funds                                      |          | 252,892            |                     | 363,125                               | 460,245             | 97,120   |
| Total categorical aid                                  | <br>\$   | 8,956,514          |                     | 9,066,747 \$                          | 9,773,296 \$        | 706,549  |
| Total revenue from the Commonwealth                    | \$<br>\$ | 8,956,514          |                     | 9,066,747 \$                          | 9,773,296 \$        | 706,549  |
|  |          | 0,930,314          | - <sup>ې</sup> -    | 9,000,747 3                           | 7,773,270 3         | 700,349  |
| Revenue from the federal government:                   |          |                    |                     |                                       |                     |  |
| Categorical aid:                                       | ċ        | 222 404            | ċ                   | 222 404 ¢                             | י דר פדר            | E4 02/   |
| Title I<br>Title III                                   | \$       | 323,401<br>986     | þ                   | 323,401 \$<br>986                     | 378,327 \$<br>1,234 | 54,926<br>248  |
| Title VI - B Special Education                         |          | 460,577            |                     | 460,577                               | 452,889             | (7,688)  |
| Vocational education                                   |          | 27,493             |                     | 27,493                                | 36,307              | 8,814  |
| Preschool  |          | 27,475             |                     | 27,473                                | 11,148              | 11,148   |
| CARES ESSER  |          | 150,000            |                     | 433,780                               | 283,780             | (150,000)  |
| Governor's emergency education relief fund             |          | -                  |                     |                                       | 92,015              | 92,015   |
| Other funds  |          | 26,000             |                     | 86,000                                | 37,002              | (48,998)   |
| Title II   | _        | 65,929             | _                   | 65,929                                | 72,122              | 6,193  |
| Total categorical aid                                  | \$       | 1,054,386          | \$                  | 1,398,166 \$                          | 1,364,824 \$        | (33,342)   |
| Total revenue from the federal government              | ·<br>\$  | 1,054,386          |                     | 1,398,166 \$                          | 1,364,824 \$        |  |
| ř  | · —      |                    |                     |                                       |                     |  |
| Total School Operating Fund                            | \$       | 19,969,691         | = <sup>&gt;</sup> = | 21,168,719 \$                         | 20,343,699 \$       | (825,020)  |

| Fund, Major and Minor Revenue Source  |            | Original<br>Budget |            | Budget<br>As<br>Amended | Actual       | Variance From<br>Amended<br>Budget<br>Positive<br>(Negative) |
|---|------------|--------------------|------------|-------------------------|--------------|--|
| Discretely Presented Component Unit School Board: (Continued) Special Revenue Funds: School Cafeteria Fund:         | )          |                    |            |                         |              |  |
| Revenue from local sources: Charges for services:   |            |                    |            |                         |              |  |
| Cafeteria sales   | Ś          | 286,500            | Ś          | 286,500 \$              | 32,585 \$    | (253,915)  |
| Total charges for services  | \$         | 286,500            |            | 286,500 \$              | 32,585 \$    |  |
| Miscellaneous: Miscellaneous  | \$         | 75,000             | \$         | 75,000 \$               | (2,654) \$   | (77,654)   |
| Total revenue from local sources  | \$         | 361,500            | \$         | 361,500 \$              | 29,931 \$    | (331,569)  |
| Intergovernmental: Revenue from the Commonwealth: Categorical aid: School food grant                                | \$         | 25,000             | \$         | 25,000 \$               | 14,737 \$    | (10,263)   |
| Revenue from the federal government:  Categorical aid:  School food grant   | \$         | 510,000            | <br>(      | 1,060,000 \$            | 1,415,397 \$ | 355,397  |
| Total School Cafeteria Fund   | ζ_         | 896,500            | - ' -      | 1,446,500 s             | 1,460,065 s  |  |
| School Capital Fund: Intergovernmental: County contribution to School Board   | \$_<br>\$_ | 26,126             | - ' -      | 53,665 \$               | 394,138 \$   |  |
| Total School Capital Fund   | \$         | 26,126             | \$         | 53,665 s                | 394,138 s    | 340,473  |
| School Textbook Fund: Revenue from local sources: Revenue from use of money and property: Revenue from use of money | \$         |                    | \$         | - \$                    | 5 \$         | 5  |
| Total revenue from use of money and property  | \$         | _                  | \$         | - S                     | 5 \$         | 5  |
| Total revenue from local sources  | `—         | _                  | - · _<br>S | - ·                     | 5 \$         |  |
| Total School Textbook Fund  | Ϋ́—        | -                  | -          | - s                     | <u>5</u> \$  |  |
|   | -          |                    | = ~ =      |                         | *            |  |

| Primary Government: General Fund:         General Fund:         General Government administration:           Legislative:         Board of supervisors         \$ 63,819 \$ 63,819 \$ 57,288 \$ 6,531           Board of Supervisors         \$ 266,383 \$ 267,218 \$ 256,915 \$ 10,303           General and financial administration:         County administrator         \$ 266,383 \$ 267,218 \$ 256,915 \$ 10,303           Legal services         80,840 \$ 190,840 \$ 114,335 \$ 76,505         (4,875)           Independent auditor         51,381 \$ 51,381 \$ 56,256 \$ 251,556 \$ 5,500         251,556 \$ 257,056 \$ 251,556 \$ 5,500           Commissioner of the revenue         253,156 \$ 257,056 \$ 251,556 \$ 5,500         250,256 \$ 13,500           Personal property         3,750 \$ 3,750 \$ 3,859 \$ (109)         1,150,079           Data processing         284,165 \$ 436,264 \$ 221,185 \$ 115,079           Land use         1,800 \$ 1,800 \$ 1,420 \$ 380           Assessor         10,250 \$ 10,250 \$ 6,675 \$ 3,375           Finance department         231,394 \$ 243,269 \$ 227,120 \$ 16,149           Treasurer         290,017 \$ 292,856 \$ 291,943 \$ 913           Board of Elections:         Electoral board and officials         \$ 5,0460 \$ 100,707 \$ 92,476 \$ 8,231           Registrar         106,691 \$ 108,037 \$ 96,287 \$ 11,759           Total board of elections         \$ 157,151 \$ 208,744 \$ 188,763 \$ 19,981   | Fund, Function, Activities and Elements    |     | Original<br>Budget | Budget<br>As<br>Amended | Actual       | Variance From<br>Amended<br>Budget<br>Favorable<br>(Unfavor.) |
|---|--|-----|--------------------|-------------------------|--------------|---|
| Cemeral government administration:   Legislative:   Board of supervisors   \$ 63,819 \$ 63,819 \$ 57,288 \$ 6,531   | Primary Government:                        |     |                    |                         |              |   |
| Legislative   Board of supervisors   \$ 63,819 \$ 63,819 \$ 57,288 \$ 6,531   | General Fund:                              |     |                    |                         |              |   |
| Section   Sect  | General government administration:         |     |                    |                         |              |   |
| County administrator  | Legislative:                               |     |                    |                         |              |   |
| County administrator         \$ 266,383 \$ 267,218 \$ 256,915 \$ 10,303           Legal services         80,840 190,840 114,335 76,505         10,303           Independent auditor         51,381 51,381 51,381 56,256 56 (4,875)         4,875           Commissioner of the revenue         253,156 257,056 251,556 5,500         5,500           Personal property         3,750 3,750 3,750 32,500         3,859 (10)9           Data processing         284,165 436,264 321,185 115,079         110,707           Land use         1,800 1,800 1,800 1,420 380           Assessor         10,250 10,250 6,875 3,375           Finance department         231,394 243,269 227,120 16,149           Treasurer         290,017 292,856 291,943 913           Total general and financial administration         \$ 1,473,136 \$ 1,754,684 \$ 1,531,464 \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460 \$ 100,707 \$ 92,476 \$ 8,231           Registrar         106,691 108,037 96,287 11,750         11,750           Total general government administration         \$ 1,694,106 \$ 2,027,247 \$ 1,777,515 \$ 249,732           Judicial administration:         \$ 20,772 \$ 7,777,7515 \$ 249,732           Correctit court         \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,507         7,567           Combined court         \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,500         3,050  | Board of supervisors                       | \$_ | 63,819 \$          | 63,819                  | 57,288 \$    | 6,531   |
| Legal services         80,840         190,840         114,335         76,505           Independent auditor         51,381         51,381         51,381         56,256         48,75)           Commissioner of the revenue         253,156         257,056         251,556         5,500           Personal property         3,750         3,750         3,859         (109)           Data processing         284,165         436,264         321,185         115,079           Land use         1,800         1,800         1,420         380           Assessor         10,250         10,250         6,875         3,375           Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 1,594,106         \$ 2,027,247         \$ 1,777,515  | General and financial administration:      |     |                    |                         |              |   |
| Independent auditor   | County administrator                       | \$  | 266,383 \$         | 267,218                 | 256,915 \$   | 10,303  |
| Commissioner of the revenue         253,156         257,056         251,556         5,500           Personal property         3,750         3,750         3,859         (109)           Data processing         284,165         436,264         321,185         115,079           Land use         1,800         1,800         1,420         380           Assessor         10,250         10,250         6,875         3,375           Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Circui  | Legal services                             |     | 80,840             | 190,840                 | 114,335      | 76,505  |
| Personal property         3,750         3,750         3,859         (109)           Data processing         284,165         436,264         321,185         115,079           Land use         1,800         1,800         1,420         380           Assessor         10,250         10,250         6,875         3,375           Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:           Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts general government administration:         \$ 1,694,106         \$ 75,274  | Independent auditor                        |     |                    |                         | 56,256       | (4,875)   |
| Data processing         284,165         436,264         321,185         115,079           Land use         1,800         1,800         1,420         380           Assessor         10,250         10,250         6,875         3,375           Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:           Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts:           Circuit court         \$ 40,784         \$ 75,274         \$ 67,707         \$ 7,567           Comtist         \$ 10,550         7,500  |  |     |                    |                         |              |   |
| Land use         1,800         1,800         1,420         380           Assessor         10,250         10,250         6,875         3,375           Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts:         Courts:         \$ 40,784         \$ 75,274         \$ 67,707         \$ 7,567           Courts:         \$ 40,784         \$ 75,274         \$ 67,707         \$ 7,567           Combined court         10,550         10,550         7,500         3,050           Clerk of the c   | Personal property                          |     | 3,750              | 3,750                   | 3,859        |   |
| Assessor   10,250   10,250   6,875   3,375     Finance department   231,394   243,269   227,120   16,149     Treasurer   290,017   292,856   291,943   913     Total general and financial administration   \$ 1,473,136   \$ 1,754,684   \$ 1,531,464   \$ 223,220     Board of Elections:   Electoral board and officials   \$ 50,460   \$ 100,707   \$ 92,476   \$ 8,231     Registrar   106,691   108,037   96,287   11,755     Total board of elections   \$ 157,151   \$ 208,744   \$ 188,763   \$ 19,981     Total general government administration   \$ 1,694,106   \$ 2,027,247   \$ 1,777,515   \$ 249,732     Judicial administration:   Courts:   Circuit court   \$ 40,784   \$ 75,274   \$ 67,707   \$ 7,567     Combined court   10,550   10,550   7,500   3,050     Clerk of the circuit court   362,645   368,511   357,408   11,103     Sheriff - court security   138,219   145,142   136,227   8,915     Majistrates   500   500   396   104     Victim witness program   60,676   63,503   59,801   3,702     Commissioner of accounts   \$ 614,094   664,200   629,759   34,441     Commonwealth's attorney:   \$ 367,498   418,984   410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$ 367,498   \$ 418,984   \$ 410,196   \$ 8,788     Commonwealth's attorney:   \$  |  |     |                    |                         | 321,185      |   |
| Finance department         231,394         243,269         227,120         16,149           Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts:           Circuit court         \$ 40,784         75,274         \$ 67,707         \$ 7,567           Combined court         10,550         10,550         7,500         3,050           Clerk of the circuit court         362,645         368,511         357,408         11,103           Sheriff - court security         138,219         145,142         136,227         8,915           Magistrates         500         500         396   | Land use                                   |     |                    |                         |              |   |
| Treasurer         290,017         292,856         291,943         913           Total general and financial administration         \$ 1,473,136         \$ 1,754,684         \$ 1,531,464         \$ 223,220           Board of Elections:         \$ 50,460         \$ 100,707         \$ 92,476         \$ 8,231           Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts:           Circuit court         \$ 40,784         \$ 75,274         \$ 67,707         \$ 7,567           Combined court         10,550         10,550         7,500         3,050           Clerk of the circuit court         362,645         368,511         357,408         11,103           Sheriff - court security         138,219         145,142         136,227         8,915           Magistrates         500         500         396         104           Victim witness program         60,676         63,503         59,801         3,702  |  |     |                    |                         |              |   |
| Total general and financial administration         \$ 1,473,136 \$ 1,754,684 \$ 1,531,464 \$ 223,220           Board of Elections:         Electoral board and officials         \$ 50,460 \$ 100,707 \$ 92,476 \$ 8,231           Registrar         106,691 108,037 96,287 11,750           Total board of elections         \$ 157,151 \$ 208,744 \$ 188,763 \$ 19,981           Total general government administration         \$ 1,694,106 \$ 2,027,247 \$ 1,777,515 \$ 249,732           Judicial administration:         Courts:           Circuit court         \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567           Combined court         10,550 10,550 7,500 3,050           Clerk of the circuit court         362,645 368,511 357,408 11,103           Sheriff - court security         138,219 145,142 136,227 8,915           Magistrates         500 500 396 104           Victim witness program         60,676 63,503 59,801 3,702           Commissioner of accounts         720 720 720 720 720 -           Total courts         \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441           Commonwealth's attorney:         \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788  |  |     |                    |                         |              |   |
| Board of Elections:   Electoral board and officials   \$ 50,460   \$ 100,707   \$ 92,476   \$ 8,231     Registrar   | Treasurer                                  | _   | 290,017            | 292,856                 | 291,943      | 913   |
| Electoral board and officials   \$ 50,460   \$ 100,707   \$ 92,476   \$ 8,231   | Total general and financial administration | \$_ | 1,473,136 \$       | 1,754,684               | 1,531,464 \$ | 223,220   |
| Registrar         106,691         108,037         96,287         11,750           Total board of elections         \$ 157,151         \$ 208,744         \$ 188,763         \$ 19,981           Total general government administration         \$ 1,694,106         \$ 2,027,247         \$ 1,777,515         \$ 249,732           Judicial administration:           Courts:           Circuit court         \$ 40,784         \$ 75,274         \$ 67,707         \$ 7,567           Combined court         10,550         10,550         7,500         3,050           Clerk of the circuit court         362,645         368,511         357,408         11,103           Sheriff - court security         138,219         145,142         136,227         8,915           Magistrates         500         500         396         104           Victim witness program         60,676         63,503         59,801         3,702           Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094         \$ 664,200         \$ 629,759         \$ 34,441           Commonwealth's attorney:           Commonwealth's attorney:         \$ 367,498         \$ 418,984         \$ 410,1   | Board of Elections:                        |     |                    |                         |              |   |
| Total board of elections \$ 157,151 \$ 208,744 \$ 188,763 \$ 19,981  Total general government administration \$ 1,694,106 \$ 2,027,247 \$ 1,777,515 \$ 249,732  Judicial administration:  Courts:  Circuit court \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567  Combined court 10,550 10,550 7,500 3,050  Clerk of the circuit court 362,645 368,511 357,408 11,103  Sheriff - court security 138,219 145,142 136,227 8,915  Magistrates 500 500 396 104  Victim witness program 60,676 63,503 59,801 3,702  Commissioner of accounts \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441  Commonwealth's attorney:  Commonwealth's attorney:  Commonwealth's attorney \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788  | Electoral board and officials              | \$  | 50,460 \$          | 100,707                 | 92,476 \$    | 8,231   |
| Total general government administration \$ 1,694,106 \$ 2,027,247 \$ 1,777,515 \$ 249,732 \$  Judicial administration:  Courts:  Circuit court \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567 \$ 7,567 \$ 60,645 \$ 368,511 \$ 357,408 \$ 11,103 \$ 60,645 \$ 368,511 \$ 357,408 \$ 11,103 \$ 60,645 \$ 60,676 \$ 63,503 \$ 60,676 \$ 63,50 | Registrar                                  | _   | 106,691            | 108,037                 | 96,287       | 11,750  |
| Judicial administration:         Courts:         Circuit court       \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567         Combined court       10,550 10,550 7,500 3,050         Clerk of the circuit court       362,645 368,511 357,408 11,103         Sheriff - court security       138,219 145,142 136,227 8,915         Magistrates       500 500 396 104         Victim witness program       60,676 63,503 59,801 3,702         Commissioner of accounts       720 720 720 720 -         Total courts       \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441         Commonwealth's attorney:       \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   | Total board of elections                   | \$_ | 157,151 \$         | 208,744                 | 188,763 \$   | 19,981  |
| Courts:       \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567         Combined court       10,550 10,550 7,500 3,050         Clerk of the circuit court       362,645 368,511 357,408 11,103         Sheriff - court security       138,219 145,142 136,227 8,915         Magistrates       500 500 396 104         Victim witness program       60,676 63,503 59,801 3,702         Commissioner of accounts       720 720 720 720 -         Total courts       \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441         Commonwealth's attorney:       \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788  | Total general government administration    | \$_ | 1,694,106 \$       | 2,027,247               | 1,777,515 \$ | 249,732   |
| Circuit court       \$ 40,784 \$ 75,274 \$ 67,707 \$ 7,567         Combined court       10,550       10,550       7,500       3,050         Clerk of the circuit court       362,645       368,511       357,408       11,103         Sheriff - court security       138,219       145,142       136,227       8,915         Magistrates       500       500       396       104         Victim witness program       60,676       63,503       59,801       3,702         Commissioner of accounts       720       720       720       720       -         Total courts       \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441         Commonwealth's attorney:       \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788  | Judicial administration:                   |     |                    |                         |              |   |
| Combined court         10,550         10,550         7,500         3,050           Clerk of the circuit court         362,645         368,511         357,408         11,103           Sheriff - court security         138,219         145,142         136,227         8,915           Magistrates         500         500         396         104           Victim witness program         60,676         63,503         59,801         3,702           Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094         664,200         \$ 629,759         \$ 34,441           Commonwealth's attorney:         \$ 367,498         \$ 418,984         \$ 410,196         \$ 8,788  | Courts:                                    |     |                    |                         |              |   |
| Clerk of the circuit court       362,645       368,511       357,408       11,103         Sheriff - court security       138,219       145,142       136,227       8,915         Magistrates       500       500       396       104         Victim witness program       60,676       63,503       59,801       3,702         Commissioner of accounts       720       720       720       -         Total courts       \$ 614,094       \$ 664,200       \$ 629,759       \$ 34,441         Commonwealth's attorney:       Commonwealth's attorney:       \$ 367,498       \$ 418,984       \$ 410,196       \$ 8,788   | Circuit court                              | \$  |                    |                         | 67,707 \$    |   |
| Sheriff - court security         138,219         145,142         136,227         8,915           Magistrates         500         500         396         104           Victim witness program         60,676         63,503         59,801         3,702           Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094         664,200         \$ 629,759         \$ 34,441           Commonwealth's attorney:         Commonwealth's attorney         \$ 367,498         \$ 418,984         \$ 410,196         \$ 8,788   |  |     | 10,550             | 10,550                  | 7,500        | 3,050   |
| Magistrates         500         500         396         104           Victim witness program         60,676         63,503         59,801         3,702           Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094         664,200         629,759         34,441           Commonwealth's attorney:         Commonwealth's attorney         \$ 367,498         418,984         410,196         \$ 8,788  |  |     |                    |                         |              |   |
| Victim witness program         60,676         63,503         59,801         3,702           Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441           Commonwealth's attorney:         Commonwealth's attorney         \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   | Sheriff - court security                   |     |                    | ,                       |              |   |
| Commissioner of accounts         720         720         720         -           Total courts         \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441           Commonwealth's attorney:         \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   |  |     |                    |                         |              |   |
| Total courts \$ 614,094 \$ 664,200 \$ 629,759 \$ 34,441  Commonwealth's attorney: Commonwealth's attorney \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   | • •  |     |                    |                         |              | 3,702   |
| Commonwealth's attorney:  Commonwealth's attorney \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   | Commissioner of accounts                   | _   | 720                | 720                     | 720          | <u>-</u>  |
| Commonwealth's attorney \$ 367,498 \$ 418,984 \$ 410,196 \$ 8,788   | Total courts                               | \$_ | 614,094 \$         | 664,200                 | 629,759 \$   | 34,441  |
|   | Commonwealth's attorney:                   |     |                    |                         |              |   |
| Total judicial administration \$ 981,592 \$ 1,083,184 \$ 1,039,955 \$ 43,229  | Commonwealth's attorney                    | \$_ | 367,498 \$         | 418,984                 | 410,196 \$   | 8,788   |
|   | Total judicial administration              | \$_ | 981,592 \$         | 1,083,184               | 1,039,955 \$ | 43,229  |

| Fund, Function, Activities and Elements                                  |     | Original<br>Budget |     | Budget<br>As<br>Amended |     | Actual          | `           | /ariance From<br>Amended<br>Budget<br>Favorable<br>(Unfavor.) |
|--|-----|--------------------|-----|-------------------------|-----|-----------------|-------------|---|
| Primary Government: (Continued) General Fund: (Continued) Public safety: |     |                    |     |                         |     |                 | _           |   |
| Law enforcement and traffic control:                                     |     |                    |     |                         |     |                 |             |   |
| Sheriff  | \$  | 2,270,081          | \$  | 2,693,362               | \$  | 2,471,767       | \$          | 221,595   |
| Public safety  |     | 68,569             |     | 69,127                  |     | 57,419          |             | 11,708  |
| E-911 system   |     | 938,101            |     | 1,259,761               |     | 1,097,730       |             | 162,031   |
| Total law enforcement and traffic control                                | \$  | 3,276,751          | \$  | 4,022,250               | \$  | 3,626,916       | \$          | 395,334   |
| Fire and rescue services:  |     |                    |     |                         |     |                 |             |   |
| Volunteer fire department  | \$  | 126,880            | \$  | 134,844                 | \$  | 131,844         | \$          | 3,000   |
| Ambulance and rescue service   |     | 90,000             |     | 118,764                 |     | 103,764         |             | 15,000  |
| Emergency medical services   |     | 2,132,218          |     | 3,185,072               |     | 3,235,733       |             | (50,661)  |
| EMS Council  |     | 7,743              |     | 7,743                   |     | 7,743           |             | -   |
| Total fire and rescue services   | \$  | 2,356,841          | \$  | 3,446,423               | \$  | 3,479,084       | \$          | (32,661)  |
| Correction and detention:  |     |                    |     |                         |     |                 |             |   |
| Confinement of prisoners   | \$  | 400                | \$  | 400                     | \$  | 9               | \$          | 391   |
| Regional jail  |     | 991,964            |     | 991,964                 |     | 926,059         |             | 65,905  |
| Jefferson area community corrections                                     |     | 8,286              |     | 8,286                   |     | 8,286           |             | -   |
| Juvenile detention   |     | 105,454            |     | 26,739                  |     | 75,229          |             | (48,490)  |
| Probation office   | _   | 19,579             |     | 19,579                  |     | 7,598           |             | 11,981  |
| Total correction and detention   | \$_ | 1,125,683          | \$_ | 1,046,968               | \$  | 1,017,181       | \$          | 29,787  |
| Inspections:   |     |                    |     |                         |     |                 |             |   |
| Building   | \$_ | 246,956            | \$  | 249,177                 |     | 249,029         | \$ <u> </u> | 148   |
| Total inspections  | \$_ | 246,956            | \$_ | 249,177                 | \$_ | 249,029         | \$_         | 148   |
| Other protection:  | \$  | 302,932            | ¢   | 227 902                 | ć   | 294 640         | ć           | 42 402  |
| Animal control and shelter facility                                      | Ş   | 50,458             | Ş   | 327,803                 | Ş   | 284,610         | Ş           | 43,193<br>4,337   |
| Line of Duty Act Services to abused families                             |     | 1,000              |     | 50,458<br>1,000         |     | 46,121<br>1,000 |             | 4,337   |
| Foothills Child Advocacy Center  |     | 2,400              |     | 2,400                   |     | 2,400           |             |   |
| Medical examiner (coroner)   |     | 500                |     | 500                     |     | 180             |             | 320   |
| Total other protection   | \$  | 357,290            | \$  | 382,161                 | \$  | 334,311         | \$          | 47,850  |
| Total public safety  | \$  | 7,363,521          | \$  | 9,146,979               | \$  | 8,706,521       | \$          | 440,458   |
| Public works:  |     |                    |     |                         |     |                 |             |   |
| Sanitation and waste removal:  |     |                    |     |                         |     |                 |             |   |
| County landfill  | \$_ | 580,626            | \$_ | 580,626                 | \$_ | 537,027         | \$_         | 43,599  |
| Total sanitation and waste removal                                       | \$_ | 580,626            | \$_ | 580,626                 | \$  | 537,027         | \$_         | 43,599  |
| Maintenance of general buildings and grounds:                            |     |                    |     |                         |     |                 |             |   |
| General properties   | \$  | 583,386            | \$_ | 648,760                 | \$  | 606,965         | \$_         | 41,795  |
| Total maintenance of general buildings and grounds                       | \$_ | 583,386            | \$_ | 648,760                 | \$  | 606,965         | \$          | 41,795  |
| Total public works   | \$_ | 1,164,012          | \$_ | 1,229,386               | \$  | 1,143,992       | \$          | 85,394  |
|  |     |                    |     |                         |     |                 |             |   |

| Fund, Function, Activities and Elements                                       |     | Original<br>Budget |       | Budget<br>As<br>Amended |     | Actual                                | _        | /ariance From<br>Amended<br>Budget<br>Favorable<br>(Unfavor.) |
|---|-----|--------------------|-------|-------------------------|-----|---------------------------------------|----------|---|
| Primary Government: (Continued) General Fund: (Continued) Health and welfare: |     |                    |       |                         |     |                                       |          |   |
| Health: Supplement of local health department                                 | \$  | 165,565            | ς     | 165,565                 | ς   | 158,700                               | ς        | 6,865   |
| supplement of toeat neutral department  | _   | 103,303            | - ~ - | 103,303                 | -~_ | 130,700                               | <b>-</b> | ·   |
| Total health  | \$_ | 165,565            | \$_   | 165,565                 | \$  | 158,700                               | \$       | 6,865   |
| Mental health and mental retardation: Chapter X board                         | \$  | 110,113            | Ś     | 110,113                 | \$  | 110,113                               | Ś        | _   |
| ·   | _   | <u> </u>           |       | <u> </u>                | _   | · · · · · · · · · · · · · · · · · · · | _        |   |
| Total mental health and mental retardation                                    | \$_ | 110,113            | \$_   | 110,113                 | \$  | 110,113                               | \$_      | -   |
| Welfare: Administration Tax relief for the elderly                            | \$  | 3,055,938          | \$    | 3,055,938               | \$  | 2,548,863<br>73,708                   | \$       | 507,075<br>(73,708)   |
| Piedmont Regional Dental Clinic   |     | 2,500              |       | 2,500                   |     | 2,500                                 |          | -   |
| CSA - at risk youth   | _   | 2,750,000          |       | 2,750,000               |     | 1,844,906                             | _        | 905,094   |
| Total welfare   | \$_ | 5,808,438          | \$_   | 5,808,438               | \$  | 4,469,977                             | \$       | 1,338,461   |
| Total health and welfare  | \$_ | 6,084,116          | \$_   | 6,084,116               | \$  | 4,738,790                             | \$       | 1,345,326   |
| Education:  |     |                    |       |                         |     |                                       |          |   |
| Contributions to community colleges   | \$  | 5,000              | \$    | 5,000                   | \$  | 5,000                                 | \$       | -   |
| Contributions to component unit school board                                  | _   | 9,780,846          |       | 10,553,400              | _   | 9,396,890                             | _        | 1,156,510   |
| Total education   | \$_ | 9,785,846          | \$    | 10,558,400              | \$  | 9,401,890                             | \$       | 1,156,510   |
| Parks, recreation and cultural: Parks and recreation:                         |     |                    |       |                         |     |                                       |          |   |
| Parks and recreation  | \$  | 125,368            | \$    | 127,129                 | \$  | 123,753                               | \$       | 3,376   |
| Recreation authority  | _   | 246,445            |       | 266,526                 | _   | 266,536                               | _        | (10)  |
| Total parks and recreation  | \$_ | 371,813            | \$_   | 393,655                 | \$  | 390,289                               | \$       | 3,366   |
| Cultural enrichment:  |     |                    |       |                         |     |                                       |          |   |
| Boys and girls club   | \$  | 2,000              | \$    | 127,000                 | \$  | 127,000                               | \$       | -   |
| Senior center   |     | 500                |       | 500                     |     | 500                                   |          | -   |
| Madison county fair   | _   | 500                |       | 500                     | _   | 500                                   | _        | -   |
| Total cultural enrichment   | \$_ | 3,000              | \$_   | 128,000                 | \$  | 128,000                               | \$       |   |
| Library:  |     |                    |       |                         |     |                                       |          |   |
| County library  | \$_ | 143,600            | \$_   | 143,600                 | \$  | 143,600                               | \$       |   |
| Total parks, recreation and cultural  | \$_ | 518,413            | \$_   | 665,255                 | \$  | 661,889                               | \$       | 3,366   |

| Fund, Function, Activities and Elements  |     | Original<br>Budget |     | Budget<br>As<br>Amended |     | Actual        | Variance From<br>Amended<br>Budget<br>Favorable<br>(Unfavor.) |
|--|-----|--------------------|-----|-------------------------|-----|---------------|---|
| Primary Government: (Continued)          |     |                    |     |                         |     |               |   |
| General Fund: (Continued)                |     |                    |     |                         |     |               |   |
| Community development:                   |     |                    |     |                         |     |               |   |
| Planning and community development:      |     |                    |     |                         |     |               |   |
| Planning commission                      | \$  | 14,140             | S   | 14,633                  | S   | 10,499 \$     | 4,134   |
| Zoning and planning                      | *   | 168,549            | *   | 171,601                 | Ψ.  | 169,905       | 1,696   |
| Economic development                     |     | 130,997            |     | 270,258                 |     | 260,963       | 9,295   |
| Foothills housing                        |     | 7,000              |     | 7,000                   |     | 7,000         |   |
| Aging together                           |     | 3,000              |     | 3,000                   |     | 3,000         | _   |
| Board of zoning appeals                  |     | 3,920              |     | 3,920                   |     | 2,546         | 1,374   |
| Board of building code appeals           |     | 400                |     | 400                     |     | -,            | 400   |
| Tourism                                  |     | 50,000             |     | 50,000                  |     | 39,562        | 10,438  |
| Planning district commission             |     | 16,382             |     | 16,382                  |     | 16,222        | 160   |
| Madison learning center                  |     | -                  |     | 14,695                  |     | 14,695        | -   |
| Town of Madison                          |     | -                  |     | 25,000                  |     | 26,713        | (1,713)   |
| Virginia regional transit                |     | 5,000              |     | 5,000                   |     | 5,000         | (.,,)   |
| Geographic information system            |     | 16,682             |     | 16,682                  |     | 12,004        | 4,678   |
| Piedmont workforce network               |     | 500                |     | 500                     |     | -             | 500   |
| Central Virginia Economic development    |     | 10,000             |     | 10,000                  |     | 10,000        |   |
| Skyline CAP                              | _   | 47,585             | _   | 47,585                  |     | 47,585        | -   |
| Total planning and community development | \$_ | 474,155            | \$_ | 656,656                 | \$_ | 625,694 \$    | 30,962  |
| Environmental management:                |     |                    |     |                         |     |               |   |
| Soil and water conservation district     | \$  | 29,321             | \$  | 29,321                  | \$  | 29,321 \$     | -   |
| Forestry service                         |     | 5,942              |     | 5,942                   |     | 5,942         | -   |
| Water quality management                 | _   | 1,000              | _   | 1,000                   |     | 1,000         | -   |
| Total environmental management           | \$_ | 36,263             | \$_ | 36,263                  | \$_ | 36,263 \$     | -   |
| Cooperative extension program:           |     |                    |     |                         |     |               |   |
| VPI extension                            | \$  | 113,009            | \$  | 113,009                 | \$  | 97,159 \$     | 15,850  |
| Northern VA 4-H center                   | _   | 750                | _   | 750                     | _   | 750           | -   |
| Total cooperative extension program      | \$_ | 113,759            | \$_ | 113,759                 | \$  | 97,909 \$     | 15,850  |
| Total community development              | \$_ | 624,177            | \$_ | 806,678                 | \$_ | 759,866 \$    | 46,812  |
| Nondepartmental:                         |     |                    |     |                         |     |               |   |
| Miscellaneous                            | \$  | 6,503              | \$  | 6,503                   | \$  | 2,401 \$      | 4,102   |
| Contingency                              | _   | 300,852            |     | 28,015                  | _   | 2,601         | 25,414  |
| Total nondepartmental                    | \$_ | 307,355            | \$_ | 34,518                  | \$_ | 5,002 \$      | 29,516  |
| Debt service:                            |     |                    |     |                         |     |               |   |
| Principal retirement                     | \$  | 631,533            | \$  | 642,646                 | \$  | 640,316 \$    | 2,330   |
| Interest and fiscal charges              | _   | 423,627            |     | 433,628                 | _   | 433,626       | 2   |
| Total debt service                       | \$_ | 1,055,160          | \$_ | 1,076,274               | \$  | 1,073,942 \$  | 2,332   |
| Total General Fund                       | \$  | 29,578,298         | Ş   | 32,712,037              | S   | 29,309,362 \$ | 3,402,675   |

| Fund, Function, Activities and Elements   |     | Original<br>Budget     | Budget<br>As<br>Amended |    | Actual                 | Variance From<br>Amended<br>Budget<br>Favorable<br>(Unfavor.) |
|---|-----|------------------------|-------------------------|----|------------------------|---|
| Primary Government: (Continued)   |     |                        |                         |    |                        |   |
| Capital Improvement Fund:   |     |                        |                         |    |                        |   |
| Capital Projects:   | ċ   | 4 407 000 ¢            | 4 255 440               | ċ  | 4 40E (20 ¢            | FO 840  |
| Office consolidation Renovations of existing facilities                             | \$  | 1,197,000 \$<br>50,000 | 1,255,468<br>50,000     | Ş  | 1,195,628 \$<br>11,657 | 59,840<br>38,343  |
| Public safety radio system  |     | 2,189,168              | 2,253,646               |    | 2,038,909              | 214,737   |
| ERP system upgrades   |     | 388,038                | 685,961                 |    | 385,968                | 299,993   |
| IT network upgrades   |     | 75,000                 | 114,043                 |    | 64,323                 | 49,720  |
| Miscellaneous   |     | 110,132                | 88,413                  |    | 24,829                 | 63,584  |
| School capital projects - debt funded   | _   | 7,808,975              | 7,808,975               |    | 6,877,542              | 931,433   |
| Total capital projects  | \$_ | 11,818,313 \$          | 12,256,506              | \$ | 10,598,856 \$          | 1,657,650   |
| Total Capital Improvement Fund  | \$_ | 11,818,313 \$          | 12,256,506              | \$ | 10,598,856 \$          | 1,657,650   |
| Total ExpendituresPrimary Government  | \$  | 41,396,611 \$          | 44,968,543              | \$ | 39,908,218 \$          | 5,060,325   |
| Discretely Presented Component Unit School Board: School Operating Fund: Education: |     |                        |                         |    |                        |   |
| Instruction   | S   | 14,429,801 \$          | 14,713,581              | S  | 14,666,935 \$          | 46,646  |
| Administration, attendance and health   | •   | 1,200,126              | 1,200,126               | •  | 1,207,922              | (7,796)   |
| Pupil transportation services   |     | 1,466,729              | 2,009,293               |    | 1,456,622              | 552,671   |
| Operation and maintenance services  |     | 2,181,333              | 2,265,122               |    | 2,148,830              | 116,292   |
| Technology  | _   | 691,702                | 980,597                 |    | 863,390                | 117,207   |
| Total education   | \$_ | 19,969,691 \$          | 21,168,719              | \$ | 20,343,699 \$          | 825,020   |
| Total School Operating Fund   | \$_ | 19,969,691 \$          | 21,168,719              | \$ | 20,343,699 \$          | 825,020   |
| Special Revenue Funds: School Cafeteria Fund: Education:                            |     |                        |                         |    |                        |   |
| School food program   | \$_ | 896,500 \$             | 1,446,500               | \$ | 1,124,009 \$           | 322,491   |
| School Capital Fund:<br>Capital Projects:   |     |                        |                         |    |                        |   |
| School projects   | \$_ | 26,126 \$              | 178,224                 | \$ | 43,645 \$              | 134,579   |
| Total capital projects  | \$  | 26,126 \$              | 178,224                 | \$ | 43,645 \$              | 134,579   |
| Total School Capital Fund   | \$  | 26,126 \$              | 178,224                 | Ş  | 43,645 \$              | 134,579   |
|   | =   |                        |                         |    |                        |   |



COUNTY OF MADISON, VIRGINIA

Government-Wide Expenses by Function Last Ten Fiscal Years

|         | Interest   | Community on | Development Debt Total |
|---------|------------|--------------|------------------------|
| ks      | ation      |              |                        |
| Parks   | Recreation | and          | n Cultural             |
|         |            |              | Education              |
|         | Health     | and          | Welfare                |
|         |            | Public       | Works                  |
|         |            | Public       | Safety                 |
|         | Judicial   | Adminis-     | tration                |
| General | Government | Adminis-     | tration                |
|         | ,          | Fiscal       | Year                   |

COUNTY OF MADISON, VIRGINIA

Government-Wide Revenues Last Ten Fiscal Years

|            | <u>a</u>                | Program Revenues  | les                         |                        |            |            |                 | <b>General Revenues</b> | Sevenues   |                |          |              |                                 |
|------------|-------------------------|-------------------|-----------------------------|------------------------|------------|------------|-----------------|-------------------------|------------|----------------|----------|--------------|---------------------------------|
|            |                         |                   |                             |                        |            |            |                 |                         |            | Grants and     | Revenues |              |                                 |
|            |                         |                   |                             |                        | Local      |            |                 |                         |            | Contributions  | from the |              |                                 |
|            | Charges                 | Operating         | Capital                     | General                | Sales      | Consumers' | Motor           | Restaurant              | Other      | Not Restricted | Use of   |              |                                 |
| Fiscal     | for                     | <b>Grants and</b> | <b>Grants and</b>           | Property               | and        | Utility    | Vehicle         | Food                    | Local      | to Specific    | Money &  | Miscella-    |                                 |
| Year       | Services                | Contributions     | Contributions Contributions | Taxes                  | Use Tax    | Тах        | Licenses        | Taxes                   | Taxes      | Programs (1)   | Property | neons        | Total                           |
|            | 1                       |                   |                             |                        | 1          |            |                 |                         |            |                |          | 1            |                                 |
| 2011-12 \$ | 2011-12 \$ 1,237,560 \$ | 4,168,508 \$      |                             | 6,250 \$ 13,623,003 \$ | 839,405 \$ |            | \$ 420,975 \$   |                         | 401,744 \$ | 1,756,719 \$   |          | 5 268,350 \$ | 99,377 \$ 268,350 \$ 23,474,628 |
| 2012-13    | 948,345                 | 4,302,181         |                             | 14,158,939             | 856,431    | 321,273    | 321,273 423,225 | 341,365                 | 418,580    | 1,749,093      | 112,497  | 613,492      | 24,245,421                      |
| 2013-14    | 1,062,962               | 4,650,409         | 4,601,477                   | 14,730,276             | 865,583    | 322,800    | 425,198         |                         | 408,787    | 1,749,820      | 120,246  | 290,046      | 29,579,439                      |
| 2014-15    | 1,015,066               | 5,016,167         |                             | 14,880,317             | 965,923    | 334,364    | 436,137         | 380,853                 | 421,898    | 1,727,109      | 106,236  | 290,340      | 25,574,410                      |
| 2015-16    | 1,030,798               | 5,301,202         |                             | 14,881,805             | 982,248    | 334,021    | 447,600         | 401,303                 | 432,878    | 1,736,350      | 115,497  | 386,279      | 26,049,981                      |
| 2016-17    | 883,213                 | 5,510,808         |                             | 15,244,661             | 1,021,382  | 339,369    | 446,360         | 445,670                 | 472,885    | 1,716,160      | 131,991  | 308,067      | 26,520,566                      |
| 2017-18    | 908,233                 | 4,843,204         |                             | 15,727,481             | 1,040,502  | 345,329    | 456,558         | 463,480                 | 448,124    | 1,709,968      | 163,658  | 350,384      | 26,456,921                      |
| 2018-19    | 988,321                 | 4,995,475         | •                           | 16,437,813             | 1,074,001  | 354,993    | 468,604         | 502,163                 | 508,854    | 1,667,646      | 239,955  | 724,702      | 27,962,527                      |
| 2019-20    | 929,018                 | 5,311,740         | 254,935                     | 17,245,381             | 1,223,259  | 356,731    | 472,768         | 479,074                 | 453,308    | 1,646,300      | 176,786  | 271,285      | 28,820,585                      |
| 2020-21    | 866,797                 | 7,210,089         | 200,689                     | 18,026,546             | 1,486,571  | 361,341    | 465,000         | 558,670                 | 742,448    | 1,594,100      | 70,109   | 261,175      | 31,843,535                      |

COUNTY OF MADISON, VIRGINIA

General Government Revenues by Source (1) Last Ten Fiscal Years

| Total   | 34,052,784    | 35,541,333 | 35,733,183 | 36,703,658 | 37,644,775 | 38,621,519 | 38,690,659 | 40,619,472 | 41,250,277 | 45,103,956 |
|---|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Inter-<br>governmental (2)                            | 15,606,531 \$ | 16,559,976 | 16,795,001 | 17,107,278 | 17,568,139 | 18,154,186 | 17,888,757 | 17,755,080 | 18,758,379 | 21,573,132 |
| Recovered<br>Costs go                                 | \$            |            |            |            |            |            |            |            |            | 1          |
| Miscel-<br>laneous                                    | 741,178 \$    | 909,130    | 519,461    | 994,669    | 1,063,394  | 1,106,690  | 407,068    | 1,646,439  | 999,950    | 655,547    |
| Charges<br>for<br>Services                            | 1,304,487 \$  | 987,866    | 968,135    | 919,345    | 968,408    | 827,494    | 1,552,193  | 828,719    | 840,731    | 614,713    |
| Revenues<br>from the<br>Use of<br>Money &<br>Property | 129,874 \$    | 146,549    | 152,516    | 128,613    | 123,980    | 132,017    | 165,346    | 241,999    | 178,819    | 70,114     |
| Fines &<br>Forfeitures                                | 152,815 \$    | 164,756    | 189,681    | 218,303    | 170,894    | 170,298    | 182,666    | 159,000    | 135,608    | 49,818     |
| Permits, Privilege Fees & Regulatory Licenses         | 164,269 \$    | 161,826    | 242,529    | 176,783    | 212,473    | 222,790    | 188,292    | 262,981    | 214,208    | 242,448    |
| Other<br>Local<br>Taxes                               | 2,314,861 \$  | 2,360,874  | 2,374,203  | 2,539,175  | 2,598,050  | 2,725,666  | 2,753,993  | 2,908,615  | 2,985,140  | 3,614,030  |
| General<br>Property<br>Taxes (3)                      | 13,638,769 \$ | 14,250,356 | 14,491,657 | 14,916,195 | 14,939,437 | 15,282,378 | 15,552,344 | 16,816,639 | 17,137,442 | 18,284,154 |
| Fiscal  | 2011-12 \$    | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    | 2019-20    | 2020-21    |

<sup>(1)</sup> Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit.

<sup>(2)</sup> The General Fund contributions to the Component Unit School Board are not included.

<sup>(3)</sup> In 2009, the County changed to semiannual collections for real estate taxes. In the year of change one and a half years of real estate taxes were collected.

COUNTY OF MADISON, VIRGINIA

General Government Expenditures by Function (1) Last Ten Fiscal Years

| Total                           | 32,631,943                        | 36,066,667 | 39,421,332 | 42,175,516 | 36,881,685 | 37,379,721 | 39,932,900 | 38,688,648 | 51,106,608 | 52,215,995 |
|---------------------------------|-----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Debt<br>Service                 | 52,249 \$ 1,892,410 \$ 32,631,943 | 2,581,873  | 1,232,766  | 1,428,288  | 1,447,093  | 1,453,435  | 3,517,411  | 1,488,661  | 9,571,001  | 1,073,942  |
| Capital<br>Projects             | 52,249 \$                         | 1,038,856  | 4,663,682  | 6,539,841  | 400,226    | 38,000     | 180,048    | 416,203    | 2,673,011  | 10,642,501 |
| Non-<br>departmental            | 90,040 \$                         | 130,309    | 36,702     | 5,584      | 1,116      | 64,096     | 702        | 5,911      | 4,795      | 5,002      |
| Community<br>Develop-<br>ment   | 481,807 \$                        | 481,924    | 508,977    | 595,144    | 535,745    | 544,945    | 631,453    | 569,985    | 826,062    | 759,866    |
| Recreation<br>and<br>Cultural   | 314,751 \$                        | 360,431    | 435,199    | 420,701    | 476,491    | 356,465    | 361,640    | 454,131    | 521,812    | 661,889    |
| Education(2)                    | 3,795,114 \$ 18,111,745 \$        | 18,972,672 | 19,094,380 | 19,626,160 | 19,804,268 | 20,194,751 | 21,052,695 | 20,821,906 | 21,379,062 | 21,666,022 |
| Health<br>and<br>Welfare        | 3,795,114 \$                      | 4,454,921  | 4,731,099  | 4,950,311  | 5,582,522  | 5,900,655  | 4,692,827  | 4,881,655  | 5,001,895  | 4,738,790  |
| Public<br>Works                 | 1,184,056 \$                      | 1,146,436  | 999,430    | 1,025,561  | 950,854    | 946,045    | 921,347    | 1,132,134  | 1,168,473  | 1,143,992  |
| Public<br>Safety                | 730,518 \$ 4,915,378 \$ 1,        | 4,869,780  | 5,634,475  | 5,465,454  | 5,506,166  | 5,609,963  | 6,167,216  | 6,443,324  | 7,321,576  | 8,706,521  |
| Judicial<br>Admini-<br>stration | 730,518 \$                        | 763,682    | 865,373    | 819,898    | 848,738    | 918,656    | 918,471    | 899,824    | 944,204    | 1,039,955  |
| General<br>Admini-<br>stration  | 2011-12 \$ 1,063,875 \$           | 1,265,783  | 1,219,249  | 1,298,574  | 1,328,466  | 1,352,710  | 1,489,090  | 1,574,914  | 1,694,717  | 1,777,515  |
| Fiscal                          | 2011-12 \$                        | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    | 2019-20    | 2020-21    |

<sup>(1)</sup> Includes General and Capital Improvement Funds of the primary government and its discretely presented component unit.

(2) The General Fund contributions to the Component Unit School Board are not included.

COUNTY OF MADISON, VIRGINIA

Property Tax Levies and Collections Last Ten Fiscal Years

| Total (1)<br>Tax Levy | ı<br>I | Current<br>Tax (1) (3)<br>Collections | Percent<br>of Levy<br>Collected | Delinquent (1) Tax (2) Collections | Total<br>Tax<br>Collections | Percent of Total Tax Collections to Tax Levy | Outstanding (1) Delinquent Taxes | Percent of Delinquent Taxes to Tax Levy |
|-----------------------|--------|---------------------------------------|---------------------------------|------------------------------------|-----------------------------|--|----------------------------------|---|
| 13,415,!              | 513 \$ | 12,322,112 \$                         | 91.85% \$                       | 949,858 \$                         | 13,271,970                  | 98.93% \$                                    | 1,137,175 \$                     | 8.48%                                   |
| 14,099,257            | 257    | 13,045,127                            | 92.52%                          | 902,588                            | 13,947,715                  | 98.93%                                       | 1,163,158                        | 8.25%                                   |
| 14,346,               | 454    | 13,203,008                            | 92.03%                          | 931,044                            | 14,134,052                  | 98.52%                                       | 1,359,533                        | 9.48%                                   |
| 14,599,617            | 617    | 13,851,493                            | 94.88%                          | 702,747                            | 14,554,240                  | %69.66                                       | 1,457,348                        | 86.6                                    |
| 14,705,               | 489    | 13,404,674                            | 91.15%                          | 1,175,209                          | 14,579,883                  | 99.15%                                       | 1,457,348                        | 9.91%                                   |
| 14,974,               | 584    | 13,894,171                            | 92.79%                          | 1,013,226                          | 14,907,397                  | 99.55%                                       | 1,454,428                        | 9.71%                                   |
| 15,436,               | 200    | 14,218,972                            | 92.11%                          | 962,988                            | 15,181,960                  | 98.35%                                       | 1,455,940                        | 9.43%                                   |
| 16,035,               | 565    | 15,090,736                            | 94.11%                          | 1,260,211                          | 16,350,947                  | 101.97%                                      | 1,295,330                        | 8.08%                                   |
| 2019-20 16,916,735    | 735    | 15,555,982                            | 91.96%                          | 1,274,956                          | 16,830,938                  | 99.49%                                       | 1,282,875                        | 7.58%                                   |
| 17,510,314            | 314    | 16,700,999                            | 95.38%                          | 1,241,098                          | 17,942,097                  | 102.47%                                      | 1,143,439                        | 6.53%                                   |

<sup>(1)</sup> Exclusive of penalties and interest.

(3) Includes Commonwealth of Virginia Personal Property Tax Relief Act funds.

<sup>(2)</sup> Does not include land redemptions.

Assessed Value of Taxable Property (1) Last Ten Fiscal Years

|                |                    |                      |                 | Machinery    |                           |                   |               |
|----------------|--------------------|----------------------|-----------------|--------------|---------------------------|-------------------|---------------|
| Fiscal<br>Year | Real<br>Estate (2) | Personal<br>Property | Mobile<br>Homes | and<br>Tools | Merchants'<br>Capital     | Public<br>Service | Total         |
| 2011 12 ¢      | 1 078 2EE 1EO \$   | 115 603 303 ¢        | 4 254 200 ¢     | 1 204 JEO ¢  | 74 649 756 6              | \$ 240 007 \$     | 7 171 462 056 |
| ¢ 71-1107      | t 001,007,016,1    | 1 13,002,303 4       | t 000,100,1     | 4,000,400    | ¢ 001,010, <del>1</del> 2 | ÷ //0,0+2,/+      | 2,171,402,030 |
| 2012-13        | 1,785,742,800      | 116,902,835          | 1,367,700       | 3,801,840    | 22,921,593                | 46,116,154        | 1,976,852,922 |
| 2013-14        | 1,591,460,450      | 117,824,549          | 1,104,500       | 3,844,827    | 20,776,576                | 44,805,961        | 1,779,816,863 |
| 2014-15        | 1,605,038,450      | 118,207,845          | 1,142,200       | 4,144,481    | 24,428,195                | 48,828,075        | 1,801,789,246 |
| 2015-16        | 1,620,377,400      | 114,334,699          | 1,160,600       | 4,071,363    | 24,036,071                | 47,366,304        | 1,811,346,437 |
| 2016-17        | 1,635,149,750      | 118,763,510          | 1,192,500       | 4,469,521    | 26,384,953                | 45,692,315        | 1,831,652,549 |
| 2017-18        | 1,677,006,075      | 125,966,256          | 1,224,400       | 4,997,202    | 28,532,503                | 47,090,233        | 1,884,816,669 |
| 2018-19        | 1,703,493,550      | 131,516,620          | 1,287,500       | 4,738,091    | 25,940,260                | 47,201,812        | 1,914,177,833 |
| 2019-20        | 1,759,341,250      | 138,003,080          | 1,077,500       | 7,984,750    | 27,559,017                | 50,521,011        | 1,984,486,608 |
| 2020-21        | 1,775,753,150      | 142,521,415          | 1,001,000       | 8,153,340    | 27,539,360                | 52,655,352        | 2,007,623,617 |
|                |                    |                      |                 |              |                           |                   |               |

100% fair market value.
 FY 09 includes 2008 and 1st half of 2009 assessment. FY 09 was the first year the County collected Real Estate
Taxes in semiannual installments.

Property Tax Rates (1) Last Ten Fiscal Years

| Merchants'<br>Capital (2)     | 0.86         | 0.86      | 98.0      | 98.0    | 98.0    | 0.86    | 0.86    | 0.86      | 98.0      | 0.86      |
|-------------------------------|--------------|-----------|-----------|---------|---------|---------|---------|-----------|-----------|-----------|
| Machinery<br>and<br>Tools (2) | 1.62 \$      | 1.67      | 1.67      | 1.67    | 1.67    | 1.67    | 1.67    | 1.67      | 1.67      | 1.67      |
| Mobile<br>Homes               | 0.50 \$      | 0.53      | 0.67      | 0.68    | 0.68    | 0.68    | 0.68    | 0.68      | 0.70      | 0.71/0.74 |
| Personal<br>Property (2)      | 2.95/2.80 \$ | 3.45/2.80 | 3.45      | 3.45    | 3.45    | 3.45    | 3.45    | 3.45      | 3.45      | 3.45      |
| Real<br>Estate                | 0.50/0.53 \$ | 0.53/0.67 | 0.67/0.68 | 0.68    | 0.68    | 0.68    | 0.68    | 0.70/0.68 | 0.70/0.71 | 0.71/0.74 |
| Fiscal<br>Years               | 2011-12 \$   | 2012-13   | 2013-14   | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19   | 2019-20   | 2020-21   |

(1) Per \$100 of assessed value.

(2) Levied at 20% of fair market value through FY 05 -- at 100% in FY 06.

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

| Net<br>Bonded<br>Debt per<br>Capita                                   | 361                        | 966           | 926           | 086           | 946           | 872           | 793           | 869           | 1,877         | 1,760         |
|---|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Ratio of Net<br>General<br>Obligation<br>Debt to<br>Assessed<br>Value | 0.0022                     | 0.0067        | 0.0072        | 0.0072        | 0.0069        | 0.0063        | 0.0056        | 0.0048        | 0.0126        | 0.0121        |
| Net<br>Bonded<br>Debt   | 4,810,000                  | 13,242,500    | 12,881,500    | 12,939,000    | 12,483,000    | 11,513,000    | 10,466,510    | 9,282,490     | 24,951,000    | 24,347,000    |
| Gross<br>Bonded<br>Debt (3)   | 4,810,000 \$               | 13,242,500    | 12,881,500    | 12,939,000    | 12,483,000    | 11,513,000    | 10,466,510    | 9,282,490     | 24,951,000    | 24,347,000    |
| Assessed<br>Value<br>(2)  | 13,308 \$ 2,171,462,056 \$ | 1,976,852,922 | 1,779,816,863 | 1,801,789,246 | 1,811,346,437 | 1,831,652,549 | 1,884,816,669 | 1,914,177,833 | 1,984,486,608 | 2,007,623,617 |
| Population (1)  | 13,308 \$                  | 13,308        | 13,200        | 13,200        | 13,200        | 13,200        | 13,200        | 13,295        | 13,295        | 13,837        |
| Fiscal<br>Year  | 2011-12                    | 2012-13       | 2013-14       | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19       | 2019-20       | 2020-21       |

<sup>(1)</sup> Bureau of the Census.

<sup>(2)</sup> From Table 6.

<sup>(3)</sup> Includes all long-term general obligation bonded debt and Literary Fund Loans. Excludes compensated absences and landfill closure liability.

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Governmental Expenditures Last Ten Years

| Ratio of Debt Service to General Governmental Expenditures | 5.65%        | 7.16%      | 3.25%      | 3.39%      | 3.92%      | 3.89%      | 8.81%      | 3.85%      | 18.44%        | 2.06%      |
|--|--------------|------------|------------|------------|------------|------------|------------|------------|---------------|------------|
| Total<br>General<br>Governmental<br>Expenditures (1)       | 32,631,943   | 36,066,667 | 39,421,332 | 42,175,516 | 36,881,685 | 37,379,721 | 39,932,900 | 38,688,648 | 51,106,608    | 52,215,995 |
| Total<br>Debt<br>Service                                   | 1,842,459 \$ | 2,581,873  | 1,282,716  | 1,428,288  | 1,447,093  | 1,453,435  | 3,517,411  | 1,488,661  | 9,425,387     | 1,073,942  |
| Interest   | 144,328 \$   | 133,710    | 274,563    | 308,377    | 299,673    | 288,237    | 271,582    | 247,483    | 428,425 (2)   | 433,626    |
| Principal  | 1,698,131 \$ | 2,448,163  | 1,008,153  | 1,119,911  | 1,147,420  | 1,165,198  | 3,245,829  | 1,241,178  | 8,996,962 (2) | 640,316    |
| Fiscal   | 2011-12 \$   | 2012-13    | 2013-14    | 4-15       | 2015-16    | 2016-17    | 7-18       | 2018-19    | 2019-20       | 2020-21    |
| Ë ×  | 201          | 201,       | 201        | 201        | 201        | 2016       | 2017       | 2018       | 201           | 202(       |

<sup>(1)</sup> Includes primary government and discretely presented component unit.(2) Includes debt that was refunded in FY 20.





# ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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 Madison, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of County of Madison, 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 Madison, Virginia's basic financial statements, and have issued our report thereon dated December 9, 2021.

## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Madison, 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 Madison, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Madison, 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 Madison, Virginia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

# Purpose of this Report

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

holimon, Found, lox associats Charlottesville, Virginia December 9, 2021



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

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

To the Honorable Members of the Board of Supervisors County of Madison, Virginia

## Report on Compliance for Each Major Federal Program

We have audited County of Madison, 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 Madison, Virginia's major federal programs for the year ended June 30, 2021. County of Madison, Virginia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

# Management's Responsibility

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

## Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of County of Madison, 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* (CFR) 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 Madison, 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 Madison, Virginia's compliance.

## Opinion on Each Major Federal Program

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

## Report on Internal Control over Compliance

Management of County of Madison, 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 Madison, 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 Madison, 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.

Charlottesville, Virginia

holimon, Found, lox associets

December 9, 2021

|   | Federal<br>Assistance | Pass-through Entity<br>Identifying | Passed<br>through to |            | Federal      |
|---|-----------------------|------------------------------------|----------------------|------------|--------------|
| Federal Grantor/Pass - Through Grantor/Program or Cluster Title | Listing               | Number                             | Subrecipient         | ts_        | Expenditures |
| Primary Government:   |                       |                                    |                      |            |              |
| Department of Justice   |                       |                                    |                      |            |              |
| Pass Through Payments:  |                       |                                    |                      |            |              |
| Department of Criminal Justice Services:                        |                       |                                    |                      |            |              |
| COVID-19-Coronavirus Emergency Supplemental Funding Program     | 16.034                | 20-A5063CE20 CESF                  | \$                   | - \$       | 41,078       |
| Crime Victim Assistance   | 16.575                | CJS5601701                         |                      | -          | 44,851       |
| Total Department of Justice                                     |                       |                                    | \$                   | - \$       | 85,929       |
| Department of Health and Human Services:                        |                       |                                    |                      |            |              |
| Direct Payments:  |                       |                                    |                      |            |              |
| COVID-19-Provider Relief Fund                                   | 93.498                | N/A                                | \$                   | - \$       | 12,994       |
| Pass Through Payments:  |                       |                                    | •                    |            | ,            |
| Department of Social Services:                                  |                       |                                    |                      |            |              |
| MaryLee Allen Promoting Safe and Stable Families Program        | 93.556                | 0950109/0950110                    |                      | _          | 9,241        |
| Temporary Assistance for Needy Families                         | 93.558                | 0400109/0400110                    |                      |            | 105,065      |
| Refugee and Entrant Assistance - State/Replacement              |                       |                                    |                      |            | ,            |
| Designee Administered Programs                                  | 93.566                | 0500109/0500110                    |                      | _          | 226          |
| Low-Income Home Energy Assistance                               | 93.568                | 0600409/0600410                    |                      | _          | 16,577       |
| Child Care Mandatory and Matching Funds of the Child            |                       |                                    |                      |            | ,            |
| Care and Development Fund(CCDF Cluster)                         | 93.596                | 0760109/0760110                    |                      | _          | 22,305       |
| Chafee Education and Training Vouchers Program                  | 93.599                | 9160110                            |                      | _          | 6,670        |
| Adoption and Legal Guardianship Incentive Payments              | 93.603                | 1130116/1130117                    |                      | _          | 400          |
| Stephanie Tubbs Jones Child Welfare Services Program            | 93.645                | 0900109/0900110                    |                      | _          | 62           |
| Foster Care - Title IV-E  | 93.658                | 1100109/1100110                    |                      |            | 226,805      |
| Adoption Assistance   | 93.659                | 1120109/1120110                    |                      | _          | 334,228      |
| Social Services Block Grant                                     | 93.667                | 1000109/1000110                    |                      |            | 132,127      |
| John H. Chafee Foster Care Program for Successful               | 73.007                | 1000107/1000110                    |                      |            | 132,127      |
| Transition to Adulthood   | 93.674                | 9150108/9150109/91501110           |                      |            | 9,833        |
| John H. Chafee Foster Care Program for Successful               | 73.074                | 7130108/7130107/71301110           |                      | -          | 7,033        |
| Transition to Adulthood   | 93.674                | 9152121.000                        |                      |            | 721          |
| Total 93.674  | 73.074                | 9132121.000                        |                      | _          | 10,554       |
| Children's Health Insurance Program                             | 93.767                | 0540109/0540110                    |                      | -          | 2,274        |
| •   | 93.778                | 1200109/1200110                    |                      | -          |              |
| Medical Assistance Program (Medicaid Cluster)                   | 93.770                | 1200109/1200110                    |                      | <u> </u>   | 192,350      |
| Total Department of Health and Human Services                   |                       |                                    | \$                   | - \$       | 1,071,878    |
| Election Assistance Commission:                                 |                       |                                    |                      |            |              |
| Pass through Payments:  |                       |                                    |                      |            |              |
| Virginia Department of Elections:                               |                       |                                    |                      |            |              |
| COVID-19-2018 HAVA Election Security Grants                     | 90.404                | Not available                      | \$                   | - \$       | 44,118       |
| Department of Homeland Security:                                |                       |                                    |                      |            |              |
| Pass Through Payments:  |                       |                                    |                      |            |              |
| Virginia Department of Emergency Management:                    |                       |                                    |                      |            |              |
|   | 07.042                | Not available                      | ċ                    | ċ          | 7 500        |
| Emergency Management Performance Grants                         | 97.042                | Not available                      | \$                   | <u>-</u> > | 7,500        |
| Total Department of Homeland Security                           |                       |                                    | \$                   | - \$       | 7,500        |
| Department of Agriculture:                                      |                       |                                    |                      |            |              |
| Pass Through Payments:  |                       |                                    |                      |            |              |
| Department of Social Services:                                  |                       |                                    |                      |            |              |
| State Administrative Matching Grants for the Supplemental       |                       |                                    |                      |            |              |
| nutrition assistance program (SNAP Cluster)                     | 10.561                | 0010111/0010112/0040111/0040112    | \$                   | - \$       | 256,794      |
|   |                       |                                    | •                    | —'         |              |
| Total Department of Agriculture                                 |                       |                                    | \$                   | - \$       | 256,794      |
|   |                       |                                    |                      | _          |              |

Schedule of Expenditures of Federal Awards Year Ended June 30, 2021 (continued)

| Federal Grantor/Pass - Through Grantor/Program or Cluster Title      | Federal<br>Assistance<br>Listing | Pass-through Entity<br>Identifying<br>Number |          | Passed<br>through to<br>ubrecipients | Federal<br>Expenditures |
|--|----------------------------------|--|----------|--------------------------------------|-------------------------|
| Primary Government: (continued)                                      |                                  |  |          |                                      |                         |
| Department of Treasury:  |                                  |  |          |                                      |                         |
| Pass Through Payments:   |                                  |  |          |                                      |                         |
| Virginia Department of Accounts:<br>COVID-19-Coronavirus Relief Fund | 21.019                           | CI TOOO                                      | ċ        | 174 712 ¢                            | 2 100 019               |
| COVID-19-Coronavirus Retier Fund                                     | 21.019                           | SLT0022                                      | \$       | 176,713 \$                           | 2,199,018               |
| Total Expenditures of Federal Awards-Primary Government              |                                  |  | \$       | 176,713                              | 3,665,237               |
| Component Unit School Board:   |                                  |  |          |                                      |                         |
| Department of Agriculture:   |                                  |  |          |                                      |                         |
| Pass Through Payments:   |                                  |  |          |                                      |                         |
| Department of Agriculture:   |                                  |  |          |                                      |                         |
| Food Distribution (Child Nutrition Cluster)                          | 10.555                           | 2013IN109941/2014IN109941                    | \$       | - \$                                 | 42,959                  |
| Department of Agriculture:   | 40.550                           | 204211400044/204411400044                    |          |                                      | /5/                     |
| Food Distribution (Child Nutrition Cluster)                          | 10.559                           | 2013IN109941/2014IN109941                    |          | -                                    | 656                     |
| COVID-19-Summer Food Service Program for Children                    | 40 FF0                           | 204211400044/204411400044                    |          |                                      | 227 244                 |
| (Child Nutrition Cluster)  | 10.559                           | 2013IN109941/2014IN109941                    |          | -                                    | 337,244                 |
| Summer Food Service Program for Children (Child Nutrition Cluster)   | 10.559                           | 2013IN109941/2014IN109941                    |          |                                      | 1,034,539               |
| Total 10.559   | 10.337                           | 20131110774172014111107741                   |          | <u>-</u>                             | 1,372,439               |
|  |                                  |  |          |                                      | ,- ,                    |
| Total Department of Agriculture/Child Nutrition Cluster              |                                  |  | \$       | - ç                                  | 1,415,398               |
| Department of Health and Human Services:                             |                                  |  |          |                                      |                         |
| Pass Through Payments:   |                                  |  |          |                                      |                         |
| Department of Education:   |                                  |  |          |                                      |                         |
| Temporary Assistance for Needy Families                              | 93.558                           | Not Available                                | \$       | - 9                                  | 7,841                   |
| Total Department of Health and Human Services                        |                                  |  | \$       |                                      | 7,841                   |
| Department of Treasury:  |                                  |  |          |                                      |                         |
| Pass Through Payments:   |                                  |  |          |                                      |                         |
| Department of Education:   |                                  |  |          |                                      |                         |
| COVID-19-Coronavirus Relief Fund                                     | 21.019                           | SLT0218                                      | \$       | <u> </u>                             | 283,780                 |
| Total Department of Treasury   |                                  |  | \$       | <u>-</u> _\$                         | 283,780                 |
| Department of Education:   |                                  |  |          |                                      |                         |
| Pass Through Payments:   |                                  |  |          |                                      |                         |
| Department of Education:   |                                  |  |          |                                      |                         |
| Title I Grants to Local Educational Agencies                         | 84.010                           | S010A120046/S010130046                       | \$       | - \$                                 | ,                       |
| Supporting Effective Instruction State Grants                        | 84.367                           | S367A120044/S367A13044                       |          | -                                    | 72,122                  |
| English Language Acquisition State Grants                            | 84.365                           | Not Available                                |          | -                                    | 1,234                   |
| Special Education - Grants to States (Special Education Cluster)     | 84.027                           | H027A120107/H027A130107                      |          | _                                    | 452,889                 |
| Special Education - Preschool Grants (Special Education Cluster)     | 84.173                           | H173A120112/H173A130112                      |          | _                                    | 11,148                  |
| Special Education Cluster Total                                      |                                  |  | _        |                                      | 464,037                 |
| Student Support and Academic Enrichment Program                      | 84.424                           | S424A170048                                  |          | -                                    | 29,161                  |
| COVID-19 Education Stabilization Fund:                               |                                  |  |          |                                      | ,                       |
| Governor's Emergency Education Relief Fund                           | 84.425C                          | S425C200042                                  |          | -                                    | 79,500                  |
| Elementary and Secondary School Emergency Relief Fund                | 84.425D                          | S425D200008                                  |          | -                                    | 12,515                  |
| Total 84.425   |                                  |  |          | -                                    | 92,015                  |
| Career and Technical Education - Basic Grants to States              | 84.048                           | V048A120046/V048A130046                      |          | -                                    | 36,307                  |
| Total Department of Education  |                                  |  | \$       | - \$                                 | 1,073,203               |
| Total Expenditures of Federal Awards-Component Unit School Board     |                                  |  | \$       | - \$                                 | 2,780,222               |
| Total Expenditures of Federal Awards-Reporting Entity                |                                  |  | <u> </u> | 176,713                              |                         |
|  |                                  |  | <b>–</b> | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,  | = 0,113,137             |

See accompanying notes to the schedule of expenditures of federal awards.

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 Madison, 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 the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the County of Madison, Virginia, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County of Madison, Virginia.

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

- (1) Expenditures 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 - De Minimis Cost Rate

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

#### Note 5 - Loan Balances

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

#### Note 6 - 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  | \$_ | 3,747,257 |
| Total primary government  | \$_ | 3,747,257 |
| Component Unit School Board:  |     |           |
| School Operating Fund   | \$  | 1,364,824 |
| School Cafeteria Fund   | _   | 1,415,397 |
| Total component unit school board   | \$  | 2,780,221 |
| Total federal expenditures per basic financial  | _   |           |
| statements  | \$_ | 6,527,478 |
| Add Provider Relief Funds reported on the prior year Schedule of Expenditures of Federal Awards | \$  | 12,994    |
| Payments in lieu of taxes   | _   | (95,013)  |
| Total federal expenditures per the Schedule of Expenditures of Federal Awards                   | \$_ | 6,445,459 |

### Note 7 - Provider Relief Funds

For fiscal years ended (FYE) on or before June 29, 2021, no Provider Relief Fund (PRF) expenditures (including lost revenue) should have been reported on the SEFA. Due to guidance available when the FYE 2020 report was issued, the entity reported \$12,994 of PRF expenditures on the FYE 2020 SEFA with no significant impact on the SEFA. Based on current guidance from the Department of Health and Human Services (HHS), PRF expenditures (including lost revenue) are to be reported on the SEFA based upon PRF reports submitted through the Health Resources and Services Administration (HRSA) reporting portal. Therefore, the amount of PRF expenditures included on the FYE June 30, 2021 SEFA is based upon the PRF reporting portal guidelines for Period 1, as specified by HHS.

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

### Section I - Summary of Auditors' Results

**Financial Statements** 

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiency(ies) identified?

None reported

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Significant deficiency(ies) identified?

None reported

Type of auditors' report issued on compliance

for major programs: Unmodified

Any audit findings disclosed that are required to be reported

in accordance with 2 CFR Section 200.516(a)?

Identification of major programs:

| CFDA # | Name of Federal Program or Cluster                        |
|--------|---|
| 21.019 | COVID-19-Coronavirus Relief Fund                          |
| 10.561 | State Administrative Matching Grants for the Supplemental |
|        | nutrition assistance program (SNAP Cluster)               |

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

programs \$750,000

Auditee qualified as low-risk auditee?

**Section II - Financial Statement Findings** 

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

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

Section IV - Prior Year Findings and Questioned Costs

There are no prior year findings and questioned costs to report.